

# Gift of Shares Securities and Mutual Funds

**IT'S SIMPLE**  
Your Legacy, Their Future

If you own stocks or mutual funds that have grown in value, you will face a tax bill on the capital gains when you sell them. To encourage charitable giving, the Federal Government introduced a special tax incentive on Gifts of Publicly Listed Securities and Mutual Funds – a complete elimination of capital gains tax on these types of charitable gifts.

## Why consider this gift? The Benefits to You

- **Opportunity** - An opportunity to make a significant gift during your lifetime.
- **Tax** - No tax on the capital gain and a tax receipt for the full value of the securities.
- **Reduced Expenses** – The actual cost of making the gift is greatly reduced. Some brokers waive their fees for trades to not-for-profit organizations.
- **Simple and Convenient** – Securities are easy to transfer. Your broker transfers the shares from your brokerage account to **Children's Health Foundation** brokerage account.
- **Recognition** – You will be able to see the wonderful impact of your gift in the lives of children during your lifetime and your gift can also be recognized in a meaningful way.



*"Being at Children's you know you are at the right place. You know you are doing the best for your child because the people there are just so skilled, confident and have the experience. You just know you are going to get the right answers."*

*Ben's Mom, Shannon*

## How It Works?

A donation receipt is issued for the fair market value of the security on the date of transfer. The securities must be transferred directly to **Children's Health Foundation** brokerage account and **not be sold** by you, the donor. The gift **will not** qualify for the reduced capital gain if the shares are sold first and the cash then gifted to a charity.

## Publicly-Listed Securities include the following:

- A share, debt obligation or right listed on a prescribed stock exchange (including Toronto, Montreal, Tiers 1 and 2 of the TSX Venture Exchange and a number of foreign stock exchanges set out in Income Tax Regulation 3200).
- A share of the capital stock of a mutual fund corporation.
- A unit of a mutual fund trust.
- An interest in a related segregated fund trust (within the meaning assigned by paragraph 138.1 (1) (a)).
- A prescribed debt obligation, i.e. a bond, debenture, note, mortgage or similar obligation (a) of or guaranteed by the Government of Canada or (b) of the government of a province or an agent of that government.

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Disclaimer: This material is intended to provide general information and should not be construed as legal or other professional advice. The information should not be used without consulting your own legal and tax advisors to determine its suitability for your unique estate planning and tax needs. Always seek expert advice and discuss your financial affairs with your professional advisors.

For more information on charitable giving at Children's Health Foundation, please call 519.432.8564 or 1.888.834.2496, or visit [www.childhealth.ca/legacy](http://www.childhealth.ca/legacy).



Charitable Registration No. 11885 2482 RR0001