

REQUEST BY A NON-RESIDENT OF CANADA FOR A CERTIFICATE OF COMPLIANCE RELATED TO THE DISPOSITION OF CANADIAN RESOURCE OR TIMBER RESOURCE PROPERTY, CANADIAN REAL PROPERTY (OTHER THAN CAPITAL PROPERTY), OR DEPRECIABLE TAXABLE CANADIAN PROPERTY

INSTRUCTIONS

All legislative references are to the *Income Tax Act*.

Use this form if you are a non-resident of Canada to give notice of the proposed disposition of, or the completed disposition of, Canadian resource property, Canadian real property (other than capital property), Canadian timber resource property or depreciable taxable Canadian property. A disposition of property includes any interest or option for such property whether or not the property exists.

Use Form T2062 for proposed or completed disposition of other taxable Canadian property, including the gain on the disposition of depreciable property. If both forms T2062A and T2062 are required for a disposition, the forms must be filed together.

If you are reporting a proposed or completed disposition of Canadian resource property, you must also complete Form T2062A, Schedule 1, *Disposition of Canadian Resource Property by Non-Residents*.

You have to file a separate T2062A for each disposition or proposed disposition. However, if you are disposing of, or proposing to dispose of, several properties to the same purchaser at the same time, only one T2062A is required for all the properties. A separate T2062A must be filed by each person indicating an interest in a joint tenancy, tenancy in common, or co-ownership.

We issue a certificate of compliance after tax is paid or security acceptable to the Minister is submitted for the disposition. Final settlement of the tax liability is made when you file your Canadian income tax return. **You are have to file an income tax return to report the disposition of the property listed on this form.**

Send this form along with all documentation to the tax services office for the area where the property is located.

Identification number – Enter the appropriate identification number. This will ensure that security or payment made for tax is credited to the correct account. Identification numbers must be used when filing your Canadian income tax return and on all correspondence with us.

Social insurance number (SIN) – applies if an individual was formerly a resident or a deemed resident of Canada.

Temporary tax number (TTN) – is a number assigned to a non-resident individual who filed a Canadian income tax return in previous years.

Business Number (BN) – is a registration number for businesses such as corporations, partnerships, and sole proprietorships.

Applying for a BN

Complete Form RC1, *Request for a Business Number (BN)*. Form RC1 and our pamphlet called, *The Business Number and Your Canada Customs and Revenue Agency Accounts*, are available on the Internet at: www.cra.gc.ca

Send the completed RC1 to the International Tax Services Office with a copy of the certification of incorporation. Please tell the tax services office where you filed the Form T2062A as soon as you receive your BN.

Details of property – If a disposition includes more than one property, attach a piece of paper providing the details for each property.

Description of property – include the following details:

Depreciable property, real property (other than capital property) and timber resource property – street address, city or town, plan number, lot number, registration number, serial number, and use of property (rental, lease, or business); a written description and the applicable class of asset according to Schedule II of the *Income Tax Regulations*.

Resource property – well or mine location and legal description.

Proceeds of disposition or cost amount

For dispositions of depreciable property, use the lesser of the proceeds of disposition or capital cost. For dispositions of timber resource property and real property (other than capital property), use the proceeds of disposition.

Undepreciated capital cost or cost amount

For dispositions of depreciable property and timber resource property, use the undepreciated capital cost. For dispositions of real property (other than capital property), use the cost amount.

Exemptions

If you are claiming an exemption from tax, such as under a tax convention, enter the exempt portion in column (4). Attach a note detailing the calculation of the exempt amount.

Note: You cannot claim outlays and expenses related to the disposition of property, including real estate commissions, brokerage fees, and legal and notary fees, when you file this form. However, you can claim these amounts when you file your Canadian income tax return.

More information

You can get information about residency status in Canada from Interpretation Bulletin IT-221, *Determination of an Individual's Residence Status*, or by contacting the International Tax Services Office at 952-3741 (calls from within the Ottawa area), 1-800-267-5177 (calls from other areas in Canada and the United States), or collect at (613) 952-3741 (calls from outside Canada and the United States).

You can also get information from:

Information Circular 72-17 – *Procedures Concerning the Disposition of Taxable Canadian Property by Non-Residents of Canada – Section 116*

Interpretation bulletins: IT 171 – *Non-Resident Individuals - Computation of Taxable Income Earned in Canada and Non-Refundable Tax Credits*

IT 176 – *Taxable Canadian Property - Interests in and Options on Real Property and Shares*

IT 419 – *Meaning of Arm's Length*

Supporting Document List

When you send us your completed Form T2062A, you must attach supporting documents so we can process your request. To help you, we have provided the following reference list. You can tick (✓) the boxes that apply to you.

Transactions

Sale of depreciable property

If you sell depreciable property, include copies of:

- the sales agreement;
- the capital cost allowance (CCA) schedules for all years;
- documentation to support the cost amount; and
- a completed Form T2062, *Request by a Non-Resident of Canada for a Certificate of Compliance Related to the Disposition of Taxable Canadian Property*.

Rental property

If you sell rental property, also include:

- documents to support the allocation of the proceeds between land and building;
- documents to support subsection 21(1) and (3) elections regarding capitalization of interest; and
- copies of Canadian income tax returns and notices of assessment for the last three years.

Leases

If you grant an interest in property, or dispose of an interest in property, include copies of:

- the right-of-way agreement;
- the surface lease agreement; or
- the leasehold interest agreement.

Vendor takes back mortgage

If the vendor takes back the mortgage, include:

- a copy of the mortgage agreement.

Mortgage foreclosures and power of sale

If the transaction is a result of a mortgage foreclosure or power of sale, you have to include copies of:

- the power of sale or court order; and
- the mortgage agreement.

Sale of Canadian resource property

If you sell Canadian resource property, include copies of:

- the petroleum and natural gas lease;
- the offer to purchase and conveyance agreement;
- Form T2062A, Schedule 1; and
- documents to support pool balances.

Sale of Canadian timber resource property

If you sell timber resource property, include copies of:

- documents to support the sale (including any offers to purchase);
- documents to support acquisition or ownership and the adjusted cost base (ACB) of the property;
- CCA schedules for all years;
- documents to support any revenue received (e.g., logging contract, payments from sawmills); and
- your Canadian income tax returns for the last three years.

Sale of partnership property

If you sell partnership property, include copies of:

- the sales agreement;
- the listing of partners; and
- the partnership agreement.

Partnership interest

If the property is a partnership interest, include:

- a calculation of the ACB;
- a copy of the partnership capital account balance; and
- the purchase agreement (if interest was originally acquired from another partnership).

Partnership residual interest

If the property is a partnership residual interest, include:

- a calculation of the ACB.

Partnership continuing income right

If the property is a continuing income right, include:

- a calculation of the ACB; and
- documents to support the partner's share of income.

Claims for exemptions under tax conventions

If you are claiming an exemption under a tax convention, you have to give us proof of residence.

Individuals should include:

- copies of their most recent income tax returns from the treaty country; or
- a letter from the tax authority in the treaty country confirming their residency status; or
- an affidavit signed by a commissioner of oaths or notary public confirming their residency status.

Corporations should include:

- a copy of their charter; and
- copies of their most recent income tax returns from the treaty country; or
- a letter from the tax authority in the treaty country confirming their residency status.

Trusts and estates should include:

- a copy of the trust agreement, indenture, or will; and
- copies of the most recent income tax returns from the treaty country; or
- a letter from the tax authority in the treaty country confirming the trust's residency status

Fresh start rule

If you are claiming an exemption under the *Canada-US Tax Convention*, Article XIII paragraph 9 (Fresh Start Rule), include:

- proof that you were a continuous resident of the United States from September 26, 1980, to the date of sale;
- the value of the property on December 31, 1971 (for property acquired before January 1, 1972); and
- a calculation of the exempt portion of the gain accrued to December 31, 1984; or
- an appraisal report for the fair market value of the property on December 31, 1984.

Non-arm’s length transactions

If the transaction is between non-arm’s length parties, include:

- an appraisal report determining the fair-market value of the property at the time of disposition; or
- a letter of opinion from an appraiser or agent.

Gift of property

If the transaction is a gift of property, include:

- a copy of the transfer deed.

Section 85 elections (rollovers)

If a section 85 election is made on the transaction, include a copy of:

- Form T2057, *Election on Disposition of Property by a Taxpayer to a Taxable Canadian Corporation*; or
- Form T2058, *Election on Disposition of Property by a Partnership to a Taxable Canadian Corporation*; and
- all supporting documents including valuations, appraisals, and calculations showing how the agreed amounts were determined.

Corporate reorganization

If the transaction is a result of a corporate reorganization, include:

- copies of documents explaining the reorganization;
- a list of steps involved in the reorganization; and
- a corporate organization chart.

Deemed dividends - section 212.1 or subsection 84(3)

If a section 212.1 or subsection 84(3) deemed dividend results from the transaction, include the calculation of the:

- deemed dividend or paid-up capital reduction; and
- tax paid-up capital.

Trusts and estates

If the vendor is a trust or estate, include the following information as well as documents related to the transaction:

- name and address of the trustee, executor, administrator, or other representative of the trust or estate;
- proof of residency of the trustee, executor, administrator, or other representative of the trust or estate;
- the trust or estate’s country of residence; and
- disclosure that a trust is a party to the transaction.

Charities and non-profit organizations

If the vendor is a charity or non-profit organization, include the following information as well as specific documents related to the transaction:

- proof that the organization is registered as a charity for tax purposes in the country of residence.

Joint tenancy, tenancy in common or co-ownership

If the vendor is a member of a joint tenancy, tenancy in common or co-ownership, include the following information as well as documents related to the transaction:

- a list of names and addresses of all members.;
- the percentage of ownership of each member.

Elections

If you previously made an election on the property, include a copy of the election form such as:

- Form T664 or T664 (Seniors), *Election to Report a Capital Gain on Property Owned at the end of February 22, 1994*; or
- Form T2061A, *Election by an Emigrant to Report Deemed Dispositions of Taxable Canadian Property and any resulting Capital Gain or Loss*

Payment of tax or security

If you are making a payment of tax, include:

- the trust cheque, certified cheque, bank draft, or money order;
- the bank guarantee; or
- evidence that security has been given.

For CCRA use only

Account or subsidiary ledger number	Amount of payment
<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>

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Tick (✓) the box that applies to you Proposed disposition Completed disposition

Vendor (non-resident)

Last name (print)		First name and initial (print)			Year	Date of birth Month	Day	Date of departure from Canada Year	Month	Day
Present address							Social insurance number or temporary tax number			
							Business Number (BN)			
Representative – name and address (see note below)							Telephone and fax number			

Note: By completing this information, you authorize the person named to act as your representative in matters concerning this request.

Purchaser

Last name		First name and initial		Telephone
Present address				
Representative's name and address				Telephone and fax number

- If you previously filed Form T2062A or Form T2062 in this calendar year, state the name of the tax services office where you filed it, and give the name and address of the purchaser(s). _____
- Is the disposition subject to an election under section 85 (transfer of property to a corporation)? Yes No
- Do you hold or plan on holding a mortgage as a result of the disposition? Yes No
- Have you received any income, including rents, royalties, or lease payments, from the property? Yes No
If yes, complete the following:
 - Non-resident tax was withheld.
Give name and address of person who withheld the tax _____
 - Non-resident tax was not withheld.
State the period when income was received from the property _____ to _____ (attach income statements that show the amount of gross income)
- If no, state the use of the property during the period of ownership. _____
- If you have outstanding balances for taxes, including income or excise taxes, custom duties, or the goods & services tax/harmonized sales tax (GST/HST), give the identification or account number(s) for the outstanding balances. _____
- State the last tax year for which you filed a Canadian income tax return, if applicable: _____
- Is the disposition of property to a person with whom you are not dealing at arm's length, or is it a gift inter-vivos? Yes No
If yes, and the disposition is at less than fair market value, enter the fair market value at the time of disposition in column (1) below.

Details of property (refer to instructions on page 1 for more information)

Date or proposed date of disposition			Vendor's acquisition date			Description of property
Year	Month	Day	Year	Month	Day	

(1) Proceeds of disposition or cost amount	(2) Undepreciated capital cost or cost amount	(3) Income or (loss). Column (1) less column (2)	(4) Exemptions	(5) Net income or (loss). Column (3) less column (4)
\$	\$	\$	\$	\$

Payment of tax. Enter the Part I federal tax on net income. (For resource property, enter the amount from line (H) of Form T2062A, Schedule 1) \$

Certification

I, _____, certify that the information given on this form is, to the best of my knowledge, correct and complete.

Name

Date

(Authorized person's signature)

(Position or office)