

**Guidance Note regarding the definition of “payor” for the purposes of the investment income provisions of the Income Tax Act:**

“Payor”, as defined in the investment income provisions of the Income Tax Act, includes an intermediary who, in the course of his business, receives investment income in his own name but on behalf of his clients, regardless of whether tax is withheld or not from the payment to the intermediary. Accordingly, the investment income provisions apply to such intermediaries when they pass on (whether by actual payment, by credit or in any other manner) the investment income to their clients in the same way as they apply to other payors. This includes the obligation of the intermediary to render an account to the Commissioner of payments of investment income as provided in article 33(2A) of the Income Tax Act.

This note is to be treated as an explanation for the purposes of article 96(2) of the Income Tax Act.