

## GIFTS OF PUBLICLY LISTED SECURITIES

### What is a publicly listed security?

A **security** can include stocks – a stake in ownership of a company, or bonds – debt obligations from a company. Mutual funds are also a security, as they are a group of stocks, bonds, or both. A publicly listed security is one that trades on an open exchange, such as the Toronto Stock Exchange (TSX).

If you own stocks, bonds, or mutual funds, you may consider these as ways of giving to the Muscular Dystrophy Canada instead of cash.

### Why should I donate securities?

Donating securities often has a great tax advantage, especially if you have a security that has significant **capital gains**. A capital gain is the profit one makes from the sale of a security or other property. A stock that has increased in price from the time you bought it has created a capital gain for you.

The 2006 Federal spring budget announced new advantages for donors making gifts of publicly traded securities to charity. Donors making this form of gift will be able to do so without triggering a capital gain, thus avoiding capital gains taxes, making this a very attractive tax saving gift vehicle.

### What other benefits do I receive?

You will also receive a tax receipt for the full amount of your gift, which you can claim against your annual income.

By donating securities, you can also increase your charitable contribution limit. The Canada Revenue Agency stipulates that you can only claim charitable contributions equivalent to seventy-five percent (75%) of your annual income. Twenty-five percent (25%) of a capital gain from a donated security, however, can be claimed on top of the 75% annual contribution limit, if required.

### How do I donate securities?

If you wish to donate securities to Muscular Dystrophy Canada, please do not sell your securities and convert them to cash: to reap your tax benefits, please donate the securities directly. Enclosed, you will find a **Securities Transferral Form** with instructions on how to transfer your securities to our broker. *(If the form is not enclosed, please contact us and we will send/fax it to you immediately.)*

You will need to fill out the information on the form indicating what securities you are transferring. You may do this yourself, or have your broker do this. You may decide to transfer the securities electronically, or in paper certificate form.

If you decide to make your gift by transferring the paper certificates, you will have to make sure that the certificates arrive at Muscular Dystrophy Canada via secure means. Please contact us for arrangements.

### Valuing Your Gift

On the day that we receive your securities in our account, your securities will be valued based on the closing price of the securities in that day's market. This value will be the value indicated on your charitable tax receipt.

If your securities are traded on a foreign exchange, such as in the United States, an additional calculation will be required to determine the currency exchange rate on the day of the transfer.

### Non-Qualifying Securities

Currently, securities not listed on a stock exchange approved by the Canada Revenue Agency do not qualify for this tax benefit. Unlisted securities, such as shares in a private corporation, must meet certain provisions or else a charitable tax receipt cannot be issued. If you are considering donating a non-qualifying security, please contact us to determine if a tax receipt can be issued in your particular circumstance.

### Example

Assume you purchased 100 shares in 1995 for \$2,000. Today, those same shares are worth \$10,000. Therefore, you have a capital gain of \$8,000.

Today's Market Value	\$10,000
<u>Original Purchase Price</u>	<u>\$ 2,000</u>
Total Capital Gain	\$ 8,000

If you sold these shares today, you would include 50% of the capital gain in your annual income. Assuming you also pay a top marginal tax rate of 46%, then you would pay \$1840 in federal income tax.

<u>50% of an \$8000 capital gain</u>	<u>\$4,000</u>
46% tax rate on \$4000	\$1,840

If you donated these same shares to Muscular Dystrophy Canada instead, there would be no capital gain tax, thus saving you \$1,840 in taxes, effectively increasing the amount of the gift to MDC!

Additionally, you would also receive a charitable tax receipt for \$10,000 – the market value of your shares today – and could claim that on your tax return. This would create a \$2,900 federal tax credit against your annual income on your return.

Federal Charitable Tax Credit	\$2,900
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**Provincial tax savings will also be triggered. Exact percentages vary by province. Consult you're your tax or financial advisor for specific rates.**

*For the purposes of this calculation, we have assumed a top marginal tax rate of 46%. Also, it is assumed that your donation would give you a credit at the top rate of 29% - the tax credit rate for any donation over your initial \$200 in annual charitable gifts.*

### For More Information

We hope that this document provides you with enough information to allow you to consider a gift of securities. If you require further information, please contact our National Office. Someone will be pleased to speak with you about gifts of securities and other ways of planning a gift to Muscular Dystrophy Canada. Contact us today!

Muscular Dystrophy Canada  
Atlantic Canada Regional Office  
Attention: Ken Thompson  
1888 Brunswick Street, Suite 804  
Halifax, NS B3J 3J8  
Telephone: (902) 429-6322  
Toll-free: 1-800-884-6322  
E-mail: [ken.thompson@muscle.ca](mailto:ken.thompson@muscle.ca)  
[www.muscle.ca](http://www.muscle.ca)

**The information provided in this document is not intended as legal advice or personalized financial planning. Muscular Dystrophy Canada cannot provide complete financial or legal opinions. We strongly encourage you to consult your family and obtain independent professional advice.**

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This form was updated on October, 2007.

LEAVE A LEGACY™



UN HÉRITAGE À PARTAGER

Muscular Dystrophy Canada is a participant in the *Leave A Legacy™* program in most local communities.

Muscular Dystrophy Canada is a member of the Canadian Centre for Philanthropy, and we abide by our Statement on Accountability.

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**Charitable Registration Number  
10775 5837 RR0001**

**National Office**

2345 Yonge Street | Suite 900  
Toronto, Ontario | M4P 2E5

1 866 MUSCLE 8 | [www.muscle.ca](http://www.muscle.ca)

## TRANSFERRING YOUR SECURITIES

To make a donation of securities to Muscular Dystrophy Canada, you may instruct your broker to transfer your gift of securities electronically or via certificate form. In either case, please inform Muscular Dystrophy Canada of your intentions so that we may thank you, notify our banking representative of when to expect your gift, and ensure that your gift is used by Muscular Dystrophy Canada according to your wishes.

This form provides you with the information you will need to provide to your broker to arrange the transfer. A copy of this form also should be sent to Muscular Dystrophy Canada so we can prepare for the receipt of your shares.

We recommend that you or your broker contact Muscular Dystrophy Canada at least one day in advance of your planned transfer of securities to ensure all arrangements are in place.

### ELECTRONIC TRANSFER

Securities should be transferred to MDC's account:

MARKETABLE SECURITIES	
Institution (CUID)	CDS
FINS #	NBCS
Client Account #	TO80
	281884A Cdn
	281884B US
Account Name	Muscular Dystrophy Canada – Tier 2

The Muscular Dystrophy Canada's contact at NBCN is:

Brad Tupper  
NBCN  
250 Yonge Street, Ste. 1900  
Toronto, ON M5B 2L7  
(416) 542-2272

### PHYSICAL STOCK CERTIFICATE TRANSFER

Arrangements for pick-up and delivery to MDC are available, or you can send the certificates directly to:

Carol Murray  
Manager, Major Gifts  
Ontario & Nunavut  
2345 Yonge Street, Suite 901  
Toronto, ON M4P 2E5  
416.488.2699 ext 131

**LIST OF ASSETS TO BE TRANSFERRED:**

	<b>No. of UNITS</b>	<b>DESCRIPTION OF SECURITY</b>	<b>ACCOUNT No. (IF KNOWN)</b>
1.			
2.			
3.			
4.			
5.			

**VALUING YOUR GIFT**

The value of your gift, for tax receipt purposes, is based on the closing price of the security on the day the securities are received by Muscular Dystrophy Canada.

**DONOR INFORMATION**

<b>Your Surname</b>		<b>Your First Name</b>	
<b>ADDRESS:</b>			
<b>BUSINESS TEL.</b>		<b>HOME TEL.</b>	
<b>FAX:</b>		<b>E-MAIL:</b>	

Please fax/send this form once complete to:

Muscular Dystrophy Canada  
 Attention: Michelle Beveridge  
 Address: 2345 Yonge Street, Suite 900  
 Toronto, Ontario  
 M4P 2E5

Fax: 416-488-7523

[michelle.beveridge@muscle.ca](mailto:michelle.beveridge@muscle.ca)

