



Investing in Shares or Other Obligations of Canadian Controlled Private Corporation Including Venture Capital Corporations (VCCs) and Mortgage Investment Corporations (MICs)

A company that issues ownership shares that are not traded on a public exchange is called a private corporation. You (through your registered plan/TFSA) may invest in shares or other certain obligations of prescribed private corporations. A MIC is a private corporation incorporated to invest principally in mortgages secured against Canadian real property. You (through your registered plan/TFSA) may become one of the shareholders of the company.

RRSP/RRIF/TFSA Eligibility

- ❖ The determination of the eligibility of shares or other obligations of private companies, VCCs and MICs as “qualified investments” in registered plans/TFSA is subject to various requirements of the Income Tax Act (Canada) (“Act”). Because of the complexity of the Act, such determinations are most often made by qualified tax professionals. Olympia Trust Company is not in a position to make such determinations and does not provide any opinions on this matter.
- ❖ It is your responsibility to ensure the investment is a “qualified investment” as the term is defined in the Act. You are expected to obtain independent financial, investment, tax and legal advice to the extent that you deem necessary and appropriate in making this investment in your plan and it is your sole responsibility to evaluate all investments that you may elect to make in your plan from time to time.

The Role of Olympia Trust Company

Investors referred to Olympia Trust Company by professional advisors should be aware that:

- Your professional Advisor is not sponsored by, or in any way affiliated with Olympia Trust Company.
- Any opinion expressed by your Advisor on the quality or advisability of any investment is their own opinion and the investment decision is made by you and your Advisor based upon your own unique circumstances.
- Any questions you may have regarding the investments in your plan should be directed to your Advisor.
- Olympia Trust Company does not provide investment advice of any nature and has no opinion regarding any investment, recommended by your Advisor or otherwise, held in your plan.

Documentation Required To Purchase Shares / Other Obligations

Initial Approval:

- Offering Memorandum in a format approved by the appropriate Securities Commission(s).
- Copy of the Subscription agreement and all other applicable subscription related documents (i.e. Risk Acknowledgement/Eligible Investor Form/etc.).
- A letter of opinion addressed to Olympia Trust from an independent Chartered Accountant or Tax Lawyer stating:
 - (a) the investment is a “qualified investment”
 - (b) the Fair Market Value of the investment
- Audited financial statements.
- Copies of all marketing material used by the promoter/issuer to promote the investment in question.
- Specimen of the bond, share or unit certificate the company will be issuing.
- Updated letter of valuation to be provided on a yearly basis.
- Updated letter of opinion may be requested on a yearly basis.

*Generally, the approval process takes up to two weeks once all required documents are received by Olympia Trust Company.

*Please note: there will be a file review charge of up to \$500+GST charged at our discretion.

Closing Documentation:

- Share certificate registered in the name of Olympia Trust Company ITF (client name & account number).
- Copy of the Subscription agreement (completed with the Olympia Trust Company account information).
- A signed original of our Letter of Indemnity completed in full.
- Annual Self Directed Fees and Set up Fees.
- If the Small Business/MIC does not pay a cash dividend, \$500 must remain in the account.