

## SERVICE

# Taxation in Capital Markets

Innovative instruments help our clients achieve their financing objectives.



## Related Expertise

- [Capital Markets](#)
- [Derivatives](#)
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- [Investment Funds](#)
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- [Public Funds](#)
- [Tax](#)
- [Tax: M&A, Reorganizations and Restructuring Transactions](#)

Canadian and foreign issuers, financial institutions, institutional investors, investment funds and other capital markets participants partner with Osler's Taxation Group on a broad range of taxation matters of importance to a full range of capital markets transactions, from the issuance of equity and debt, to the structuring of securitizations, derivatives and other novel financial instruments.

Our team is known for developing innovative instruments that permit our clients to achieve their financing objectives. Osler pioneered the technology for rating agency hybrid notes in Canada in the offering for Emera in 2016. These notes were the first of their kind to be used by a Canadian issuer. Osler expanded on this innovation to develop [Additional Tier 1 \(AT1\) Limited Recourse Capital Notes](#) (aka LRCNs), a ground-breaking new instrument designed to foster a more liquid global institutional AT1 market for Canadian financial institutions.

Osler has acted for the issuer on LRCN offerings by Royal Bank of Canada, BMO, The Bank of Nova Scotia, National Bank of Canada and Laurentian Bank. In the area of derivative transactions, our team advises on the use of derivatives as hedging instruments, as a substitute for direct investment and in the context of complex trades and financings by taxable and tax-exempt entities situated in Canada and elsewhere. Our team is well-versed in managing the regulatory components of transaction structuring, such as Basel III compliance, rating agency treatment of hybrid securities, and capital adequacy requirements. The unique commercial and regulatory complexities faced by issuers afford us an opportunity to deliver innovative tax advice, develop novel structures, and successfully bring them to market for our clients.

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## Key Contacts



[Timothy Hughes](#)  
Partner, Tax, Toronto

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## Awards and Recognition

- **Chambers Canada: Canada's Leading Lawyers for Business:** Recognized in Tax (Band 1)
  - *"The depth of the team is unbelievable."*
  - *"Top operator in the market."*
  - *"I enjoy working with them — they bring a level of technical expertise that is extremely deep. We get tremendous insight."*
  - *"Osler is technically strong. They are also commercial and will take a view supported by reasoned and principled judgement in areas with no clear answer. I am very happy with their advice."*
  - *"Osler is renowned for its exceptional tax group, with strength and depth in tax planning. Much admired for the breadth of its subject matter and geographical coverage, the firm is particularly well regarded for advising on big ticket M&A and transactions. It is also noted for its robust sales practice and its work on international taxation."*
  - *"The team at Osler understands our business and works with others in similar industries; so we're able to get timely as well as forward-thinking advice."*
- **Chambers Global: The World's Leading Lawyers for Business:** Recognized in Tax (Band 1)
  - *"They have some superb advisers and produce excellent advisory work."*
- **The Canadian Legal Lexpert Directory:** Recognized in Corporate Tax (Toronto, Ontario; Calgary, Alberta; Montreal, Quebec); Recognized in Tax at the centre of the *Lexpert*bull's-eye chart
- **The Lexpert/American Lawyer Guide to the Leading 500 Lawyers in Canada:** Osler lawyers recognized as leaders in Tax
- **Lexpert's Guide to the Leading U.S./Canada Cross-border Lawyers in Canada:** Osler lawyers recognized as leaders in Tax
- **The Legal 500:** Tax Law (Tier 1)
- **International Tax Review**
  - **International Tax Review: World Tax Guide:** Osler earns Tier 1 ranking in Tax and Transactional Tax
  - **International Tax Review: Americas Tax Awards:** Osler wins Canada Tax Firm of the Year (2021), Canada Tax Firm of the Year and Americas Tax Innovator of the Year Awards (2020)
  - **International Tax Review, World Transfer Pricing Guide:** Osler's Tax group is ranked Tier 1 and lawyers recognized as leaders in Transfer Pricing
- **Who's Who Legal:** Osler lawyers recognized in Corporate Tax
- **Best Lawyers Canada:** Recognized as "Law Firm of the Year" in the area of Tax Law (Canada), 2022