

Part 3 – Carry back of losses from Canadian mutual funds

Use this part to apply losses of Canadian mutual funds to the tax paid in the three preceding tax years or to carry these losses forward to a future year.

Total of all current year losses and unused previous year losses (from line 4 on page 1)			9
Assessable distribution (from line 1 on page 1)	-		10
Line 9 minus line 10 (if negative enter "0"). This is the unused loss.			11
Tax rate	x	0.15	12
Multiply the amount on line 11 by 15%.	=		13
Total tax paid in first previous year that was not already refunded.		6556	• 14
Total tax paid in second previous year that was not already refunded.	+	6557	• 15
Total tax paid in third previous year that was not already refunded.	+	6558	• 16
Add lines 14, 15, and 16.	=		17

Part 4 – Calculate the unused Canadian mutual fund losses available to carry forward

Any losses you do not carry back can be carried forward indefinitely.

Enter the amount from line 13.			18
Enter the amount from line 17.	-		19
Line 18 minus line 19 (if negative enter "0").	=		20
Tax rate	÷	0.15	21
Divide the amount on line 20 by 15%. Balance of mutual fund losses available to carry forward.	=		22

Part 5 – Calculate the refund or balance owing

Enter the amount from line 7 on page 1.		This is the total payable.		23
Loss carryback of mutual funds (enter the amount from line 13 or 17, whichever is less).	6559			• 24
Total current year non-resident tax withheld	6560	+		• 25
Add lines 24 and 25. These are the total credits.	6561	=		• 26
Line 23 minus line 26		=		27

If the result is negative, you have a **refund**.
 If the result is positive, you have a **balance owing**.
 Enter the amount below on whichever line applies.

<p>Generally, we do not charge or refund a difference of \$2 or less.</p> <p>Refund 484 <input style="width: 100px;" type="text"/></p>	<p>Balance owing 485 <input style="width: 100px;" type="text"/></p>
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Amount enclosed 486

Attach to page 1 a **cheque** or **money order** payable to the Receiver General. Your payment is due no later than April 30, 2007.

I certify that the information given on this return and in any documents attached is correct and complete. Sign here <input style="width: 300px;" type="text"/> Signature of individual, trustee, or authorized officer Telephone - - Date	490 For professional tax preparers only	Name: _____ Address: _____ _____ Telephone: - -
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Part XIII.2 Tax return for Non-resident's investments in Canadian mutual funds

Glossary

The glossary provides a general description of the technical terms we use for this return.

Assessable distribution – The part of any amount paid or credited by the mutual fund to a non-resident investor that is not otherwise subject to tax.

Canadian mutual fund – A share or unit of a mutual fund, if the share or unit is listed on a prescribed stock exchange and more than 50% of the fair market value of the share or unit is attributable to real property in Canada, a Canadian resource property, or a timber resource property.

Canadian mutual fund loss – The loss from the disposition of a Canadian mutual fund investment (as defined above), but only to the extent that the loss is not more than the total of all assessable distributions that were paid or credited on the investment after 2004 while the non-resident owned the investment. A non-resident investor has a loss for a tax year only if the non-resident investor files a return for that year under Part XIII.2 by the filing due date.

General information

As of January 1, 2005, non-resident investors who invest in Canadian mutual fund investments may have 15% tax withheld from assessable distributions paid or credited to them. Both the assessable distributions and the withholding tax will be reported on an NR4 slip, *Statement of Amounts Paid or Credited to Non-Residents of Canada*. Generally, this 15% tax on the assessable distributions is considered the final tax obligation to Canada on that income.

A loss may be realized on the disposition of a Canadian mutual fund investment. The non-resident investor can apply the loss to offset any assessable distributions paid or credited after 2004, to the extent that the loss does not exceed the total assessable distributions paid or credited on the investment.

For this purpose, the non-resident investor must file a Part XIII.2 tax return. A refund of some or all of the tax withheld may be claimed. Unused amounts of this special form of capital loss, may be carried back three tax years or carried forward indefinitely in claiming a refund of Part XIII.2 tax paid.

Do you have to file a Part XIII.2 tax return?

As a non-resident of Canada, you can choose to send us a return if you want to claim a refund of Part XIII.2 tax or if you realized a Canadian mutual fund loss during the tax year.

Important dates

This section provides information about the filing due date, balance due date, and refund interest start date for different types of non-resident investors.

Individuals – Generally, your return has to be filed on or before April 30 of the year after the tax year. Our tax year is the same as the calendar year. If you or your spouse or common-law partner carried on a business during the year, your return has to be filed on or before June 15 of the year after the tax year. If you are the legal representative of the estate of an individual who died during the year, the return must be filed by the later of April 30 of the year after the tax year or six months after the date of death. For more information see Guide T4011, *Preparing returns for Deceased Persons*.

The regular balance due date is April 30 of the year after the tax year.

The refund interest start date is the later of May 31 after the tax year or the 31st day after the return was filed.

Partnerships – For the purposes of the Part XIII.2 return, partnerships, other than Canadian partnerships, are treated like corporations.

Corporations – The return due date is six months after the end of the tax year (corporation's fiscal period).

Generally the balance due date is two months after the end of the tax year.

The refund interest start date is the 121st day after the end of the tax year.

Trusts – The return due date is 90 days after the end of the tax year.

The balance due date is 90 days after the end of the tax year.

The refund interest start date is the 31st day after the return is due.

What if you send the return late

If you do not send us the Part XIII.2 return by the due date, we will not apply any losses to reduce or refund Part XIII.2 tax on this return. If the payer did not withhold the correct amount of non-resident tax, we will issue a non-resident tax assessment to you. If a loss was incurred for the tax year, it will not be recognized and will not be available to offset Part XIII.2 tax in any tax year.

Where should you send this return

Mail or deliver this return to:

The International Tax Services Office
Canada Revenue Agency
2204 Walkley Road
Ottawa ON K1A 1A8
Canada

When can you expect the refund?

We usually process returns in eight to ten weeks.

What should you do if you disagree?

If you disagree with the assessment or reassessment, contact the International Tax Services Office for more information. If you still disagree, you can make a formal objection by sending a completed Form T400A, *Objection – Income Tax Act*, or a signed letter to the Chief of Appeals, Sudbury Tax Centre, 1050 Notre Dame Avenue, Sudbury ON P3A 5C1, CANADA.

If you are an individual (other than a trust), the time limit for filing an objection is whichever of the following two dates is **later**:

- one year after the due date for the return; or
- 90 days after the date of the *Notice of Assessment* or *Notice of Reassessment*.

In every other case, you have to file an objection within 90 days of the day we mailed the *Notice of Assessment* or *Notice of Reassessment*.

Identification

Follow the instructions on the return to complete this area. Incomplete or incorrect information **may delay** the processing of the return and any refund you may be entitled to receive.

Address – We may modify part of the address to meet the requirements of Canada Post. Therefore, the address on the *Notice of Assessment* or other correspondence we send you may be slightly different from the one you indicate on the return.

Tax year – For individuals, other than trusts, enter the tax year this return applies to. For corporations, partnerships and trusts, enter the start and end dates of the tax year this return applies to.

Identification number – Please tick the box that applies to you and complete the corresponding information. If you do not have an identification number, attach a note to the return and let us know, and we will issue an identification number after we receive the return.

Part 1 – Calculate the non-resident tax on Canadian mutual funds

Line 1 – Assessable distributions. Enter the total gross income shown in boxes 16 and 26 for income codes 59 and 60 on the NR4 slips for the current year. Include a copy of each of the slips with the return.

Line 3 – Previous years mutual fund losses. You can deduct the mutual fund losses reported in previous years that you have not already claimed. The available losses are shown on the prior year *Notice of Assessment* or *Notice of Reassessment*.

Part 2 – Calculate the current year Canadian mutual fund losses

Part 2 has eight columns for reporting the disposition of different Canadian property mutual fund investments. Make sure you provide the information requested in all columns.

Part 3 – Carry back of losses from Canadian mutual funds

Lines 14 – 16. Part XIII.2 tax paid in the first, second, and third previous year that has not previously been refunded.

Enter the total of the non-resident tax withheld shown in boxes 17 and 27 for income codes 59 and 60 on the NR4 slips for the previous year that has not been previously refunded. Include a copy of each of the slips with the return.

Part 4 – Calculate the unused Canadian mutual fund losses available to carry forward

These are the unused Canadian mutual fund losses that can be carried forward indefinitely.

Part 5 – Calculate the refund or balance owing

Line 25 – Total current year non-resident tax withheld. Enter the total of the non-resident tax withheld shown in boxes 17 and 27 for income codes 59 and 60 on the NR4 slips. Include a copy of each of the slips with the return.

Partnerships – Do not include on line 25 the member's portion of the tax paid by the partnership reported on the NR4 slip for members who are resident of Canada. Canadian residents should report their portion of the tax paid on their Canadian tax return.

Line 484 – Refund. If the total payable (line 23) is less than the total credits (line 26), enter the difference on line 484. This amount is the refund. Generally, if the difference is \$2 or less, you will not receive a refund.

Although you may be entitled to a refund, we may keep some or all of it to:

- apply against any amount you owe us or are about to owe us;
- satisfy a garnishment order under the *Family Orders and Agreements Enforcement Assistance Act*; or
- apply against certain other outstanding federal, provincial, or territorial debts.

Line 485 – Balance owing. If the total payable (line 23) is more than the total credits (line 26), enter the difference on line 485. This amount is the balance owing. Generally, if the difference is \$2 or less, you do not have to make a payment.

Certification area

This area should be completed and signed by:

- the person filing the return 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.

Contacting us

If you need more help after reading this information, you can contact the International Tax Services Office.

Calls from Canada and the U.S. 1-800-267-5177

Calls from outside Canada and the U.S. 613-952-3741

Fax number 613-941-2505

We accept collect calls.