

17th

APPLICABLE TOWARD CPD REQUIREMENT

Taxation of Corporate Reorganization

An all-new program with Canada's leading tax experts on the latest strategies for tax-effective corporate sales, purchases and restructurings

"Overall, excellent overview of tax issues in reorganization. Alerted me to broad range of issues."

"Excellent learning experience - High quality presentations by top tax practitioners."

"The tax conference for tax professionals dealing with corporate reorganization."

"Will help identify issues when dealing with tax issues in reorgs."

"Good solid recap of many wide-ranging but important topics."

January 22, 23 & 24, 2013, Toronto

Participating Organizations

Borden Ladner Gervais LLP
Couzin Taylor LLP/Ernst & Young L.P.
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Davis LLP
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Heenan Blaikie LLP
Moskowitz & Meredith LLP/KPMG LLP
Osler, Hoskin & Harcourt LLP
PricewaterhouseCoopers LLP
Sullivan Cromwell LLP

Optional Workshops

Update on Corporate Reorganizations: Review of Recent Transactions

Mark Brender, Partner, Osler, Hoskin & Harcourt LLP
Richard Lewin, Partner, Heenan Blaikie LLP

Merging Companies: A Practical Checklist For Effective Amalgamations And Wind-Up

Fred Purkey, Partner, Davies, Ward Phillips & Vineberg LLP

Conference Highlights

- Hear the latest developments affecting the taxation of mergers, takeovers, amalgamations and asset acquisitions
- Explore the latest developments and tax planning strategies for the 88(1)(d) bump on an amalgamation or wind-up
- Uncover strategies involving paid-up capital in the context of internal reorganizations
- Review developments in Canadian and U.S. cross-border tax rules
- Examine the latest developments affecting the reorganization and taxation of foreign affiliates
- Get best practices for structuring a Canadian exchangeable share transaction
- Study the most current issues in tax avoidance and developments in GAAR
- Review share and asset acquisition tax attributes and the options available to minimize taxes
- Explore legislative changes, case law and changes in the CRA's position regarding tax-loss use

- This program can be applied towards 9 of the 12 hours of annual Continuing Professional Development (CPD) required by the Law Society of Upper Canada. Please note that these CPD hours are not accredited for the New Member Requirement.
- For Alberta lawyers, consider including this course as a CPD learning activity in your mandatory annual Continuing Professional Development Plan as required by the Law Society of Alberta.
- Attendance at this course can be reported as 12.5 hours of Continuing Professional Development (CPD) to the Law Society of B.C.
- The Barreau du Québec automatically accredits training activities held outside the Province of Quebec and accredited by another Law Society which has adopted MCLE for its members

Who should attend

Tax Executives, Tax Accountants and Tax Lawyers who want to expand their knowledge in this area or who need a refresher to keep up to date with recent developments in order to best serve the needs of their clients

Dear Colleague:

Change is about the only constant in the field of taxation of corporate reorganization-changing rules, legislation and interpretations make this area of taxation a moving target that can be difficult to pin down.

In addition, advice seems to come at you from a myriad of different sources making it is easy to get lost in the resulting avalanche of information.

That's why each year, Federated Press' Taxation of Corporate Reorganization Conference gathers some of Canada's leading tax practitioners at one time and place to discuss the most recent developments and technical amendments affecting the taxation of mergers, takeovers, amalgamations and other restructurings.

Join Canada's leading tax practitioners and get cutting-edge insight into the latest tax planning opportunities, including:

- The latest developments and tax planning strategies for the 88(1)(d) bump on an amalgamation or wind-up of a wholly owned subsidiary
- Strategies involving paid-up capital in the context of internal reorganizations
- Developments in Canadian and U.S. cross-border tax rules
- Latest developments affecting the reorganization and taxation of foreign affiliates
- Best practices for structuring a Canadian exchangeable share transaction
- The heightened importance of corporate reorganization and debt restructuring
- The most current issues in tax avoidance and developments in the general anti avoidance rules
- New developments affecting takeovers, with particular focus on the tax impact on acquisition of control issues
- Share and asset acquisition tax attributes and the options available to minimize taxes
- The application of subsection 55(2), the related party exception in paragraph 55(3)(a) and the "butterfly" exception in paragraph 55(3)(b)
- Legislative changes, case law and changes in the CRA's position regarding tax-loss use

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Register now by calling (416) 665-6868 or 1-800-363-0722.

P.S. Don't miss our workshops on *Update on Corporate Reorganizations: Review of Recent Transactions and Merging Companies: A Practical Checklist for Amalgamations and Wind-Ups.*

Hot Topics & Fundamentals

Greg C. Boehmer, Partner, Ernst & Young LLP

SESSION 1



Tuesday, January 22nd

9:00-10:00

PANEL: TAXATION OF CORPORATE REORGANIZATIONS - CURRENT ISSUES AND FUTURE TRENDS

Mark Brender, Partner, Osler, Hoskin & Harcourt LLP

Greg C. Boehmer, Partner, Transaction Tax Practice Leader, Ernst & Young LLP

Firoz Ahmed, Partner, Osler, Hoskin & Harcourt LLP

This opening panel, comprised of leading Canadian tax experts, will address the latest issues and trends related to corporate reorganization, examining the most recent developments and technical amendments affecting the taxation of mergers, takeovers, amalgamations and other restructurings.

- Recent reorganization issues and transactions: impact on tax planning techniques and strategies
- The latest financing developments and tax consequences
- Recent judicial decisions affecting corporate reorganizations
- Developments pertaining to GAAR and specific anti-avoidance rules
- Most recent technical amendments

10:00-10:45

PLANNING WITH PARTNERSHIPS

Mitchell J. Sherman, Partner, Goodmans LLP

This presentation addresses the issues affecting the taxation of partnerships in transformation, while providing insight on how to best prepare for these reorganizations and examining how the proposed partnership tax deferral changes can affect you.

- Proposed rules to eliminate the ability of corporations to defer income through the use of partnerships: potential for deferral of tax
- Tax planning for the rollover of a partnership
- Tax-free wind-up of partnerships and related bump
- Reorganization to corporate form
- Creative tax planning ideas and recent case law involving partnerships

10:45-11:00 NETWORKING BREAK

11:00-11:45

THE 88(1)(D) BUMP: AMALGAMATIONS AND WIND-UPS

Steve Suarez, Partner, Borden Ladner Gervais LLP

This presentation will provide the latest developments and tax planning strategies for the 88(1)(d) bump on an amalgamation or wind-up of a wholly owned subsidiary, with particular emphasis on:

- When and how to use it the 88(1)(d) “bump”
- Traps to watch for
- Latest developments from Finance and Revenue: recent technical changes and selected CRA pronouncements
- Use of the bump to reduce gains on the sale or transfer of eligible property
- Bump on foreign affiliate shares
- Bump denial and ineligible property rules
- 2012 Budget changes

11:45-12:30

PAID-UP CAPITAL AND INTERNAL REORGANIZATIONS

Stephen S. Ruby, Partner, Davies Ward Phillips & Vineberg LLP

Paid-up capital plays a significant role in determining the tax consequences of transactions completed between corporations and their shareholders. This presentation will examine the latest issues and strategies involving paid-up capital in the context of internal reorganizations

- Determining paid-up capital
- Returning paid-up capital to shareholders
- Paid-up capital and acquisition strategies
- Increasing, reducing and shifting paid-up capital
- The role paid up capital plays in share-for-share exchanges, trust unit-for-share exchanges and corporate reorganizations using sections 51, 86, 87, 88
- Recent cases, transactions and strategies involving paid-up capital

12:30-1:30 LUNCH

Cross-Border Strategies

Brian Schneiderman, Partner, Borden Ladner Gervais LLP



SESSION 2

Tuesday, January 22nd

1:30-2:30

CANADA -U.S. CURRENT CROSS-BORDER TAX UPDATE

Patrick Marley, Partner, Osler, Hoskin & Harcourt LLP

Ronald E. Creamer Jr., Partner, Sullivan Cromwell LLP

This presentation will examine developments in Canadian and U.S. cross-border tax rules as well as new proposals under review that will affect both inbound and outbound planning, and the implications for tax-efficient structuring and financing of an M&A and other reorganizations.

- Recent legislative changes and the impact on cross-border investment between Canada and the U.S.
- U.S. limited liability companies and other fiscally transparent entities
- Article IV(7) of the Canada-U.S. Treaty and its application to payments made by Canadian unlimited liability companies
- Canadian GAAR: cross-border debt financing and restructuring
- Article XXIXA (Limitation of Benefits) of the Canada-U.S. Treaty
- Canadians investing in the U.S.: U.S. LLCs or partnerships?
- REPOs and the Foreign Tax Credit Generator Rules

2:30-3:30

STRUCTURING AND REORGANIZING FOREIGN AFFILIATES

Angelo Nikolakakis, Partner, Couzin Taylor LLP/Ernst & Young L.P.

Last year, the Department of Finance released the final package of draft legislation related to the taxation of foreign affiliates. The package included revisions to the foreign affiliate reorganization & distribution rules originally proposed in a February 2004 release. It also included new proposals that have potentially significant tax planning implications. This discussion addresses latest developments affecting the reorganization and taxation of foreign affiliates.

- New foreign affiliate rules and the potential implications on your business
- Use of holding companies and financing affiliates
- Opportunities arising from FAPI rules and the implications of structuring foreign affiliates
- Foreign affiliate surplus rules and anti-deferral tax rules
- Impact of new rules on foreign affiliate reorganizations
- Foreign affiliate M&As under new proposed law
- Canadian shareholder reorganization rules
- Anti-avoidance rules with respect to foreign affiliate reorganizations
- Hybrid, surplus and upstream loan rules

3:30-3:40 NETWORKING BREAK

3:40-4:20

EXCHANGEABLE SHARE TRANSACTIONS

Greg Papinko, Associate Partner, PricewaterhouseCoopers LLP

Exchangeable shares of a Canadian corporation have primarily been used to achieve tax deferrals in situations where there is an acquisition of a Canadian target corporation by a non-resident corporation and where the non-resident corporation wishes to pay for the acquisition by the issuance of its own shares. This session sets out the primary means of structuring a Canadian exchangeable share transaction and reviews the tax considerations and features of exchangeable shares.

- Principal attributes of exchangeable shares
- Typical exchangeable share structure
- Basic mechanics of an exchangeable share transaction and Canadian tax implications
- Tax issues that must be dealt with in an exchangeable share structure
- Alternative uses for exchangeable shares
- Future of exchangeable shares

4:20-5:00

DEBT STRUCTURING

Kathleen Hanly, Partner, Fasken Martineau DuMoulin LLP

Kevin Yip, Associate, Fasken Martineau DuMoulin LLP

This presentation will explore the heightened importance of corporate reorganization and debt restructuring, the debt forgiveness rules and related issues.

- Legislative framework for insolvency proceedings
- Debt forgiveness rules
- Debt-for-debt restructuring
- Equity-for-debt restructuring
- Debt parking rules
- Acquisition of control planning
- Non-resident creditors
- Convertible debt
- Hybrid entities

Acquisition Strategies

Mark Brender, Partner, Osler, Hoskin & Harcourt LLP



SESSION 3

Wednesday, January 23rd

9:00-10:30

PANEL: THE LATEST TAX-AVOIDANCE & GAAR DEVELOPMENTS

Mark Brender, Partner, Osler, Hoskin & Harcourt LLP

Ian S. MacGregor, Partner, Osler, Hoskin & Harcourt LLP

Donald G.H. Bowman, Counsel, Fraser Milner Casgrain LLP

David C. Nathanson, Partner, Davies LLP

This panel of leading tax experts will discuss the most current issues in tax avoidance and developments in the general anti avoidance rules, including:

- Examination of the elements of the general anti-avoidance rule: have we achieved “consistency, predictability and fairness”?
- Key current GAAR cases: what is currently working its way through the GAAR pipeline?
- CRA’s position on abusive transactions
- Review of recent non-GAAR tax avoidance cases
- CRA’s “Aggressive Tax Planning Division”: what are they pursuing?

10:30-10:45 NETWORKING BREAK

10:45-11:30

TAKEOVERS AND TAX ISSUES

David Fox, Partner, Fasken Martineau DuMoulin LLP

This presentation will look at new developments affecting takeovers, with particular focus on the tax impact on acquisition of control issues.

- Overview of acquisition of control issues: corporate acquisition of control rules and related planning techniques
- Tax due diligence process in the purchase & sale of a business
- Tax planning for the seller: pre-selling planning and sale planning
- Tax planning for the purchaser: pre-acquisition planning, acquisition planning and post-merger integration
- Deferral of capital gains by the vendor
- Tax cost of assets and structure for the bump
- Deductibility of interest and financial expenses of reorganization: debt forgiveness issues

11:30-12:15

TAX-EFFECTIVE FINANCING OF ACQUISITIONS

Richard Lewin, Partner, Heenan Blaikie LLP

This presentation will discuss share and asset acquisition tax attributes and the options available to minimize taxes, including:

- Tax consequences of financing with equity for both common and preferred shares
- Tax consequences of financing with debt: participating debt instruments, paid-in-kind interest notes and compound debt instruments
- Deductibility of financing and transaction costs: interest deductibility rules
- Financing with a balance of price
- Thin capitalization and financing
- Capital tax issues
- Financing issues relating to income trusts

12:15-1:15 LUNCH

Topical Issues in Corporate Reorganization

Mark Brender, Partner, Osler, Hoskin & Harcourt LLP

SESSION 4



Wednesday, January 23rd

1:15-2:30

SUBSECTION 55(2) AND DIVISIVE REORGANIZATIONS

Mark Brender, Partner, Osler, Hoskin & Harcourt LLP

Brian Carr, Partner, Moskowitz & Meredith LLP/KPMG LLP

This extended session will examine the application of subsection 55(2), the related party exception in paragraph 55(3)(a) and the “but-terfly” exception in paragraph 55(3)(b), including:

- Subsection 55(2) overview
- Recent judicial and administrative developments affecting the computation of safe income
- CRA’s administrative positions and related jurisprudence: recent technical changes and CRA pronouncements
- Divisive reorganizations: introduction to 55(3)(a) triggering events
- 55(3)(b), type of property, spins and splits
- Safe income crystallization: safe income determination time; planning techniques to maximize and access safe income
- Advanced divisive reorganizations & 55(3)(a) Related Party Divisive Reorganizations: private & public contexts; trips & traps
- Advanced divisive reorganizations & 55(3)(b) Spin-Offs/Split-Ups

2:30-3:15

USE OF TAX LOSSES

Derek Alty, Partner, Ernst & Young LLP

Accrued and realized tax losses constitute an important asset of a corporation that, if properly harnessed, can be extremely valuable. This presentation examines legislative changes, case law and changes in the CRA’s position regarding tax-loss use.

- Loss utilization within an affiliated group: techniques to use and preserve losses within an affiliated corporate group
- Loss utilization between arm’s length parties
- Triggering accrued losses: the impact of the affiliated persons rules on tax-loss use within a corporate group
- Tax treatment of losses upon acquisition of control
- Role of the CRA and the impact of its most recent rulings
- Impact of recent case law

3:15-3:30 NETWORKING BREAK

3:30-4:15

TAXABLE PREFERRED SHARES

Robert Raizenne, Partner, Osler, Hoskin & Harcourt LLP

The income tax treatment of preferred shares is complicated, so careful planning is required to avoid adverse consequences. This presentation reviews the taxable preferred share rules and also the term preferred and guaranteed share rules, and describes their application to corporate reorganizations and other corporate transactions.

- Share purchases and sales
- Divisive reorganizations
- Capital restructuring
- Issuer bids
- Preferred share financing

OPTIONAL WORKSHOP A

Thursday, January 24th - 9:00-noon

UPDATE ON CORPORATE REORGANIZATIONS: REVIEW OF RECENT TRANSACTIONS

Mark Brender, Partner, Osler, Hoskin & Harcourt LLP
Richard Lewin, Partner, Heenan Blaikie LLP

This intensive workshop will incorporate many of the concepts analyzed in the conference sessions by providing an in-depth review of several recent transactions involving corporate reorganizations. Both public and private companies will be highlighted in this interactive session. Topics will include:

- In-depth review of recent CRA rulings
- Review of reorganization techniques and issues
- Paid-up capital and internal reorganizations
- Considerations for public and private exchangeable share transactions
- Issues affecting the reorganization of mutual fund trusts
- Practical strategies and tax planning opportunities

Mark Brender's practice focuses on domestic and international income tax issues, including international tax planning, cross-border and domestic mergers and acquisitions, corporate reorganizations, spin-offs, financings and tax dispute resolution. Mark is a dedicated editor, writer, lecturer and speaker on tax matters, covering diverse topics such as the tax aspects of mergers and acquisitions, corporate reorganizations and estate planning.

Richard Lewin earned a B.A. from the University of British Columbia in 1970 and an LLB from Osgoode Hall Law School in 1973. He was called to the Ontario Bar in 1975. Mr. Lewin has been a member of the Quebec Order of Chartered Accountants since 1978 and a tax partner at Heenan Blaikie LLP since 1983. He is a frequent speaker and writer for the Canadian Tax Foundation and professional conference organizations, recently on such topics as interest deductibility, taxation of corporate acquisitions structures, tax effective financing of acquisitions, taxation of intellectual property of foreign affiliates and income trusts. Mr. Lewin is the Canadian editor for Butterworth European Tax and Investment Service.

OPTIONAL WORKSHOP B

Thursday, January 24th - 1:30-4:30

MERGING COMPANIES: A PRACTICAL CHECKLIST FOR EFFECTIVE AMALGAMATIONS AND WIND-UPS

Fred Purkey, Partner, Davies, Ward Phillips & Vineberg LLP

Mergers are used as a tool for corporate consolidations, reorganizations and acquisitions. The essential tax objectives of most mergers are to ensure that there are no adverse tax consequences to the corporations being merged or their shareholders and to ensure continuity, efficiency and flexibility.

What are the practical tax considerations when determining whether to undertake a merger by wind-up as opposed to amalgamation? This practical hands-on workshop will explore the key issues regarding wind-ups and amalgamations from a Canadian income tax perspective.

- Comparative overview of the tax and legal effects of a wind-up and amalgamation
- Tax considerations when deciding between an amalgamation or a wind-up
- Tax planning opportunities and traps of amalgamations and wind-ups
- Tax-free and taxable dispositions of assets or stock

Fred Purkey is a partner in the Montreal office of Davies Ward Phillips & Vineberg LLP practising in the area of taxation. Fred advises clients, both individual and corporate, on the income tax aspects of corporate reorganizations, personal and business trusts, owner-managed businesses, and cross-border and international transactions, including mergers and acquisitions, financing, employee compensation arrangements and personal tax planning. Fred has been published in *Tax Topics*, *Quebec Tax Reporter*, *Preparing Your Income Tax Returns*, and *Preparing Your Corporate Returns* (all published by CCH). Fred has also been published in *Corporate Structures and Groups* and *Resource Sector Taxation* (both published by Federated Press). He is a Lecturer in "Taxation" at the McGill University law school and also teaches "Taxation of Real Estate" at McGill.

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1-800-363-0722 Toronto: (416) 665-6868 info@federatedpress.com (416) 665-7733

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