SERIES OF TRANSACTIONS: A CASE FOR A PURPOSIVE INTERPRETATION

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Despite the important role played by the notion of a “series of transactions” in Canadian income tax law, considerable uncertainty remains regarding its exact scope and meaning. This article considers the concept in light of recent decisions rendered by the Tax Court of Canada, the Federal Court of Appeal, and the Supreme Court of Canada. The author begins with an elaboration of the requirements for determining whether a common-law series of transactions can be said to arise. He then resolves certain ambiguities concerning the degree of interdependence that must exist between such a series and a related transaction in order for the transaction to be included in the series under subsection 248(10) of the Income Tax Act. The author argues that the term “series of transactions” must be interpreted contextually and in light of the purpose underlying the particular provision in which it is invoked. He concludes that ultimately whether or not a series exists depends on a variety of factors, one of the most important of which is the purpose underlying each transaction.

**KEYWORDS:** TRANSACTIONS ■ RELATED ■ STATUTORY INTERPRETATION ■ SERIES OF TRANSACTIONS ■ PURPOSE ■ COMMON LAW

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