



# PwC welcomes Wally Conway\*

We are pleased to announce that Wallace G. Conway joined PricewaterhouseCoopers LLP as a Senior Tax Advisor in the Canadian National Technical Services (CNTS) group on November 1, 2007.

Wally is well known to many people in the Canadian tax community, having spent the past 26 years at the Tax Legislation Division of the Department of Finance. In his role, Wally was responsible for developing income tax policy and drafting related legislation on:

- international transfer pricing;
- the tax treatment of corporate reorganizations and distributions;
- capital gains tax, the capital gain exemption and rollovers; and
- the taxation of:
  - foreign affiliates and their shareholders, foreign investment entities and their investors and non-resident trusts;
  - insurance corporations and their policyholders;
  - small business corporations and their shareholders; and
  - trusts and their beneficiaries.

Wally has also served as a representative of the Department of Finance on the Canada Revenue Agency's GAAR committee.

The partners and staff of PricewaterhouseCoopers are excited about Wally's joining the firm. Given the number of tax policy areas that he has been involved with at the Department of Finance, Wally will contribute significantly to the in-depth technical knowledge and experience of the CNTS group and the PwC Tax practice.

Wally will be located in our downtown Toronto office, and can be reached at 416 365 2710 or [wallace.g.conway@ca.pwc.com](mailto:wallace.g.conway@ca.pwc.com).

## PwC Canadian National Technical Service (CNTS)

CNTS is a multi-disciplined group of tax accountants and lawyers, within the tax group of PwC and affiliated law firm Wilson and Partners LLP, with in-depth technical knowledge and experience in providing Canadian tax and tax legal services to our clients in a number of areas. For further information on how CNTS can assist your business, contact Nick Pantaleo, FCA, CNTS lead partner, at 416 365 3701 or at [nick.pantaleo@ca.pwc.com](mailto:nick.pantaleo@ca.pwc.com).

# Recent PwC Tax Publications

## **Tax Memo: Functional Currency: Proposed Election**

On October 2, 2007, Canada's federal government released legislative proposals that allow corporations, required for financial reporting purposes to report in a functional currency other than the Canadian dollar, to determine their income for Canadian tax purposes in that functional currency.

## **Tax Memo: Draft Legislation Affects Insurers and Other Financial Institutions**

The Department of Finance released draft legislation on November 7, 2007, that is intended to simplify the taxation of entities defined in the *Income Tax Act* as financial institutions by better aligning the tax rules with the financial instruments accounting standard that came into effect on October 1, 2006.

## **Estate Tax Update: US Estate Tax Exposure for Canadians (Revised Edition, October 22, 2007)**

This *Estate Tax Update* sets out the current potential exposure of Canadians to US estate tax.

## **Energy Tax News: Alberta's New Royalty Framework**

On October 25, 2007, Premier Ed Stelmach announced Alberta's New Royalty Framework.

## **Tax Memo: 2007 Federal Economic Statement Promises \$60 Billion in Tax Cuts Over Six Years**

The October 30, 2007 federal Economic Statement, which almost amounts to a "mini budget," includes a surprising number of tax measures, promising broad-based tax relief.

## **Webcast: Navigating International Tax Developments: The New Fifth Protocol to the Canada-US Income Tax Treaty**

This webcast features presentations from "Navigating International Tax Developments: The New Fifth Protocol to the Canada-US Income Tax Treaty", a series of cross-Canada seminars informing US and Canadian multinational companies and individual taxpayers about the Treaty's new Protocol.

## **Tax Memo: Year-End Tax Planner (2007) -- for Individuals and Owner-Managed Businesses**

Designed for investors and small and large business owners, PwC's Tax Memo: Year-End Tax Planner (2007) can make your tax planning more efficient and cost-effective.

## **In Print: Foreign Affiliate Update**

This article provides an update on a number of key foreign affiliate technical amendments to the Income Tax Act that the Department of Finance has released.

## **beyondBorders™, October 2007 -- Transfer Pricing Issue**

This edition of beyondBorders™ discusses recent developments in transfer pricing that relate to: transfer pricing penalties; timing of taxpayer reassessment by the CRA; allocation issues regarding shareholder costs; income transfer pricing and customs valuation; 2006 update on the CRA Reports on the Canadian APA Program; and 2007 update on the CRA Reports on the Canadian MAP Program.

## **SR&ED Tax Clips: Federal Court of Appeal allows SR ITC carryforward to be reduced for ITCs disallowed in statute-barred years**

The Federal Court of Appeal found that investment tax credits (ITCs) disallowed in statute-barred years can reduce the ITC carryforward balance in a subsequent year that is not statute-barred.

These and other PwC tax publications  
are available on  
[www.pwc.com/ca/taxpublications](http://www.pwc.com/ca/taxpublications)

## **In Print: British Columbia's Tax Refund Regime: International Financial Activities**

By providing a refund of provincial income tax paid in respect of qualifying activities carried out in British Columbia, the province's international financial activity regime enables corporations to shift pre-tax income from higher rate jurisdictions to its more moderate system.

## **Commodity Clips, September/October 2007**

Topics covered in this issue include bad debts, agriculture, fishing products, real property, children's camps, the due date for tax returns, pharmaceutical companies, medical supplies, lodgings and excise taxes and special levies.

## **Tax Memo: Alert for Corporations: Draft Legislation Makes Previously Announced Changes**

On October 2, 2007, the federal Minister of Finance, the Honourable Jim Flaherty, released an omnibus package of draft tax legislation that contains many personal and corporate changes.

## **Tax Memo: Fifth Protocol to the Canada-US Income Tax Treaty -- Reflections**

This *Tax Memo* reflects on the effect the Protocol will have on Canadian multinationals with US operations, US multinationals with operations in Canada and on certain individuals.

## **Energy Tax News: Alberta Royalty Review Report**

On September 18, 2007, the Alberta Royalty Review Panel issued its Report on the Alberta Royalty and Tax Regime. The Report contains recommendations concerning the current royalty and income tax system in Alberta.

## **Tax Memo: Canada-U.S. Income Tax Treaty: Fifth Protocol Makes Major Changes**

On Friday, September 21, 2007, after nearly 10 years of negotiation, the United States and Canada jointly released the fifth Protocol to the *Canada-U.S. Income Tax Convention*.

## **Tax Memo: Latest CRA Views on the 95(6)(b) Foreign Affiliate Anti-Avoidance Rule: Reflections**

This *Tax Memo* reflects on whether the CRA's latest ITTN publication signals a substantive change to previous CRA positions on the interpretation and application of paragraph 95(6)(b) of the *Income Tax Act*.

## **Estate Tax Update: The Departing Canadian (Revised Edition, September 10, 2007)**

This *Estate Tax Update* considers how a Canadian individual who is transferred to the United States may be exposed to U.S. estate, gift, or generation-skipping transfer tax.

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