



### Foreign Income Verification Statement

- This form must be used for the 2013 and later taxation years.
- Complete and file this form if at any time in the year the total cost amount to the reporting taxpayer of all Specified Foreign Property was more than \$100,000 (Canadian).
- Enter CAD (Canadian) or, where an election has been made to use a functional currency, other than the Canadian dollar, enter the functional currency code .....
- See attached instructions for more information about completing this form.

If this is an amended return check this box.

#### Identification

Check (✓) 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 (BN) 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 taxpayer's address

Number \_\_\_\_\_ Street \_\_\_\_\_

City \_\_\_\_\_ Province or territory \_\_\_\_\_ Postal code \_\_\_\_\_

For what taxation year are you filing this form? From  Year  Month  Day to  Year  Month  Day

#### Categories of Specified Foreign Property

In each of the tables below, provide the required details of each specified foreign property held at any time during the particular tax year. If you need additional space, please attach a separate sheet of paper using the same format as the tables.

**2013 Transitional Reporting Method** – For the 2013 tax year, taxpayers are permitted to use a 2013 Transitional Reporting Method. See instructions for Category 6 "Other property outside of Canada" for details as to how to report under this method.

**T3/T5 Reporting Exception** – Where the taxpayer has received, or will receive, a T3 or T5 from a Canadian issuer for all of the income earned in respect of a specified foreign property for the particular tax year, that specified foreign property may be excluded from the Form T1135 reporting requirement for that tax year. **The T3/T5 reporting exception cannot be used for an account with a Canadian registered securities dealer if the 2013 transitional reporting method has been used for any other account with a Canadian registered securities dealer.**

If the T3/T5 reporting exception is being utilized for any specified foreign property, check this box.

#### 1. Funds held outside Canada

Name of bank/other entity holding the funds	Country code	Maximum funds held during the year	Funds held at year end	Income (loss)
<b>Total</b>				

#### 2. Shares of non-resident corporations (other than foreign affiliates)

Name of corporation	Country code	Maximum cost amount during the year	Cost amount at year end	Income (loss)	Gain (loss) on disposition
<b>Total</b>					

**3. Indebtedness owed by non-resident**

Description of indebtedness	Country code	Maximum cost amount during the year	Cost amount at year end	Income (loss)	Gain (loss) on disposition
<b>Total</b>					

**4. Interests in non-resident trusts**

Name of trust	Country code	Maximum cost amount during the year	Cost amount at year end	Income received	Capital received	Gain (loss) on disposition
<b>Total</b>						

**5. Real property outside Canada (other than personal use and real estate used in an active business)**

Description of property	Country code	Maximum cost amount during the year	Cost amount at year end	Income (loss)	Gain (loss) on disposition
<b>Total</b>					

**6. Other property outside Canada**

Description of property	Country code	Maximum cost amount during the year	Cost amount at year end	Income (loss)	Gain (loss) on disposition
<b>Total</b>					

**Certification**

I certify that the information given on this form is, to my knowledge, correct and complete, and fully discloses the reporting taxpayer's foreign property and related information.			If someone other than the taxpayer or the partnership 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					
Phone	Date	Postal code	Telephone		

## Instructions

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

If the reporting taxpayer is a partnership, references to year or taxation year should be read as fiscal period and references to taxpayer should be read as partnership.

### Do you have to file this form?

All Canadian resident taxpayers (including non-resident trusts deemed resident in Canada by section 94 of the Act) are required to file the T1135, *Foreign Income Verification Statement* if at any time in the year the total cost amount of all Specified Foreign Property to the taxpayer was more than \$100,000 (Canadian).

An individual (other than a trust) does **not** have to file a T1135 for the year in which the individual first becomes a resident of Canada (section 233.7 of the Act).

The following entities **do not** have to file this 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 trust in which all of the persons beneficially interested are persons described above;
- a partnership in which all the members are persons described above;
- 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.

### What property do you have to report?

You are required to report all Specified Foreign Property in accordance with subsection 233.3(1) of the Act which includes:

- funds or intangible property (patents, copyrights, etc.) situated, deposited or held outside Canada;
- tangible property situated outside of Canada;
- a share of the capital stock of a non-resident corporation held by the taxpayer or by an agent on behalf of the taxpayer;
- an interest in a non-resident trust that was acquired for consideration, other than an interest in a non-resident trust that is a foreign affiliate for the purposes of section 233.4;
- an interest in a partnership that holds a Specified Foreign Property unless the partnership is required to file a T1135;
- an interest in, or right with respect to, an entity that is a non-resident;
- a property that is convertible into, exchangeable for, or confers a right to acquire a property that is Specified Foreign Property;
- a debt owed by a non-resident, including government and corporate bonds, debentures, mortgages, and notes receivable;
- an interest in a foreign insurance policy;
- precious metals, gold certificates, and futures contracts held outside Canada.

Specified Foreign Property **does not** include:

- a property used or held exclusively in carrying on an active business;
- a share of the capital stock or indebtedness of a foreign affiliate;
- an interest in a trust described in paragraph (a) or (b) of the definition of "exempt trust" in subsection 233.2(1);
- a personal-use property as defined in section 54;
- an interest in, or a right to acquire, any of the above-noted excluded foreign property.

For frequently asked questions or examples, check our web site at:  
[www.cra-arc.gc.ca/tx/nnrstdnts/cmmn/frgn/1135\\_fq-eng.html](http://www.cra-arc.gc.ca/tx/nnrstdnts/cmmn/frgn/1135_fq-eng.html)

### How to complete this form

Where a particular Specified Foreign Property has been reported all of the other fields associated with that particular property must also be completed. All nil amounts should be reported by indicating "0" in the corresponding field rather than leaving it blank. Amounts should be rounded to the nearest dollar.

### Functional currency

If an election has been made under paragraph 261(3)(b) of the Act to report in a functional currency, state all monetary amounts in that functional currency, otherwise state all monetary amounts in Canadian dollars. 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

### Identification

Check the appropriate box to identify the category of taxpayer filing this form. Provide the taxpayer's name, address, and identification number. Provide the taxation year for which this form is being filed.

### Reporting individual/partnership identification

#### For individual code, check ( ✓ ):

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, check ( ✓ ):

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.

### Categories of Specified Foreign Property

This form contains six (6) tables corresponding to different categories of Specified Foreign Property. Report the detail of each particular property that was held at any time during the year in the appropriate category.

### Country codes

For the list of country codes, see **Country codes**.

The country code for each category should identify:

- Category 1 – the country of residence of the bank or other entity holding the funds;
- Category 2 – the country of residence of the non-resident corporation;
- Category 3 – the country of residence of the non-resident issuer;
- Category 4 – the country of residence of the trust;
- Category 5 – country where property is located;
- Category 6 – country where property is located.

### Cost amount

Cost amount is defined in subsection 248(1) of the Act and generally would be the acquisition cost of the property.

If you immigrate to Canada, the cost amount is the fair market value of the property at the time of immigration. Similarly, if you received Specified Foreign Property as a gift, or inheritance, the cost amount is its fair market value at the time of the gift or inheritance.

### Foreign currency conversion

When converting amounts from a foreign currency into Canadian dollars, use the exchange rate in effect at the time of the transaction (i.e. the time the income was received or the property was purchased). If you received income throughout the year, an average rate for the year is acceptable.

## 1. Funds held outside Canada

Funds held outside Canada include money on deposit in foreign bank accounts, money held with a foreign depository for safekeeping and money held by any other foreign institution at any time during the year. Prepaid debit or credit cards and negotiable instruments, such as cheques and drafts, are also included in this category. For marketable securities see category 3.

## 2. Shares of non-resident corporations (other than foreign affiliates)

Report all shares of non-resident corporations whether or not they are physically held in Canada.

Do not report shares of a foreign affiliate corporation. Generally, a foreign affiliate is a non-resident corporation (or certain non-resident trusts) of which you hold at least 1% of the shares individually, and, either alone or with related persons, hold 10% or more of the shares. If you have a foreign affiliate, you may have to file a T1134, *Information Return Relating to Controlled and Not Controlled Foreign Affiliates*.

## 3. Indebtedness owed by non-residents

Report all amounts owed to you by a non-resident person (other than a foreign affiliate corporation) whether the indebtedness is held inside or outside Canada. Include all promissory notes, bills, bonds, commercial paper, debentures, loans, mortgages, and other indebtedness owed to you by a non-resident person. Marketable securities, such as guaranteed investment certificates, government treasury bills and term deposits issued by a non-resident, should be reported under this category.

## 4. Interests in non-resident trusts

Report all interests in non-resident trusts acquired for consideration, other than a non-resident trust that is a foreign affiliate for the purposes of section 233.4.

If you contributed to, or received a distribution or loan from, a non-resident trust you may be required to file a T1141, *Information Return in Respect of Contributions to Non-Resident Trusts, Arrangements or Entities* or a T1142, *Information Return in Respect of Distributions from and Indebtedness to a Non-Resident Trust*.

## 5. Real property outside Canada

Report all real property located outside of Canada other than real property used in an active business or used primarily for personal use (such as a vacation property used primarily as a personal residence). Rental property outside Canada should be included in this category.

## 6. Other property outside Canada

This category should include any property that does not correspond to any of the other categories.

### 2013 Transitional Reporting Method:

For the 2013 tax year, the following Form T1135 reporting method is permitted:

#### 1. Canadian registered securities dealer reporting method

A taxpayer who held specified foreign property in an account in the taxpayer's name (or jointly with another taxpayer) with a Canadian *registered securities dealer* (as defined in subsection 248(1) of the Act) is permitted to report the aggregate amount of all such property held in that particular account in Category 6 "Other property outside of Canada". A taxpayer who chooses to use this reporting method must use it for all accounts with Canadian registered securities dealers.

#### 2. Unit trust reporting method

A unit trust (as defined in subsection 108(2) of the Act) resident in Canada is permitted to report the aggregate amount of all specified foreign property it held in Category 6 "Other property outside of Canada".

If the 2013 transitional reporting method is being used, provide the following information:

"Description of property" – enter the name and account number of each Canadian registered securities dealer account (or the name of the unit trust) on a separate row;

"Country code" – enter CAN;

"Maximum cost amount during the year enter" – enter "0";

"Cost amount at year end" – enter the market value of all specified foreign property held in that account (or by the unit trust) at the end of the particular tax year;

"Income (loss)" – provide the total income earned on all specified foreign property held in that account (or by the unit trust) at any time during the particular tax year;

"Gain (loss) on disposition" – provide the total gross gain or loss realized on the disposition of all specified foreign properties held in that account (or by the unit trust) at any time during the particular tax year.

## 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 in the case of a trust; or
- an authorized partner in the case of a partnership.

## Due dates for filing this form

Form T1135 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.

For the 2013 tax year, the filing deadline has been extended to July 31, 2014 for all taxpayers.

Please note that currently Form T1135 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:

Ottawa Technology Centre  
Data Assessment and Evaluations Program  
Verification and Validation  
Other Programs Unit  
875 Heron Road  
Ottawa ON K1A 1A2

## Penalties for non-reporting

There are substantial penalties for failing to complete and file the T1135 accurately and by the due date. For additional information regarding penalties, see **Penalties**.

## 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 IC00-1R3, *Voluntary Disclosures Program (VDP)* or visit the CRA website.

## More information

If you need more information visit our website at [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca). Alternatively you can call general enquires 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 233.3 of the Act and is used to monitor compliance with the foreign reporting requirements related to offshore investments. Information may also be used for the administration and enforcement of the Act, including audit, enforcement action, collections, and appeals, and may 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 of the Act and is used under certain federal programs.

Information is described in personal information bank CRA PPU 205 in the Canada Revenue Agency (CRA) chapter of the *Info Source* publication at [www.infosource.gc.ca](http://www.infosource.gc.ca). 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 [www.cra-arc.gc.ca/atip](http://www.cra-arc.gc.ca/atip).