

Nyrose & Company LLP

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FOREIGN OWNERSHIP REQUIREMENTS

Canada Revenue Agency now requires all taxpayers who own specified foreign property, defined as most Foreign Property, with a total Canadian cost which exceeds \$100,000 at any time during the year, to file Foreign Asset Report form T1135. Please note that should Canada Revenue Agency determine that you were required to file form T1135 for that year, substantial penalties will be assessed by Canada Revenue Agency for failing to file the required form.

Some examples of specified Foreign Property which are required to be reported are as follows:

- US or Foreign Bank Accounts; based in the foreign jurisdiction
- US or Foreign Bonds
- US or Foreign based Stocks (even if owned in \$CDN)
- Shares in non-resident corporations (Note: If you either alone or with related persons hold 10% or more of the shares of a non-resident corporation, you may have to file an additional return.)
- Loans to non-residents.
- US or Foreign Rental Property
- US or Foreign Investment Property
- Any tangible property situated outside of Canada including real estate and equipment
- Any funds or tangible property deposited or held outside of Canada
- Interest in a non-resident trust, including a foreign mutual fund trust.
- Interest in a partnership that holds specified foreign property.
- Any option to acquire specified Foreign Property

Specified Foreign Property does not include the following:

- Personal use property.
- Real Estate outside of Canada used solely for a personal residence.
- An interest, right or option to acquire above.
- An interest in an RRSP, RRIF or RPP that contains foreign property.
- Mutual funds registered in Canada that contain foreign investments
- Property you used or held exclusively in the course of carrying on your active business.
- US currency bank accounts held within a financial institution located in Canada.

Canada Revenue Agency Questions and Answers about form T1135 - http://www.cra-arc.gc.ca/tx/nrrsdnts/cmmn/frgn/1135_fq-eng.html

Please call our office at (403) 329-1562 if you have any additional questions.