

What is an affiliated company

An affiliated company is:

1. an entity in which a resident company has a direct or indirect holding of at least 25 per cent of the voting rights or capital, or of who is entitled to at least 25 per cent of the profits of that taxpayer;
2. a natural person or entity having a direct or indirect shareholding of at least 25 per cent of the voting rights or capital of a taxpayer or who is entitled to at least 25 per cent of the profits of that taxpayer;
3. all entities concerned if the natural person or entity has a direct or indirect shareholding of at least 25 per cent in the taxpayer and in one or more entities. (**Subsection 5 of § 54² of the Income Tax Act**)

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