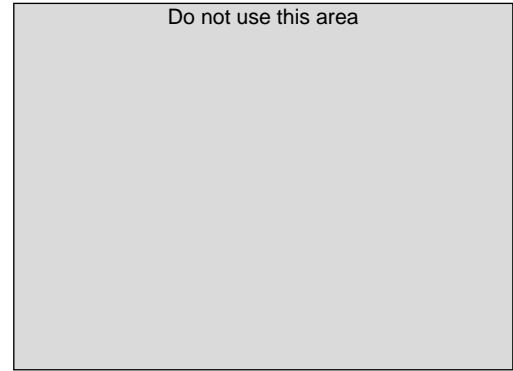




# Information Return in Respect of Distributions From and Indebtedness to a Non-Resident Trust

## T1142 Summary Form



- Complete and file this form if you have received a distribution or loan from a non-resident trust.
- A separate supplement must be filed for each trust.
- If an election has been made to use a functional currency (see attached instructions), state the elected functional currency code . . . . .
- See attached instructions for more information about completing this form.

If this is an amended return, tick this box.

### Section 1 – Reporting entity information

Tick a box to indicate who you are reporting for, and complete the areas that apply.

<input type="checkbox"/> Individual	First name	Last name	Initial	Social insurance number	Individual code <input type="checkbox"/> 1 <input type="checkbox"/> 2
<input type="checkbox"/> Corporation	Corporation's name			Business number	R C
<input type="checkbox"/> Trust	Trust's name			Account number	T - -
<input type="checkbox"/> Partnership	Partnership's name	Partnership code <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3		Partnership's account number	R Z
Reporting entity's address					
No. Street					
City		Province or territory		Postal code	Country code
For what taxation year are you filing this form?					
From			Year Month Day	to	Year Month Day
Number of T1142 Supplements attached		Number of supplements to generate			

### Section 2 – Certification

I certify that the information given on the T1142 summary form and T1142 supplement(s), is, to my knowledge, correct and complete and fully discloses the required information.		If someone other than the reporting entity prepared this form, provide their:	
Print name		Name	
<b>Sign here (it is a serious offence to file a false statement.)</b>		Address	
Position/title			
Telephone number	Date	Postal code	Telephone number

**T1142 Supplement**

**Section A – Identification of non-resident trust**

Name of the trust		Trust account number	
		T       -         -	
<b>Trustee(s)</b>			
Name	Address	Country code	Telephone number

**Section B – Distributions from the non-resident trust**

**Funds distributed**

Description of funds	Nature of receipt for Canadian income tax purposes		Amount
	<input type="checkbox"/> Income	<input type="checkbox"/> Capital	
	Total		

**Property other than funds distributed**

Description of property	Nature of receipt for Canadian income tax purposes		Fair market value
	<input type="checkbox"/> Income	<input type="checkbox"/> Capital	
	Total		

**Section C – Indebtedness to the non-resident trust**

Complete this part if the reporting entity was indebted to this non-resident trust in the taxation year.

Date debt incurred Year Month Day	Interest rate (per annum)	Original principal amount	Unpaid principal amount at year end	Unpaid interest at year end	Amount of interest paid or credited on the debt in the taxation year	Was Part XIII tax withheld
						<input type="checkbox"/> Yes <input type="checkbox"/> No
	Total					

## INSTRUCTIONS

All legislative references on this form refer to the *Income Tax Act*.

### Do you have to file this return?

Form T1142, *Information Return in Respect of Distributions from and Indebtedness to a Non-resident Trust*, must be filed under section 233.6, by a Canadian resident individual, corporation or trust, as well as a partnership, that

- is beneficially interested in a non-resident trust (other than an "excluded trust" or an estate that arose on or as a consequence of death) at any time in the taxation year; and
- has received a distribution from or was indebted to that non-resident trust in the taxation year.

The following entities do not have to file the form:

- a mutual fund corporation or mutual fund trust;
- a non-resident-owned investment corporation;
- a person all of whose taxable income is exempt from Part I tax;
- a registered investment under section 204.4 of the Act;
- a trust described in any of paragraphs (a) to (e.1) of the definition of trust in subsection 108(1) of the Act;
- a partnership in which all the members are persons described above; and
- a partnership where the share of the partnership's income or loss attributable to non-resident members is 90% or more of the income or loss of the partnership.

An individual (other than a trust) does not have to file Form T1142 for the year in which the individual first becomes a resident of Canada. [section 233.7]

### Distributions from the following trusts are not required to be reported

- a trust governed by a foreign retirement arrangement such as a U.S. Individual Retirement Account (IRA);
- a non-resident trust that does not pay income tax in the taxing jurisdiction where it is resident, principally provides superannuation, pension, retirement or employee benefits, and is either maintained primarily for the benefit of non-resident individuals, or is governed by an employee profit sharing plan; and
- a non-resident trust for which the reporting entity is required to file a Form T1134, *Information Return Relating to Controlled and Non-Controlled Foreign Affiliates*; Form T1135, *Foreign Income Verification Statement*; or T1141, *Information Return in Respect of Contributions to Non-resident trusts, Arrangements or Entities*.

## How to complete the Form T1142 Summary

### Functional currency

Only certain corporations are permitted to elect to use a functional currency pursuant to subsection 261(3).

Where an election has been made, the currency code must be reported on the top of page 1 of Form T1141 Summary. The codes for the functional currencies are as follows:

AUD – for Australian dollar  
USD – for U.S. dollar  
GBP – for U.K. pound  
EUR – for Euro

## Section 1 – Reporting entity information

Tick the appropriate box to identify the type of reporting entity filing this form. Provide the entity's name, address and identification number. Provide the taxation year for which this form is being filed.

### For individual code, tick:

1. If the individual or the individual's spouse (common-law partner) is self-employed.
2. If the individual and the individual's spouse (common-law partner) are both not self-employed.

### For partnership code, tick:

1. If end partners are individuals or trusts.
2. If end partners are corporations.
3. If end partners are a combination of 1 and 2 mentioned above.

An end partner is the final recipient (corporation, trust or individual) that receives an allocation of income from the partnership after the income has flowed through the various levels of a tiered partnership.

### Country Codes

For a list of country codes, see the CRA website at: [cra.gc.ca/E/pub/tg/t4061/t4061-e.html#P482\\_43418](http://cra.gc.ca/E/pub/tg/t4061/t4061-e.html#P482_43418).

## Section 2 – Certification

This area should be completed and signed by:

- the person filing this form in the case of an individual;
- an authorized officer in the case of a corporation;
- the trustee, executor, or administrator where the person filing the return is a trust; or
- an authorized partner in the case of a partnership.

If a person or firm other than the reporting entity prepared this form, provide their name, address and telephone number.

## How to complete the Form T1142 Supplement

A separate supplement must be filed for each non-resident trust. A nil amount should be reported by indicating "0" (zero) rather than leaving the amount or fair market value field empty.

Amounts should be rounded to the nearest dollar.

### Foreign currency reporting and conversion

Report monetary values in Canadian dollars except where an election has been made to use a functional currency.

When converting amounts into Canadian dollars or functional currency, you should use the exchange rate in effect at the time of the transaction. Use the exchange rate in effect at year-end to report year-end balances. If contributions or distributions are made throughout the year, we will accept an average rate for the year.

### Section A – Identification of the non-resident trust

Provide the name of the non-resident trust and its trust account number, if any, issued by the CRA. Provide the name, address, country of residence at the reporting entity's year end, and telephone number of the trustee(s).

## Section B – Distributions from the non-resident trust

Complete this part if, in the taxation year, the taxpayer received funds or property other than funds from this non-resident trust.

### Funds

If the taxpayer received funds report the amount and indicate in the appropriate box whether this was a distribution of income or of capital for income tax purposes. For this purpose, "funds" includes cash and negotiable instruments, such as cheques and drafts.

### Property other than funds

If the taxpayer received property that is other than funds (e.g., real estate or shares), provide a description of this property and an estimate of its fair market value at the time of the distribution. Indicate in the appropriate box whether this was a distribution of income or of capital for income tax purposes.

### Estimating fair market value

For purposes of completing Form T1142, there is no requirement to obtain a formal appraisal of the property. An estimate of the fair market value is sufficient. The following sections will help you estimate the fair market value of certain properties.

#### Securities

The fair market value of publicly traded shares may be obtained from public listings of transactions on recognized stock exchanges, investment publications, or from a broker or investment dealer.

For securities in a privately owned business, information may be obtained from a person who is familiar with the business such as an accountant or business valuator.

For more information, see Information Circular 89-3, *Policy Statement on Business Equity Valuations*.

#### Listed personal property and other personal-use-property

The fair market value of these properties may be estimated by consulting with art, coin, jewellery, antique and stamp dealers. You can also refer to catalogues for the value of these objects.

#### Real estate

The fair market value of real estate may be estimated by collecting information on sales of similar properties in the same area around the date you received the property. This information can be obtained from real estate pamphlets, which provide asking prices. If possible you should determine if the property sold and what the actual sale price was. You can also use newspapers which provide the asking price or land-registry or land-title offices.

To support your valuation, you should keep documents containing the following information:

- a brief description of the property, including location, lot, building size, and date and type of construction;
- the cost and date of acquisition;
- the cost of any additions or improvements;
- the property assessment for municipal tax purposes; and
- insurance coverage.

## Section C – Indebtedness to the non-resident trust

This section must be completed if the reporting entity was indebted to the trust at any time during the year. List each debt separately.

### Due dates for filing this return

Form T1142 must be filed on or before the due date of your income tax return, or in the case of a partnership, the due date of the partnership information return. If a return is not required to be filed, Form T1142 must still be filed on or before the date that would be the filing due date of the return.

Please note that currently Form T1142 cannot be filed electronically. If you are not required to file an income tax return (or a partnership information return) or if you have e-filed your income tax return, you are still required to file a paper copy of this form to the following address:

Winnipeg Taxation Centre  
Data Assessment & Evaluation Programs  
Validation & Verification Section  
Foreign Reporting Returns  
66 Stapon Road  
Winnipeg MB R3C 3M2

### Penalties

There are substantial penalties for failing to complete and file Form T1142 accurately and by the due date. For additional information regarding penalties, see the CRA website at:

[cra.gc.ca/tx/nnrstdnts/cmmn/frgn/pnlts\\_grd-eng.html](http://cra.gc.ca/tx/nnrstdnts/cmmn/frgn/pnlts_grd-eng.html).

### Voluntary disclosures

To promote compliance with Canada's tax laws, we encourage you to correct your tax affairs through the Voluntary Disclosures Program. For more information, see Information Circular IC00-1R4, *Voluntary Disclosures Program* or visit the CRA website.

### More information

If you need more information, visit our website at [canada.ca/taxes](http://canada.ca/taxes). Alternatively you can call general enquiries at:

- **1-800-959-5525** for businesses, self-employed individuals and partnerships; or
- **1-800-959-8281** for individuals (other than self-employed individuals) and trusts.

You may also contact your local tax services office. Our addresses and fax numbers are listed on our website and in the government section of your telephone book.

### Privacy Notice

Personal information is collected under the authority of section 233.6 and is used to monitor compliance with the foreign reporting requirements related to non-resident trusts. Information may also be used for the administration and enforcement of the Act, including assessment, audit, enforcement action, collections, and appeals, and may also be disclosed under information-sharing agreements in accordance with the Act. Incomplete or inaccurate information may result in various compliance actions, including the assessment of monetary penalties.

Your social insurance number is the authorized number for income tax purposes under section 237 and is used under certain federal programs.

Information is described in personal information bank CRA PPU 035 in the Canada Revenue Agency chapter of the Info Source publication at [csc-scc.gc.ca/info-source/index-eng.shtml](http://csc-scc.gc.ca/info-source/index-eng.shtml). Personal information is protected under the *Privacy Act* and individuals have a right of protection, access to and correction of their personal information. Further details regarding requests for personal information at the CRA can be found at [cra.gc.ca/atip](http://cra.gc.ca/atip).