



Canada Revenue  
Agency

Agence du revenu  
du Canada

Canada

# Non-Resident Withholding Tax Guide

Includes information  
concerning the NR4  
Return and the T4A-NR  
Return

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# 2005



More Ways to Serve You!



## **Confidentiality**

One of our objectives is to maintain public confidence in the integrity of the tax system. The information you provide on the NR4 Summary and NR4 slips, and T4A-NR Summary and T4A-NR slips, can be used only for the purposes stated in the Income Tax Act and bilateral tax treaties. We keep your NR4 return in personal information bank CCRA PPU 065, and your T4A-NR return in personal information bank CCRA PPU 097.

Visually impaired persons can get our publications in braille, large print, or etext (computer diskette), or on audio cassette by visiting our Web site at **[www.cra.gc.ca/alternate](http://www.cra.gc.ca/alternate)** or by calling **1-800-267-1267** weekdays from 8:15 a.m. to 5:00 p.m. (Eastern Time).

La version française de cette publication est intitulée GUIDE SUR LA RETENUE D'IMPÔT DES NON-RÉSIDENTS.

**NOTE:** In this publication, the text inserted between square brackets represents the regular print information.

## **Is this guide for you?**

This guide explains how to file the NR4 return and how to complete the T4A-NR Summary and slips.

The first section, "NR4 Return," includes information for payers and agents who make payments to non-residents of Canada for income such as interest, dividends, rents, royalties, pensions, and acting services in a film or video production. It also explains how to complete the NR4 return used to report these payments.

The second section, "T4A-NR Return," includes information for payers who make payments to non-residents for services performed in Canada, other than in employment situations. It also explains how to complete the T4A-NR return used to report these payments.

# What's new for 2005?

## **Currency Codes**

We have added Appendix D to the guide to provide a complete listing of currency codes to use on the NR4 slip. Only these three-letter codes are valid.

## **T4A-NR forms**

As part of our plan to eliminate carbon-loaded forms, we have reduced the T4A-NR slip to a four-part form and will phase it out during the year. The carbon-loaded slip will be replaced with single flat units after this year.

## **Fillable forms**

You can now complete your NR4 and T4A-NR forms on line and print them. You will find these forms on our Web site at [www.cra.gc.ca/fillable](http://www.cra.gc.ca/fillable).

## **Internet file transfer**

As of January 2006, Internet File Transfer (XML) will be available for the following information returns:

- Originals and amended: NR4, T4A-NR, RRSP Contribution Receipt, T1204, T3, T4, T4A, T4RIF, T4RSP, T5 and T5008;
- Originals only: T4E, T5007 and T5018.

You may also file multiple returns within a single submission (maximum 610 kb). Clients will require a payroll Business Number (RP) and Web Access Code (WAC) when filing these returns to CRA.

## **Assessable Distributions**

Under new legislation (**new** Section 218.3), a Canadian property mutual fund investment is defined as a share or unit of a mutual fund if:

- the share or unit is listed on a prescribed stock exchange; and

- more than 50 percent of its value is attributable to real property in Canada, Canadian resource properties, or timber resource properties.

As of January 1, 2005, non-resident investors who invest in Canadian property mutual fund investments are subject to a 15% withholding tax on any amount that is not otherwise subject to tax that is paid or credited to them by the mutual fund. The mutual fund has to report these amounts called "assessable distribution," and the withholding tax on an NR4 slip, STATEMENT OF AMOUNTS PAID OR CREDITED TO NON-RESIDENTS OF CANADA. **New Income code 59** has been added to report this income paid or credited by a **Canadian Property Mutual Fund Investment Corporation**. **New Income code 60** has been added to report this income paid or credited by a **Canadian Property Mutual Fund Investment Trust**.

For more information, see the section called "Non-Resident investments in Canadian Mutual Funds – Part XIII.2 Tax on Assessable Distributions" on our Web site at [www.cra.gc.ca/tax/nonresidents/common/mutual/mutualfunds-e.html](http://www.cra.gc.ca/tax/nonresidents/common/mutual/mutualfunds-e.html).

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# NR4 Return

## Chapter 1 – General Information

This section of the publication explains how to complete the NR4 return. It also outlines procedures for reporting certain amounts you paid or credited to non-residents of Canada for 2005.

### Who files an NR4 return?

You have to file an NR4 return if you are a payer or an agent who is responsible for withholding and reporting Part XIII tax. You are responsible for withholding Part XIII tax if you are:

- a Canadian resident who pays or credits Part XIII amounts to a non-resident, or is considered to have done so under Part I or Part XIII of the INCOME TAX ACT;
- an agent (such as a bank, trust company, or credit union) or person who, on behalf of the debtor, pays or credits Part XIII amounts when redeeming bearer coupons or warrants;

- an agent or another person who receives Part XIII amounts, on behalf of a non-resident, from which tax was not withheld; or
- any other payer (including a non-resident) who pays or credits amounts that are subject to Part XIII tax, or who is considered to have done so under Part I or Part XIII of the INCOME TAX ACT.

## **What is Part XIII tax?**

Part XIII tax is a withholding tax imposed on certain amounts you pay or credit to non-residents. These amounts include pensions, annuities, investment income, interest, dividends, rents, royalties, estate or trust income, and payments for film or video acting services when you pay or credit these amounts to individuals (including trusts) or corporations that are not resident in Canada.

You will find more information about Part XIII tax in the bulletins and circulars listed in the "Publications" section. In Information Circular 77-16, NON-RESIDENT INCOME TAX, you will find a general description of the provisions of Part XIII of the INCOME TAX ACT. The interpretation bulletins listed on the "Publications" section refer to specific types of income that are subject to Part XIII tax.



## **Electronic media filing**

If you file a combined total of 500 slips or more for which we provide XML specifications, you must file the returns electronically. However, anyone can file electronically to save time or to simplify the requirements when using customized forms. The XML specifications for filing electronically are available at **[www.cra.gc.ca/magmedia](http://www.cra.gc.ca/magmedia)** and **[www.cra-arc.gc.ca/t4internet](http://www.cra-arc.gc.ca/t4internet)**, which are available only on the Internet.

If you do not file an information return in an electronic format as required under the INCOME TAX ACT and INCOME TAX REGULATIONS, you may be guilty of an offence. In addition to any other penalty, you are liable to a maximum penalty of \$2,500 per slip.

You can include paper copies of any slips and the corresponding summary form for data that is **not** recorded electronically. Group them separately and clearly identify them as manual portions that are not included in electronic format.

We only accept CD-ROMs, DVD-ROMs, and diskettes in the new XML format.

Internet file transfer (XML) is available for original and amended NR4 returns. You may file multiple returns within a single submission (maximum 610 kb). You will require a payroll Business Number (RP) and Web Access Code (WAC) when filing your returns to CRA.

Drop off your submission at your tax services office or tax centre, or mail it to:

Electronic Media Processing Unit  
Ottawa Technology Centre  
Canada Revenue Agency  
875 Heron Road  
Ottawa ON K1A 1A2  
CANADA

Even if you file the return electronically, you have to complete paper copies of NR4 slips for non-resident recipients.

For more information about this method of filing, call us at **1-800-665-5164** or visit our Web site at **[www.cra.gc.ca/magmedia](http://www.cra.gc.ca/magmedia)** or **[www.cra-arc.gc.ca/t4internet](http://www.cra-arc.gc.ca/t4internet)**.

## **The NR4 return**

The NR4 return consists of two forms: the NR4 slip and the NR4 Summary.

### **The NR4 slip**

You have to complete an NR4 slip for every non-resident to whom you paid or credited amounts that are subject to withholding tax under Part XIII of the INCOME TAX ACT. You also have to complete an NR4 slip if you are considered, under Part I or Part XIII of the Act, to have paid or credited amounts. You have to complete an NR4 slip even if you did not withhold tax on these amounts, or you were not required to withhold tax due to an exemption under the INCOME TAX ACT or a bilateral tax treaty. For more information, see the section called "Completing the NR4 slip" on page 39 [10]. For a sample of the NR4 slip, see page 88 [21].

### **The NR4 Summary**

The NR4 Summary records the totals of amounts that you report on NR4 slips and on Form NR601, NON-RESIDENT OWNERSHIP CERTIFICATE – WITHHOLDING TAX, and Form NR602, NON-RESIDENT OWNERSHIP

CERTIFICATE – NO WITHHOLDING TAX. For more information, see the section called "Completing the NR4 Summary" on page 47 [12]. For a sample of the NR4 summary, see page 94 [22].

## Reporting limits

You have to report amounts on an NR4 slip if the gross income paid or credited during the year is \$50 or more. However, if you paid less than \$50 and you still withheld tax under Part XIII, you have to report the gross income and the tax withheld on an NR4 slip.

<b>Total gross income paid or credited</b>	<b>Tax</b>	<b>Report amounts on NR4 slip</b>
Less than \$50	Tax withheld	Yes
Less than \$50	No tax withheld	No
\$50 or more	Tax withheld <b>or</b> no tax withheld	Yes

## Rates of Part XIII tax

Non-residents have to pay a Part XIII tax of 25% on taxable amounts. However, this rate can be reduced to a lower rate under the provisions of a bilateral tax treaty.

If you pay or credit amounts subject to Part XIII tax to persons in countries that have tax treaties with Canada, see Information Circular 76-12, APPLICABLE RATE OF PART XIII TAX ON AMOUNTS PAID OR CREDITED TO PERSONS IN COUNTRIES WITH WHICH CANADA HAS A TAX CONVENTION. The information in this circular also applies if you are considered, under Part I or Part XIII of the INCOME TAX ACT, to have paid or credited amounts subject to Part XIII tax to residents of these treaty countries. You can also get the applicable current tax rates by contacting the International Tax Services Office at the address and telephone numbers listed in "How to contact us".

Any taxable amounts you paid or credited to payees in non-treaty countries will be subject to the 25% Part XIII withholding tax.

A Part XIII tax rate of 23% applies to the **gross amounts** paid, credited, or provided as a benefit for acting services rendered in

Canada by a non-resident actor, including payments of residuals and contingent compensation. This Part XIII tax rate of 23% applies only to the acting services of the actor in a film or video production.

For more information, see the section called "Non-resident actors" on our Web site at [www.cra.gc.ca/fsu](http://www.cra.gc.ca/fsu).

As the payer or agent, you are responsible for withholding and remitting Part XIII tax at the correct rate.

See Information Circular 77-16, NON-RESIDENT INCOME TAX, for more information about remitting, special reporting situations, and refund instructions.

## **Beneficial ownership**

To apply the appropriate rate of withholding tax, you can accept the payee's name and address as that of the beneficial owner, unless there is reasonable cause to suspect that the payee is not the beneficial owner.

If the payee is an insurance corporation or pension trust, we will accept the payee as the beneficial owner of amounts paid to a non-resident. However, that corporation or trust has to invest only on its own behalf and include the amounts when it calculates its revenue.

Although this list does not cover all situations, if any of the following criteria are met, it is reasonable to question whether the payee is the beneficial owner:

- The payee is known to act, even occasionally, as an agent or nominee (other than as an agent or nominee described in paragraph 3 of Information Circular 76-12).
- The payee is reported to be "in care of" another person, or "in trust."
- The mailing address for payment of the income is different from the registered address of the owner.

If you are not sure whether the payee is the beneficial owner, the payee has to complete a certificate, as described in Information Circular 76-12, and send it to you before you can apply a treaty's reduced rate of withholding tax.

## **Reduction in the amount of non-resident tax required to be withheld**

### **Pension and similar payments – Residents of all countries**

A non-resident of Canada, who receives pension or similar payments and intends to file an income tax return in Canada, can apply to us for a reduction in the non-resident tax that you have to withhold. To do this, the non-resident should use Form NR5, APPLICATION BY A NON-RESIDENT OF CANADA FOR A REDUCTION IN THE AMOUNT OF NON-RESIDENT TAX REQUIRED TO BE WITHHELD. When Form NR5 is processed, we will send a letter to the non-resident and the payer(s) indicating any payments to which a tax reduction applies. **You may not apply a tax reduction unless you receive written authorization from us.**

### **Pension and similar payments – Residents of Algeria, Brazil, Croatia, Cyprus, Ecuador, Italy, New Zealand, Portugal, the Philippines, and Slovenia**

Canada's tax treaties with Algeria, Brazil, Croatia, Cyprus, Ecuador, Italy, New Zealand, Portugal, the Philippines, and Slovenia provide for



an exemption from withholding tax for certain pension and similar payments received **in the year** from Canada.

If a non-resident receives more than one pension or similar payment from Canada, the exemption can be applied only to a limited amount of the **total payments** that the non-resident receives. Each tax treaty specifies different types of pension and similar payments to which the exemption applies. Amounts over the limit, and payments that are not eligible for exemption, are subject to withholding tax at the applicable rate. To determine the exempt amounts, the non-resident has to give us an estimate of the total pension and similar payments the non-resident expects to receive from each of the non-resident's payers.

The non-resident provides this information and requests the exemption by submitting Form NR5. When Form NR5 is processed, we will send a letter to the non-resident and to each payer indicating any payments to which the exemption applies. **You may not apply the exemption unless you receive written authorization from us.**

## **Rental income from real property in Canada**

A non-resident who receives rental income from real property in Canada can ask that payers or agents be allowed to deduct tax on the net amount instead of the gross amount. To do this, a non-resident has to complete Form NR6, UNDERTAKING TO FILE AN INCOME TAX RETURN BY A NON-RESIDENT RECEIVING RENT FROM REAL PROPERTY OR RECEIVING A TIMBER ROYALTY. The non-resident has to file this form on or before January 1 of the tax year for which the request applies, **or** on or before the date the first rental payment is due. In the case of corporations, estates, and trusts with a fiscal year-end other than December 31, they have to file the Form NR6 on or before the first day of their fiscal year. Although we accept NR6 forms throughout the year, the effective date for withholding on the net amount will be the first day of the month in which we receive the form. You have to withhold tax on any gross rental income paid or credited to a non-resident before that date. In all situations, when Form NR6 is filed, you still have to report the gross amount of rental income for the entire year on an NR4 slip.

## **Film and video acting services**

A non-resident actor, who receives payments for acting services rendered in Canada and intends to file an income tax return in Canada, can apply to us for a reduction in the non-resident tax that you have to withhold. To do this, the non-resident should use the form called APPLICATION BY A NON-RESIDENT OF CANADA FOR A REDUCTION IN THE AMOUNT OF NON-RESIDENT TAX REQUIRED TO BE WITHHELD ON INCOME EARNED FROM ACTING IN A FILM OR VIDEO PRODUCTION. When this form is processed, we will send a letter to the non-resident and the payer indicating any payments to which a tax reduction applies.

A non-resident actor who is resident in the United States, and makes less than \$15,000 CAD from acting services performed in Canada, in the calendar year, may be eligible for an exemption from tax under Article XVI of the Canada-United States Income Tax Convention. The actor can apply for a reduction of the non-resident tax that you have to withhold, as indicated above.

**You may not apply a tax reduction unless you receive written authorization from us.**

For more information, see the section called "Film Industry Services" on our Web site at [www.cra.gc.ca/fsu](http://www.cra.gc.ca/fsu).

## **Mutual Fund Investment Distributions**

### **Taxable Canadian Property (TCP) Gains Distributions**

Effective March 23, 2004, non-residents who invest in Canadian mutual fund investments may be subject to non-resident withholding tax on capital gains distributions made by mutual fund trusts and on capital gains dividends paid by mutual fund corporations that are derived from the disposition of Taxable Canadian Property (TCP). TCP includes real property in Canada, Canadian resource properties, and Canadian timber resource properties. This new non-resident tax applicable to TCP gains distributions will only apply if more than 5% of the total capital gains dividend paid by a mutual fund corporation and more than 5% of the total capital gains distribution paid by a mutual fund trust are paid or designated in respect to non-resident persons. Mutual fund trusts and mutual fund corporations will also be required to maintain a separate TCP gains distribution account after March 22, 2004, to track all capital gains in respect of the disposition of TCP. The mutual fund has to report these amounts and the

withholding tax on an NR4 slip, STATEMENT OF AMOUNTS PAID OR CREDITED TO NON-RESIDENTS OF CANADA.

## **Assessable Distributions**

Effective January 1, 2005, non-residents who invest in Canadian property mutual fund investments will be subject to a 15% withholding tax on any amount not otherwise subject to tax that they are paid or credited by the mutual fund. A Canadian property mutual fund investment is an exchange-listed mutual fund that derives more than 50% of its unit or share value from real property in Canada, Canadian resource properties, or Canadian timber resource properties. The mutual fund has to report these amounts, called assessable distributions, and the withholding tax on an NR4 slip, STATEMENT OF AMOUNTS PAID OR CREDITED TO NON-RESIDENTS OF CANADA. Generally, the 15% tax withheld on the assessable distributions is considered the final tax obligation to Canada on that income.

A non-resident investor may apply any loss realized on the disposition of a Canadian property mutual fund investment against assessable distributions received, up to the amount of the total assessable distributions paid or credited on the investment. The non-resident

investor applies the loss and can claim any resulting refund by filing Form T1262, PART XIII.2 TAX RETURN FOR NON-RESIDENT'S INVESTMENTS IN CANADIAN MUTUAL FUNDS. Unused amounts of this special form of capital loss, which can be used only for this purpose, may be carried back three tax years or carried forward indefinitely.

## **When and how to remit non-resident income tax deductions**

### **When do you remit non-resident tax deductions?**

You have to remit your non-resident tax deductions so that we receive them on or before the 15th day of the month **following** the month the amount was paid or credited to the non-resident. We consider the payment to be received on the date the payment is received at your Canadian financial institution or at the CRA.

#### **Note**

If the 15th day of the month is a Saturday, Sunday, or statutory holiday, we must receive your remittance by the next business day.

If your business or activity ceases during the year, you have to remit your non-resident tax deductions so that we receive them no later than seven days after the day your business or activity ends.

## **How to remit deductions**

To make your payment directly to the CRA, detach and return your completed non-resident tax remittance voucher from either Form NR75, NON-RESIDENT TAX REMITTER REGISTRATION FORM, or Form NR76, NON-RESIDENT TAX – STATEMENT OF ACCOUNT, with your cheque or money order made payable to the Receiver General for Canada. Send it to the following address:

Canada Revenue Agency  
875 Heron Road  
Ottawa ON K1A 1B1  
CANADA

If you prefer to make your payment at your financial institution in Canada, complete the remittance voucher of Form NR75, or Form NR76, and present the completed form to the teller with your

payment. The teller will detach and retain the remittance voucher and return the top portion of the form as your receipt.

It is important that you complete your remittance voucher accurately so that we can apply the payment to your account correctly. It is also important to use an original remittance voucher when you make your payment. Photocopied and faxed copies of remittance vouchers cannot be scanned by our payment processing technology and could, therefore, delay the processing of your payment.

Write your non-resident tax account number on the back of your cheque or money order.

Do not staple, paper clip, tape, or fold the remittance voucher or your cheque.

Do not send cash in the mail.

If you or your representative do not have a bank account at a financial institution in Canada, you or your representative can make your payment using:

- an international money order drawn in Canadian dollars;



- a bank draft in Canadian funds drawn on a Canadian financial institution (available at most foreign financial institutions); or
- a cheque drawn in the currency of the country in which the financial institution is located. We will use the currency rate in effect at the time of cashing your cheque.

### **Note**

If you make a payment with a cheque that your financial institution does not honour (including a cheque on which you put a stop payment), we will charge you a fee. Generally, this fee will be \$15 for each returned cheque.

### **Are you a new remitter?**

If you have never remitted non-resident income tax deductions, contact the International Tax Services Office toll free at **1-800-267-3395** (in Canada and the United States), or from other countries at (613) 952-2344. We will give you a non-resident tax account number and tell you how to remit your deductions. We will also mail you Form NR75, NON-RESIDENT TAX REMITTER REGISTRATION

FORM, which includes a non-resident tax remittance voucher that you should return with your first payment.

If you have not received Form NR75 in time to make your first payment, prepare a letter that states:

- the name under which your account was opened, as well as your address and telephone number;
- the year and month your payment covers; and
- your non-resident tax account number.

Send the letter together with your cheque or money order made payable to the Receiver General for Canada to the address indicated under the section called "How to remit deductions".

After you make your first remittance, we will send you Form NR76, NON-RESIDENT TAX – STATEMENT OF ACCOUNT, which includes a non-resident tax remittance voucher to include with your next payment.

## **Missing or lost remittance voucher**

Even if you do not have a remittance voucher, you still have to send us your payment by the due date. Therefore, if you do not receive a remittance voucher in time to make your next remittance, or if you have misplaced it, send your cheque or money order (payable to the Receiver General for Canada) to the address indicated under the section called "How to remit deductions". Include a short note that states your name, address, and non-resident account number, and the year and month covered by the payment.

## **Notice of Assessment, Notice of Reassessment, or Non-resident Notice of Collection**

If you receive Form NR81, NON-RESIDENT NOTICE OF ASSESSMENT, NR82, NON-RESIDENT NOTICE OF REASSESSMENT, or NR83, NON-RESIDENT NOTICE OF COLLECTION, use only the remittance vouchers attached to these forms to make your payment for any balance owing.

## **Late-remitting penalty**

We will apply a late-remitting penalty if we do not receive your payment on time. Remitting deadlines are outlined in the section "When do you remit non-resident tax deductions?".

## **Failure to deduct or remit tax**

You are required to pay any Part XIII tax that:

- was not properly deducted from amounts paid or credited to a non-resident; or
- has been deducted but not remitted to us.

In addition to the tax owed, you may have to pay:

- a penalty, and
- interest on any tax amount that you should have originally deducted or remitted.

We charge interest annually at the prescribed rate.

## **Applying for a refund of tax overpayments**

To get a refund of excess or incorrectly withheld Part XIII tax, the non-resident has to complete Form NR7-R, APPLICATION FOR REFUND OF NON-RESIDENT TAX WITHHELD. This has to be done no later than two years from the end of the calendar year in which the tax was sent to us.

Residents of Canada who received an NR4 slip with non-resident tax withheld can get a credit for the amount withheld by including the slip with their Canadian income tax returns.

For more information on Part XIII tax, see Information Circular 77-16, NON-RESIDENT INCOME TAX.

## **Chapter 2 – Reporting Procedures**

### **What forms should you use?**

**NR4 Summary, Return of Amounts Paid or Credited to Non-Residents of Canada** – Use the NR4 Summary to report the totals of all amounts on NR4 slips, as well as all amounts paid,

credited, or considered to be paid or credited but not reported on the NR4 slips (NR601, NR602). For instructions on how to complete this form, see the section called "Completing the NR4 Summary".

**NR4 slip, Statement of Amounts Paid or Credited to Non-Residents of Canada** – Use the NR4 slip to report gross rents, pensions, annuities, retirement compensation arrangement payments, royalty payments, investment income, or similar amounts that you have paid or credited to non-residents of Canada. Also use this form to report these amounts if you are considered, under Part I or Part XIII of the INCOME TAX ACT, to have paid or credited them to non-residents.

**Form NR601, Non-Resident Ownership Certificate – Withholding Tax** – If you are an encashing agent, use Form NR601 to report interest, dividend coupons, or warrants that require you to withhold Part XIII non-resident tax.

**Form NR602, Non-Resident Ownership Certificate – No Withholding Tax** – If you are an encashing agent, use Form NR602 to report interest, dividend coupons, or warrants that do not require you to withhold Part XIII non-resident tax.

## **Filing your NR4 return**

If you have to file an NR4 return, do so by March 31, 2006, or no later than 90 days after the end of the estate's or trust's 2005 tax year. A valid return must have completed NR4 Summary and slips.

If your business or activity ceases during the year, you have to file the NR4 return within 30 days of ending your business or stopping your activity.

Mail your completed NR4 return to:

Information Processing  
Ottawa Technology Centre  
Canada Revenue Agency  
875 Heron Road  
Ottawa ON K1A 1G9  
CANADA

Include a copy of your NR4 Summary, and a copy of the NR4 slips.

You have to deliver two copies of the NR4 slips to the recipient no later than March 31, 2006. For estates or trusts, deliver the copies no

later than 90 days after the end of the estate's or trust's 2005 tax year.

Keep a copy of the NR4 slips and a copy of the NR4 Summary for your records.

**Note**

An NR4 return must be completed even if an NR5 or NR6 election has been filed.

**Penalty for failure to file a return or an ownership certificate**

The penalty for failing to file the NR4 return by the due date or for distributing NR4 slips to recipients late is \$25 a day. There is a minimum penalty of \$100, and a maximum penalty of \$2,500 for each failure.

There is also a penalty for failing to complete or deliver an ownership certificate (Form NR601 and Form NR602 for the negotiating of bearer coupons or warrants). The penalty is \$50 for each failure.



## **Cancelling or waiving penalties and interest**

We may cancel, reduce, or waive penalties and any interest charges if you file a NR4 return late or distribute NR4 slips to recipients late because of circumstances beyond your control. If this happens, include a letter with the return explaining why you were late. For more information, see Information Circular 92-2, GUIDELINES FOR THE CANCELLATION AND WAIVER OF INTEREST AND PENALTIES.

## **Completing the NR4 slip**

### **Before you begin**

As you complete the NR4 slip, follow the instructions in this section carefully. We may have to return incorrectly completed NR4 slips to you for corrections.

- Complete NR4 slips based on the reporting limits explained in Chapter 1.
- Make sure your NR4 slips are easy to read. To help us process your returns quickly and accurately, please type or machine-print your information slips.

- Do not change the headings of any of the boxes.
- Prepare separate NR4 slips whenever non-residents change their country of residence for tax purposes during the year.
- Report gross income (box 16 or 26) in Canadian funds.
- Report the tax withheld (box 17 or 27) in Canadian funds.
- Use separate lines when you report income that is partially taxable and partially exempt. For example, if you are paying interest to a client and a portion of the gross income is exempt from Part XIII tax, then you should report the taxable income on one line with the withholding tax and the exempt income on another line, with the correct exemption code indicated in box 18 or 28.
- Report income on Line 1 before you report income on Line 2.

## **Completing the boxes**

### **Box 10 – Year**

Enter the four digits of the calendar year to which the information return relates.

## **Box 11 – Recipient type**

Enter the appropriate code from the following list:

<b>Code</b>	<b>Type of recipient</b>
-------------	--------------------------

- |   |  |
|---|--|
| 1 | Individual   |
| 2 | Joint account  |
| 3 | Corporation  |
| 4 | Other (e.g., association, trust, including fiduciary-trustee, nominee, estate, or partnership) |
| 5 | Government, government enterprise, or international organization                               |

### **Note**

The international organizations are:

- Bank for International Settlements
- European Fund
- International Bank for Reconstruction and Development

- International Development Association
- International Finance Corporation
- International Monetary Fund

### **Box 12 – Country code**

From the list in Appendix A, enter the **three-letter code** for the country in which the recipient is a resident for tax purposes. Generally, the recipient's country for tax and mailing purposes will be the same. However, if they are different, you must always enter the country of residency for tax purposes.

#### **Note**

Do not use any codes other than those listed in Appendix A.

### **Payer or remitter identification number**

Enter the number your organization assigns to non-resident payees. For example, if you are a financial institution, enter the number assigned to your client (such as an annuitant number or client

number) in this box. If you do not use such a number, leave this area blank.

### **Non-resident account number**

Enter the account number under which you remit your non-resident tax deductions to us. This number has to match the account number shown on the remittance part of Form NR76, NON-RESIDENT TAX – STATEMENT OF ACCOUNT.

### **Box 13 – Foreign social security number or social insurance number**

Enter the identification number assigned to non-residents for tax purposes by their country of residence. If a non-resident does not give you a foreign social security number, ask if a Canadian social insurance number (SIN) is available and enter the SIN here. If neither number is available, leave the area blank.

## **Box 14 or 24 – Income code**

Enter the appropriate numeric income code from the list in Appendix B. For example, you would enter income code "31" to identify a lump-sum payment from a deferred profit-sharing plan.

Please make sure to use the proper two-digit code. For example, copyright royalties should be reported using "05" not "5".

## **Box 15 or 25 – Currency code**

We have updated the list of currency codes to provide for more accuracy in reporting. From the list in Appendix D, enter the **three-letter code** of the currency for the amounts reported as gross income (box 16 or 26) and tax withheld (box 17 or 27).

### **Note**

Income should be reported in Canadian funds. However, if you cannot convert gross income (box 16 or 26) and tax withheld (box 17 or 27), we will convert **both** amounts to Canadian funds, based on the currency code (box 15 or 25) and the average annual rate as published by the Bank of Canada on December 31, 2005. Make sure

that the amounts reported in gross income (box 16 or 26) **and** tax withheld (box 17 or 27) are **in the same currency** as indicated by the currency code (box 15 or 25).

### **Box 16 or 26 – Gross income**

Enter in Canadian funds the gross income you paid or credited to non-residents of Canada in 2005 (if the gross amount paid or credited, or deemed to have been paid or credited, under Part I or Part XIII of the INCOME TAX ACT is \$50 or more). However, if any amount under Part XIII has been withheld, you have to enter the gross income paid or credited regardless of the amount. In addition, payers of rental income have to enter the **gross** rental income, and film industry payers have to enter the **gross** income in respect of acting services, even if no tax was withheld on some or all of the income. Also, see the note under "Currency code".

### **Box 17 or 27 – Non-resident tax withheld**

Enter in Canadian funds the amount of non-resident tax you withheld. If you cannot convert foreign funds to Canadian currency, please complete box 15 or 25 (Currency Code), in order to clearly indicate on

the NR4 slip the currency of the tax you withheld. This will help us and the non-resident. See the note under "Currency code".

**Note**

With respect to Box 16 or 26 – Gross income and Box 17 or 27 – Non-resident tax withheld, individuals and corporations are to report income based upon calendar year whereas estates/trusts are to report income based upon fiscal year end.

**Box 18 or 28 – Exemption code**

Enter the exemption code that applies from the list in Appendix C. This code gives the authority under the INCOME TAX ACT or a bilateral tax treaty to exempt the amount from Part XIII withholding tax, or to apply a reduced withholding rate, including NR5, NR6 and actor elections.

If no tax is withheld, the correct exemption code must be included.



### **Name and address of non-resident recipient**

Enter the non-resident recipient's name (last name first) and full address.

### **Name and address of disbursing agent or payer**

Enter your name and address.

### **Completing the NR4 Summary**

Use the information on the NR4 slips to complete the NR4 Summary, as shown below.

### **Year end/Fiscal year end**

Enter the four digits of the calendar year to which the information return relates or the applicable fiscal year end.

### **Box 1 – Non-resident account number**

Enter the account number under which you remit your non-resident tax deductions to us. This number has to match the account number

shown on the remittance part of Form NR76, NON-RESIDENT TAX – STATEMENT OF ACCOUNT.

### **Box 92 – Remitter type**

Tick (✓) the box if you are filing as a disbursing agent.

### **Box 88 – NR4 slips filed**

In box 88, enter the total number of all NR4 slips included with this NR4 Summary.

### **Boxes 18 and 22 – Amounts reported on NR4 slips**

- Add the amounts in boxes 16 and 26 that you reported on all NR4 slips. Enter the total in box 18 on the NR4 Summary.
- Add the amounts in boxes 17 and 27 that you reported on all NR4 slips. Enter the total in box 22 on the NR4 Summary.

## **Boxes 26 and 28 – Amounts not reported on NR4 slips**

- Add the gross income you already reported on Forms NR601 and NR602 (see Chapter 3, "Special Reporting Situations" on page 54 [13], for details). Enter the total in box 26 of the NR4 Summary.
- Add the non-resident tax amounts you already reported on Form NR601. Enter the total in box 28 of the NR4 Summary.

## **Box 30 – Totals**

Add the amounts reported in boxes 18 and 26 of the NR4 Summary. Enter the total in box 30.

## **Box 32 – Total non-resident tax withheld**

Add the amounts reported in boxes 22 and 28. Enter the total in box 32. Please make sure that these amounts are in Canadian funds.

## **Box 82 – Total remittances for the year**

In box 82, enter the total you remitted to your non-resident tax account for 2005.

## **Difference**

Subtract box 82 from box 32. Enter the difference in the space that applies. If there is no difference between the total non-resident tax withheld and the year 2005 remittances, enter "nil" in box 86, "Balance due." We neither charge nor refund a difference of less than \$2.

## **Box 84 – Overpayment**

If the amount in box 82 is more than the amount in box 32, enter the difference in box 84, "Overpayment." If you want us to transfer or refund the overpayment, include a written request explaining how the overpayment originated, and the action you want us to take.

## **Box 86 – Balance due**

If the amount in box 32 is more than the amount in box 82, enter the difference in box 86, "Balance due." If you have not remitted the total amount, attach a cheque or money order to the NR4 Summary for the balance payable. Make it payable to the Receiver General for Canada. Any balance you owe may be subject to a penalty and interest at the prescribed rate.

## **Boxes 76 and 78 – Contact person**

Enter the name and phone number of a person that we may have to contact for additional information on the NR4 return.

## **Certification**

An authorized officer has to sign the NR4 return to confirm that the information is correct and complete.

## **How to amend or replace an NR4 slip**

If you notice a mistake on an NR4 slip that has already been filed, you can usually correct this error by filing an amended NR4 slip.

### **Note**

You are **not allowed** to file an amended NR4 slip, nor cancel an NR4 slip, in the following situations:

- Part XIII tax was deducted in error from amounts paid to a Canadian resident; or

- excessive Part XIII tax was deducted from amounts paid or credited to a non-resident.

For more information about these situations, see the section called "Applying for a refund of tax overpayments".

You may find other types of errors on NR4 slips **after** you have filed them or have sent copies to the non-residents. In these situations, prepare amended NR4 slips. When you amend a slip, make sure you complete all the necessary boxes, including the information that was correct on the original slip. Make sure you clearly identify the amended slips by writing "AMENDED" at the top of the NR4 slips. Send the amended slips to the non-resident the same way as the originals.

If you have to change financial data on the amended NR4 slips, prepare and file an amended NR4 Summary showing the revised totals. Clearly write "AMENDED" at the top of the NR4 Summary.

You may have to issue NR4 slips to replace copies that have been lost or destroyed. You do not have to send these NR4 slips to us. Just clearly label them as "DUPLICATE" copies.

If you have to file new NR4 slips after you have filed your NR4 return, clearly identify them as "ADDITIONAL." Follow the instructions above on filing an amended NR4 Summary.

Mail your amended or additional NR4 forms, along with a letter of explanation, to your tax services office or to the International Tax Services Office.

**Note**

Original slips filed electronically may also be amended electronically.

**What happens to a completed NR4 return?**

When we receive your NR4 return at the Ottawa Technology Centre, we first check to make sure all the essential items are there, and that it has been prepared correctly. If items are missing or incorrect, we will contact you and ask you to send us the necessary information. After this preliminary check, we will send the NR4 return to our information returns processing system.

## **Information returns processing**

The NR4 return is processed electronically. During processing, the amounts of tax withheld reported on the NR4 slips are compared to the amounts of non-resident tax you remitted throughout the year. If we identify a difference between these amounts, we will issue a Form NR79, NON-RESIDENT TAX DISCREPANCY NOTICE, asking you to resolve the difference.

## **Chapter 3 – Special Reporting Situations**

### **Non-resident ownership certificates**

If you are an agent or another person who pays interest or dividends when bearer coupons or warrants are redeemed, on behalf of a non-resident debtor, you have to complete one of the following forms:

- Form NR601, if you have withheld non-resident tax;
- Form NR602, if you have not withheld non-resident tax.



## **Form NR601, Non-Resident Ownership Certificate – Withholding Tax**

If you are the encashing agent, complete the following items on Form NR601:

- description of security;
- name of owner;
- taxable amount and tax withheld;
- beneficial owner's name and country of residence; and
- encashing agent's name, address, phone number, and non-resident account number.

## **Form NR602, Non-Resident Ownership Certificate – No Withholding Tax**

If you are the encashing agent, complete the following items on Form NR602:

- beneficial owner's name and address;

- encashing agent's name, address, phone number, and non-resident account number;
- description of security;
- total amount received in Canadian funds; and
- certification (the reason a payment is exempt from Part XIII withholding tax).

The owner or agent has to certify that the information given on Form NR601 or Form NR602 is true and correct.

## **Distributing copies**

**Copy 1** – Send copy 1 of Form NR601 or Form NR602 (or both) to:

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

You have to do this no later than the 15th day of the month following the cashing of the interest coupons or dividend warrants.

**Copy 2** – Give copy 2 of Form NR601 or Form NR602 to the non-resident owner or agent at the time of the cashing.

**Copy 3** – Keep copy 3 of Form NR601 or Form NR602 for your records. The information on these forms will help you complete your NR4 Summary for 2005. For more details, see the section called "Boxes 26 and 28 – Amounts not reported on NR4 slips" in Chapter 2.

## **How to contact us**

### **International Tax Services Office**

For copies of this publication, forms, or information about Part XIII tax and NR4 situations not covered in this guide, contact the International Tax Services Office at the address and telephone numbers listed on page 58 [below]:

## **International Tax Services Office**

Canada Revenue Agency  
2204 Walkley Road  
Ottawa ON K1A 1A8  
CANADA

- 1-800-267-3395 From anywhere in Canada and the United States

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- 1-613-952-2344 From the Ottawa area and outside Canada and the United States

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- 1-613-941-6905 Fax

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## **Film Services Units**

For more information on acting services in a film or video production, please see the section called "Film Industry Services" on our Web site at [\*\*www.cra.gc.ca/fsu\*\*](http://www.cra.gc.ca/fsu).

Also, you may contact a Film Services Unit at one of the following tax services offices:

**For services performed in British Columbia, Alberta,  
Saskatchewan, Manitoba**

Vancouver Tax Services Office  
Film Services Unit  
Post Office Building, 3rd Floor  
757 West Hastings Street  
Vancouver, BC V6C 1A1

Client Enquiries:

Telephone: (604) 666-7911

Fax: (604) 666-7436

**For services performed in Ontario, Nunavut, the Northwest  
Territories, and Yukon Territory**

Toronto Centre Tax Services Office  
Film Services Unit  
1 Front Street West  
Toronto ON M5J 2X6

Client Enquiries:

Telephone: (416) 954-0542 or (416) 954-0534

Fax: (416) 954-8528

**For services performed in Quebec, Prince Edward Island, New Brunswick, Nova Scotia, and Newfoundland and Labrador**

Montreal Tax Services Office  
Film Services Unit  
305 René-Lévesque Blvd. West,  
10th Floor  
Montréal QC H2Z 1A6

Client Enquiries:

Telephone: (514) 283-0512

Fax: (514) 496-4574

# **T4A-NR Return (Payments for Services)**

## **Chapter 1 – General Information**

This section of the NON-RESIDENT WITHHOLDING TAX GUIDE has been prepared for payers making payments to non-residents of Canada for services provided in Canada, other than in employment situations. Also included in this section are instructions for payers on how to complete the T4A-NR slip and T4A-NR Summary forms.

### **Withholding tax**

As a payer, you have to withhold 15% from fees, commissions, or other amounts that you pay non-resident individuals, partnerships, or corporations for services provided in Canada.

See Information Circular 75-6, REQUIRED WITHHOLDING FROM AMOUNTS PAID TO NON-RESIDENTS PROVIDING SERVICES IN CANADA, for more information about your Canadian withholding obligations.

## **Non-resident employees who perform services in Canada**

Employees not resident in Canada who are in regular and continuous employment in Canada are subject to tax deductions in the same way as Canadian residents and are not liable for the 15% withholding tax. This applies whether or not the employer is a resident of Canada. For more information on non-resident employees, please refer to the EMPLOYERS' GUIDE – PAYROLL DEDUCTIONS (BASIC INFORMATION) – T4001.

## **Directors' fees**

All directors' fees paid to a non-resident director are to be reported on a T4 slip. Previously, as an administrative policy, we accepted withholding on amounts paid to non-resident directors at the rate of 15%. The withholding is now required at graduated rates, the same as for Canadian resident directors. For more information on the withholding and reporting obligations on non-resident directors' fees, please refer to the EMPLOYERS' GUIDE – PAYROLL DEDUCTIONS (BASIC INFORMATION) – T4001.



## **Film services**

Payments for acting services of a non-resident actor in a film, television, or video production rendered in Canada are reported on a NR4 return. For more information, see the previous NR4 Return section. However, payments for acting services of a stage performer or stage actor, or services for behind-the-scenes personnel are reported on a T4A-NR return.

## **Applications for a waiver or a reduction of withholding**

The 15% withholding is not the final tax of the non-resident. We consider the withholding to be a payment on account of the non-resident's potential tax liability in Canada. Generally, non-residents are required to file a Canadian income tax return to calculate their tax liability or to obtain a refund of any excess withholding amounts.

Where a non-resident can demonstrate that the withholding is more than their potential tax liability in Canada, either due to treaty protection or income and expenses, we may waive or reduce the withholding.

Non-residents who want to request a waiver or reduction of withholding have to submit a waiver application to the Canada Revenue Agency tax services office in the area where their services are to be provided. Non-residents working in the film industry should send their applications to the applicable Film Services Unit in the Toronto, Montreal or Vancouver tax services office. Waiver applications have to be submitted no later than **30 days** before the period of service begins, or 30 days prior to the initial payment for the related services.

The non-resident has to provide you with a letter from us authorizing a waiver or reduction of the withholding amount. If you do not receive such a letter, you have to withhold the usual 15%.

See Information Circular 75-6, **REQUIRED WITHHOLDING FROM AMOUNTS PAID TO NON-RESIDENTS PROVIDING SERVICES IN CANADA**, for more information about the waiver or reduction of withholding tax.

## **Penalties**

If you did not deduct or withhold the correct amount of tax, you are liable to pay the tax on behalf of the non-resident. In addition to the

tax, we can assess you with a penalty, interest on the penalty, and interest on the amount that you should have originally deducted. We charge interest annually at the prescribed rate.

## **How and when to report amounts paid to non-residents**

The T4A-NR information return consists of two forms, the T4A-NR slip and the T4A-NR Summary.

Use the T4A-NR slip to report all amounts you paid to non-resident individuals, partnerships, and corporations for services they performed in Canada that they did not perform in the ordinary course of an office or employment.

Use the T4A-NR Summary return to report the totals of all the amounts you reported on the T4A-NR slips. You have to file the T4A-NR information return with us and give copies 3 and 4 of the T4A-NR slips to the recipients by the **last day of February following the calendar year in which you paid the amounts.**

## **Penalty for failure to file the T4A-NR information return**

The penalty for failing to file the T4A-NR information return by the due date or to distribute T4A-NR slips to the recipients is \$25.00 a day. There is a minimum penalty of \$100, and a maximum penalty of \$2,500 for each failure.

## **Filing your T4A-NR return**

After you complete your return, mail it to:

Ottawa Technology Centre  
Canada Revenue Agency  
875 Heron Road  
Ottawa ON K1A 1G9  
CANADA

### **Note**

When you send us copies of the slips, keep them three to a page-do not separate them. This will allow us to process your return faster.

## Electronic media filing

If you file a combined total of 500 slips or more for which we provide XML specifications, you must file the returns electronically. However, anyone can file electronically to save time or to simplify the requirements when using customized forms. The XML specifications for filing electronically are available at [www.cra.gc.ca/magmedia](http://www.cra.gc.ca/magmedia) and [www.cra-arc.gc.ca/t4internet](http://www.cra-arc.gc.ca/t4internet), which are available only on the Internet.

If you do not file an information return in an electronic format as required under the INCOME TAX ACT and INCOME TAX REGULATIONS, you may be guilty of an offence. In addition to any other penalty, you are liable to a maximum penalty of \$2,500 per slip.

You can include paper copies of any slips and the corresponding summary form for data that is **not** recorded electronically. Group them separately and clearly identify them as manual portions that are not included in electronic format.

We only accept CD-ROMs, DVD-ROMs, and diskettes in the new XML format.

Internet file transfer (XML) is available for original and amended T4A-NR returns. You may file multiple returns within a single submission (maximum 610 kb). You will require a payroll Business Number (RP) and Web Access Code (WAC) when filing your returns to CRA.

Drop off your submission at your tax services office or tax centre, or mail it to:

Electronic Media Processing Unit  
Ottawa Technology Centre  
Canada Revenue Agency  
875 Heron Road  
Ottawa ON K1A 1A2  
CANADA

Even if you file the return electronically, you have to complete paper copies of the T4A-NR slips for the recipients.

For more information about this method of filing, call us at **1-800-665-5164** or visit our Web site at **[www.cra.gc.ca/magmedia](http://www.cra.gc.ca/magmedia)** or **[www.cra-arc.gc.ca/t4internet](http://www.cra-arc.gc.ca/t4internet)**.

## How to amend, replace, or cancel T4A-NR slips

After you file your return, you may notice that you made an error when preparing the T4A-NR slips. If so, you will have to prepare amended slips to correct the information.

Clearly identify the new slips as amended slips by writing "AMENDED" at the top. When you amend a slip, make sure you complete all the necessary boxes, including the information that was correct on the original slip. Send the amended slips to the non-resident the same way as the originals. Send copies 1 and 2 of the slips to your tax services office or tax centre with a letter explaining the reason for the amendment.

### Note

You do not have to file an amended summary when you send in amended slips.

If you are cancelling a slip, send us a copy of the original clearly marked "CANCELLED." If you notice errors on the slips **before** you file them with us, you can correct them by preparing new slips and removing any incorrect copies from the return. If you do not prepare

a new slip, initial any changes you make on the slip. Ensure you also correct the summary.

If you issue slips to replace copies that are lost or destroyed, do not send us copies of these slips. Clearly identify them as "DUPLICATE" copies, and keep them with your records.

## **Recipients filing requirements**

Non-residents who have carried on business in Canada or who have been employed in Canada are usually taxable in Canada on their income from such activities, and are, therefore, required to file a Canadian income tax return to calculate their tax liability or to get a refund of any excess amounts that were withheld:

- (a) In the case of individuals, an INCOME TAX AND BENEFIT RETURN (T1) for the province or territory where the individual earned the income must be filed by April 30 of the following year, or by June 15 of the following year if the individual is carrying on business in Canada. If the individual has a balance owing for the year, it must be paid on or before April 30 of the following year.



- (b) In the case of a corporation, a T2 CORPORATION INCOME TAX RETURN must be filed within six months after the end of each tax year. The tax year of a corporation is its fiscal period.
- (c) In the case of partnerships, each member of the partnership must file the appropriate income tax return (either T1 or T2) within the required time.

## **Chapter 2 – Reporting Procedures**

### **Completing the T4A-NR slip**

#### **Before you begin**

When completing the T4A-NR slips, please:

- print clearly or type using capital letters;
- report all amounts in Canadian funds (dollars and cents); and
- give the non-resident copies 3 and 4 by the last day of February.

## **Completing the boxes**

### **Non-resident recipient's name and address**

In the area next to the arrow, enter the name of the person, partnership, or corporation to whom you made the payment. Directly below the name, enter the recipient's address. Include the applicable state and country. Add postal codes, such as the U.S. state and zip code for U.S. addresses directly below the state and country.

### **Country code of residence**

Select the non-resident's country code of residence from the list in Appendix A.

### **Year**

Enter the calendar year that you made the payment.

### **Box 18 – Gross income**

Enter the gross amount of fees, commissions, or other amounts you paid to the non-resident for services rendered in Canada. Do not include travel expenses that you included in box 20.

## **Box 20 – Travel expenses**

Enter all travel expenses you paid directly to third parties for the benefit of the non-resident, and travel expenses you reimbursed to the non-resident. Travel expenses are restricted to reasonable expenses incurred for transportation, accommodation, and meals. Keep vouchers to support these travel expenses. Do not include these specific expenses in box 18, "Gross income."

For more information on travel expenses, see Information Circular 75-6, REQUIRED WITHHOLDING FROM AMOUNTS PAID TO NON-RESIDENTS PROVIDING SERVICES IN CANADA, paragraphs 24 thru 26, which you can get from our Web site at [www.cra.gc.ca](http://www.cra.gc.ca).

## **Box 22 – Income tax deducted**

Enter the amount of income tax you deducted during the year. Leave this box blank if you did not deduct tax.

### **Box 23 – Reduction authorized**

Enter a "1" if you have received written authorization from the CRA to reduce or waive the required withholding on the gross payment to the non-resident. Enter a "2" if you have not received this authorization.

### **Box 24 – City and province or territory where services rendered**

Enter the name of the city and one of the following codes to indicate where the non-resident performed the services.

AB – Alberta

NL – Newfoundland and Labrador

BC – British Columbia

NS – Nova Scotia

MB – Manitoba

NT – Northwest Territories

NB – New Brunswick

NU – Nunavut

ON – Ontario

SK – Saskatchewan

PE – Prince Edward Island

YT – Yukon Territory

QC – Quebec

### **Box 26 – Number of days recipient was present in Canada**

Enter the total number of days the non-resident was present in Canada during this calendar year while under contract with you. Include weekends and holidays.

### **Box 12 – Foreign social security number**

Enter the social security number assigned to the non-resident for tax purposes by their country of residence.

### **Box 14 – Recipient's identification number (SIN or TTN)**

Enter the Canadian social insurance number (SIN) assigned to the non-resident individual. If a SIN has not been assigned, ask the non-resident if they have been assigned a temporary tax number (TTN) by the Canada Revenue Agency and enter it here. A TTN is normally assigned to a non-resident individual if they have applied for a waiver or a reduction of withholding or if they have previously filed a Canadian income tax return. If a SIN or TTN has not been assigned to the non-resident, leave the box blank.

### **Box 16 – Professional name (if applicable)**

Use this box if the professional or operating name is different from the real or legal name of the non-resident. For example, this box may be used when payments are made to non-residents in the entertainment and athletic professions.

### **Box 28 – Non-resident's industry classification code**

Enter one of the following classification system codes that best describes the non-residents industry:

#### **Industry Classification System Code**

21 – Mining and Oil and Gas Extraction

23 – Construction

48 – Transportation

49 – Warehousing

51 – Information and Cultural Industries

61 – Educational Services

62 – Health Care and Social Assistance

71 – Arts, Entertainment and Recreation

81 – Other Personal Services (except Public Administration)

91 – Public Administration

Non-residents working in the film or television industry, including television commercials, should always be coded as 51, "Information and Cultural Industries." For more information on Film Services, see Chapter 1- General Information.

Non-residents involved in live performances and/or sporting events should always be coded as 71, "Arts, Entertainment and Recreation."

**Payer's name**

Enter your operating or trade name in the space provided.

## **Business Number**

Enter your 15-digit Business Number, which you use to send us your tax deductions. Your Business Number is not listed on the two copies of the T4A-NR slip that you give to the non-resident.

## **Completing the T4A-NR Summary**

### **Before you begin**

When completing the T4A-NR Summary:

- report all amounts in Canadian funds (dollars and cents);
- the totals you report on the summary must agree with the amounts you report on your slips;
- keep a copy of the summary for your records;
- send copies 1 and 2 of the summary, and copy 1 of the four-part related slips, or copies 1 and 2 of the five part related slips, to the Ottawa Technology Centre; and
- file the T4A-NR Summary on or before the last day of February following the calendar year in which you paid the amounts.



## **Completing the boxes**

In the boxes at the top of the T4A-NR Summary, enter your Business Number, name, and address.

### **Year**

Enter the calendar year that you made the payments.

### **Line 18 – Gross income**

Add the amounts in box 18 on all T4A-NR slips. Enter the total on line 18.

### **Line 20 – Travel expenses**

Add the amounts in box 20 on all T4A-NR slips. Enter the total on line 20.

### **Line 22 – Total tax deductions reported (on T4A-NR slips)**

Add the amounts in box 22 on all T4A-NR slips. Enter the total on line 22.

## **Lines 74 and 75 – Canadian-controlled private corporations or unincorporated payers**

Enter the social insurance numbers of any proprietors or principal owners.

## **Lines 76 and 78 – Contact person and telephone number**

Enter the name and telephone number of a contact person whom we can call to obtain or clarify information you reported on the summary.

## **Line 82 – Remittances**

Enter the amount you remitted for the year under your Business Number.

## **Difference**

Subtract line 82 from line 22. Enter the difference in the space provided. If there is no difference between the total deductions you reported and the amount you remitted for the year, leave lines 84 and 86 blank. We do not refund or charge a difference of less than \$2.

## **Line 84 – Overpayment**

If the amount on line 82 is more than the amount on line 22 (and you do not have to file another type of return for this account number), enter the difference on line 84. Attach a note indicating the reason for the overpayment and whether you want us to transfer this amount to another account or refund the overpayment to you.

## **Line 86 – Balance due**

If the amount on line 22 is more than the amount on line 82, enter the difference on line 86.

## **Amount enclosed**

If you have a balance due, attach to the T4A-NR Summary a cheque or money order (payable to the Receiver General for Canada). If you remit your payments late, any balance owing may be subject to penalties and interest at the prescribed rate.

## **Line 88 – Total number of T4A-NR slips filed**

Enter the total number of T4A-NR slips that you are including with the T4A-NR Summary.

### **Certification**

A current officer of the business has to sign the T4A-NR return to show that the information is correct and complete.

## **How to contact us**

For information concerning T4A-NR forms or tax situations not covered in this guide, contact your tax services office. The telephone number is listed in the Government of Canada section of your telephone book.

Payers in the film or video production industry, who need more information, can contact a Film Services Unit. See page 58 [14] for the telephone numbers and addresses.

# Need more information?

## Publications

You can find many of our forms and publications on the Internet at [www.cra.gc.ca](http://www.cra.gc.ca).

## Information Circulars

- 71-17 Guidance on Competent Authority Assistance Under Canada's Tax Conventions
- 72-17 Procedures Concerning the Disposition of Taxable Canadian Property by Non-Residents of Canada – Section 116
- 75-6 Required Withholding from Amounts Paid to Non-Residents Providing Services in Canada
- 76-12 Applicable Rate of Part XIII Tax on Amounts Paid or Credited to Persons in Countries With Which Canada Has a Tax Convention
- 77-16 Non-resident Income Tax

- 84-6 Canada – United States Social Security Agreement
- 87-2 International Transfer Pricing
- 89-5 Partnership Information Return
- 92-2 Guidelines for the Cancellation and Waiver of Interest and Penalties
- 92-3 Guidelines for Refunds Beyond the Normal Three-Year Period

### **Guides**

- T4144 Income Tax Guide for Electing Under Section 216

### **Interpretation Bulletins**

- IT-76 Exempt Portion of Pension When Employee Has Been a Non-Resident
- IT-81 Partnerships – Income of Non-Resident Partners
- IT-92 Income of Contractors
- IT-95 Foreign Exchange Gains and Losses

- IT-137 Additional Tax on Certain Corporations Carrying On Business in Canada
- IT-155 Exemption From Non-Resident Tax on Interest Payable on Certain Bonds, Debentures, Notes, Hypothecs or Similar Obligations
- IT-168 Athletes and Players Employed by Football, Hockey and Similar Clubs
- IT-173 Capital Gains Derived in Canada by Residents of the United States
- IT-221 Determination of an Individual's Residence Status
- IT-270 Foreign Tax Credit
- IT-303 Know-How and Similar Payments to Non-Residents
- IT-360 Interest Payable in a Foreign Currency
- IT-361 Exemption From Part XIII Tax on Interest Payments to Non-Residents

- IT-393 Election Re: Tax on Rents and Timber Royalties – Non-Residents
- IT-420 Non-Residents – Income Earned in Canada
- IT-465 Non-Resident Beneficiaries of Trusts
- IT-468 Management or Administration Fees Paid to Non-Residents
- IT-489 Non-Arm's Length Sale of Shares to a Corporation
- IT-494 Hire of Ships and Aircraft From Non-Residents
- IT-531 Eligible Funeral Arrangements

## **Forms**

We have reproduced the forms listed below on the following pages:

- NR4 slip, Statement of Amounts Paid or Credited to Non-Residents of Canada
- NR601, Non-resident Ownership Certificate – Withholding Tax



- NR4 Summary, Return of Amounts Paid or Credited to Non-Residents of Canada
- NR602, Non-Resident Ownership Certificate – No Withholding Tax
- T4A-NR slip, Statement of Fees, Commissions, or Other Amounts Paid to Non-Residents for Services Rendered in Canada
- T4A-NR Summary, Fees, Commissions, or Other Amounts Paid to Non-Residents for Services Rendered in Canada

# Form NR4 slip, Statement of Amounts Paid or Credited to Non-Residents of Canada



Canada Customs  
and Revenue Agency

Agence des douanes  
et du revenu du Canada

NR4 (05)

## NR4 STATEMENT OF AMOUNTS PAID OR CREDITED TO NON-RESIDENTS OF CANADA

<b>10</b>	Year	<b>11</b>	Recipient Type	<b>12</b>	Country Code	Payer or Remitter Identification Number		
	[ ]		[ ]		[ ][ ]			
Non-Resident Account Number				<b>13</b>	Foreign Social Security Number or Social Insurance Number			
[ ]				[ ]				
Line <b>1</b>	<b>14</b>	Income Code	<b>15</b>	Currency Code	<b>16</b>	Gross Income	<b>17</b>	Non-Resident Tax Withheld
		[ ][ ]		[ ][ ][ ]		[ ][ ][ ]		[ ][ ][ ]

Line 1	18	Exemption Code		VOID				
		<input type="checkbox"/>		<input type="checkbox"/>				
Line 2	24		25		26		27	
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Line 2	28							
		<input type="checkbox"/>						

**Non-resident recipient's name and address**

Last name
First name

Address			
City	Province/State	Country	Postal/Zip code

Name and Address of Disbursing Agent or Payer

Name			
Address			
City	Province/State	Country	Postal/Zip code

# Form NR601, Non-Resident Ownership Certificate – Withholding Tax



Canada Customs  
and Revenue Agency

Agence des douanes  
et du revenu du Canada

NR601 (99)

## NON-RESIDENT OWNERSHIP CERTIFICATE WITHHOLDING TAX

To be retained by the encashing agent and forwarded  
to the International Tax Services Office

1

Owner: Surname, first names, full Address

Surname			
First name			
Address			
City	Province/State	Country	Postal/Zip code

Description of security

Series No.

---

---

---

---

Name of beneficial owner	
Country of residence	Foreign Social Security Number

Taxable amount expressed in Canadian currency

--	--

Tax withheld

--	--

Tax rate applied

	%
--	---

Name and address of encashing agent

Name			
Address			
City	Province/State	Country	Postal/Zip code
Area code	Telephone number	Non-resident account number	
	-		

**CERTIFICATION**

I HEREBY CERTIFY that the information given is true and correct.

Signature	Year	Month	Day

Owner       Agent

# Form NR4 Summary, Return of Amounts Paid or Credited to Non-Residents of Canada



Canada Customs  
and Revenue Agency

Agence des douanes  
et du revenu du Canada

NR4 Summary (04)

1818 44111

## NR4 Summary RETURN OF AMOUNTS PAID OR CREDITED TO NON-RESIDENTS OF CANADA

**THIS NR4 SUMMARY SHOULD BE COMPLETED IN CONJUNCTION WITH THE INSTRUCTIONS OUTLINED IN THE NON-RESIDENT WITHHOLDING TAX GUIDE.**

FOR THE YEAR ENDING DECEMBER 31

Year		

**OR**

ESTATES AND TRUSTS FISCAL YEAR  
END

Year			Month	Day

### **IMPORTANT**

The payer or disbursing agent's name and account number must match the ones shown on your Form NR76, "Non-Resident Tax – Statement of Account."



1	NON-RESIDENT ACCOUNT NUMBER	2	TSO CODE		
		<table border="1"> <tr> <td></td> <td></td> </tr> </table>			
92	REMITTER TYPE				
Tick (✓) if you are filing as a Disbursing Agent			<table border="1"> <tr> <td>2</td> <td></td> </tr> </table>	2	
2					

NAME AND ADDRESS OF PAYER OR DISBURSING AGENT

Name			
Address			
City	Province/State	Country	Postal/Zip code
NR4 SLIPS FILED			
88			

NR4 SLIPS TOTALS	GROSS INCOME	TAX WITHHELD
AMOUNTS REPORTED ON NR4 SLIPS	18 <input type="text"/>	22 <input type="text"/>
AMOUNTS NOT REPORTED ON NR4 SLIPS	26 <input type="text"/>	28 <input type="text"/>
<b>TOTALS (18 + 26)</b>	30 <input type="text"/>	
TOTAL NON-RESIDENT TAX WITHHELD (22 + 28)	32 <input type="text"/>	
SUBTRACT TOTAL REMITTANCES FOR THE YEAR	82 <input type="text"/>	SUPPCAL
DIFFERENCE	<input type="text"/>	
OVERPAYMENT	84 <input type="text"/>	* BALANCE DUE
		86 <input type="text"/>

We do not charge or refund a difference of less than \$2.00.

\* If you have not remitted the full amount of Non-Resident Tax Withheld, the balance should be remitted immediately with this Summary. Any balance owing may be subject to a penalty for late-remitting.

Person from whom further information may be obtained regarding the NR4 return:

76	Name (print)									
	Area code			Telephone number						
78							-			

**CERTIFICATION:** I HEREBY CERTIFY that the information given in the NR4 return (Form NR4 Summary and related forms NR4 slips), is true, correct and complete in every respect.

Signature of authorized officer										
Position or office										
Year			Month		Day	Area code			Telephone number	
									-	

90	TRANSFER ACTION	91	PROFORMA	93	Date
	<input type="checkbox"/> 1 LAST TO CURR. <input type="checkbox"/> 2 NO ACTION <input type="checkbox"/> 3 OTHER		<input type="checkbox"/> 1 No <input type="checkbox"/> 2 Yes		<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

51		PREPARED BY	DATE
	<input type="text"/> <input type="text"/>		

	CODE 2	CORR.	INC	TPC	DRESSED
INITIALS					
DATE					

PAYER CODE

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
----------------------	----------------------	----------------------	----------------------

THE PRIVACY ACT – PERSONAL INFORMATION  
 INDEX BANK NUMBER CCRA-PPU 065

# Form NR602, Non-Resident Ownership Certificate – No Withholding Tax



Canada Customs  
and Revenue Agency

Agence des douanes  
et du revenu du Canada

NR602 (00)

## NON-RESIDENT OWNERSHIP CERTIFICATE NO WITHHOLDING TAX

### Form NR602 is for use by:

- (A) non-resident insurance companies or non-resident fraternal benefit societies registered with Department of Insurance, Ottawa;
- (B) organizations exempt from tax under Article XXI of the Canada-United States Income Tax Convention (when cashing interest coupons or dividend warrants from Canadian securities);
- (C) trusts or organizations with:
  - (a) a "Certificate of Exemption" (Form NR602A, the serial number of which bears the prefix "NR") when cashing interest coupons only on bonds, debentures or similar obligations (enter certificate number in item (C)(i) of the "Certification" area on page 99); or

- (b) a "Certificate of Exemption with Limited Application" (Form NR602B, the serial number of which bears the prefix "NRL") when cashing interest coupons only on bonds, debenture or similar obligations, which securities were acquired by the trust or organization prior to January 1, 1972 (enter certificate number in item (C)(ii) of the "Certification" area on page 99);
- (D) any non-resident when cashing interest coupons from:
- (a) bonds issued on or before December 20, 1960 and either
    - (i) issued or guaranteed by the Government of Canada, or payable in a currency other than Canadian;
  - (b) bonds or debentures issued after April 15, 1966 that bear the designation "F",
    - (i) of or guaranteed by the Government of Canada,
    - (ii) of the government of a province or an agent thereof,
    - (iii) of a municipality in Canada or a municipal or public body performing a function of government in Canada (this includes a school board or commission),

- (iv) of a corporation, commission or association not less than 90% of the shares or capital of which is owned by Her Majesty in right of a province or by a Canadian municipality, or of a subsidiary wholly-owned corporation that is subsidiary to such a corporation, commission or association,
  - (v) of an educational institution or a hospital where repayment of the principal amount thereof and payment of the interest thereon is to be made, or is guaranteed assured or otherwise specifically provided for or secured by the government of a province;
- (c) any obligation issued after June 23, 1975 that is
- (i) payable by a corporation resident in Canada to a person with whom that corporation is dealing at arm's length and the evidence of indebtedness was issued by that corporation; if under the terms of the obligation or any agreement relating thereto, the corporation may not, under any circumstances be obliged to pay more than 25% of the principal amount thereof within 5 years of the date of its issue except in the event of a failure or default under that said terms or agreement;

- (d) any obligation entered onto in the course of carrying on a life insurance business in a country other than Canada and is payable to a person with whom the payer is dealing at arm's length;
- (E) any non-resident when cashing non-taxable dividend warrants, i.e. capital gains dividends from a mutual fund corporation or a non-resident-owned investment corporation.

Beneficial Owner: Surname, First names, Full address

Surname			
First name			
Address			
City	Province/State	Country	Postal/Zip code
Foreign Social Security Number			



Name and Address of Encashing Agent			
Address			
City	Province/State	Country	Postal/Zip code
Area code 	Telephone number         -	Non-resident account number	
Description of Security		Series number	Amount
Total amount received in Canadian currency			

## CERTIFICATION

I HEREBY CERTIFY that the information given in this Certificate is true and correct and that the beneficial owner is:

Tick applicable box (A), (B), (C)(i), (C)(ii), (D) or (E) below

(A)  A non-resident Insurance Company or Fraternal Benefit Society registered with the Department of Insurance, Ottawa.

(B)  An organization exempt from tax under Article XXI of the Canada-United States Income Tax Convention.

(C) A trust or organization

(i)  holding Certificate of Exemption No.  which is in force on this date, **or**

(ii)  holding certificate of Exemption with Limited Application No.

dated January 1, 1975

(D)  A non-resident cashing interest coupons

(E)  A non-resident cashing non-taxable dividend warrants

Signature of Owner or Agent

Owner

Agent

Year	Month	Day

Form authorized by the Minister of National Revenue.

# Form T4A-NR slip, Statement of Fees, Commissions, or Other Amounts Paid to Non-Residents for Services Rendered in Canada



Canada Customs  
and Revenue Agency

Agence des douanes  
et du revenu du Canada

T4A-NR (04)

## T4A-NR

### STATEMENT OF FEES, COMMISSIONS, OR OTHER AMOUNTS PAID TO NON-RESIDENTS FOR SERVICES RENDERED IN CANADA

Year	18	Gross Income	20	Travel expenses	22	Income tax deducted
		<input type="text"/>		<input type="text"/>		<input type="text"/>
23	Reduction authorized		24	City and province or territory where services rendered		
	<input type="text"/>					
26	Number of days recipient was present in Canada		12	Foreign social security number		

14	Recipient's identification number (SIN or TTN)			
	<table border="1"><tr><td></td><td></td><td></td></tr></table>			

16	Professional name (if applicable)
----	-----------------------------------

28	Non-resident's industry classification code
----	---

Payer's name	
--------------	--

Business Number	
-----------------	--

**Non-resident recipient's name and address**

Last name (in capital letters)
--------------------------------

First name			
Address			
City	Province/State	Country	Postal/Zip code
Country code of residence			

**Return with T4A-NR Summary 1**

# Form T4A-NR Summary, Fees, Commissions, or Other Amounts Paid to Non-Residents for Services Rendered in Canada



Canada Customs  
and Revenue Agency

Agence des douanes  
et du revenu du Canada

T4A-NR Summary (04)

## T4A-NR SUMMARY FEES, COMMISSIONS, OR OTHER AMOUNTS PAID TO NON-RESIDENTS FOR SERVICES RENDERED IN CANADA

Year

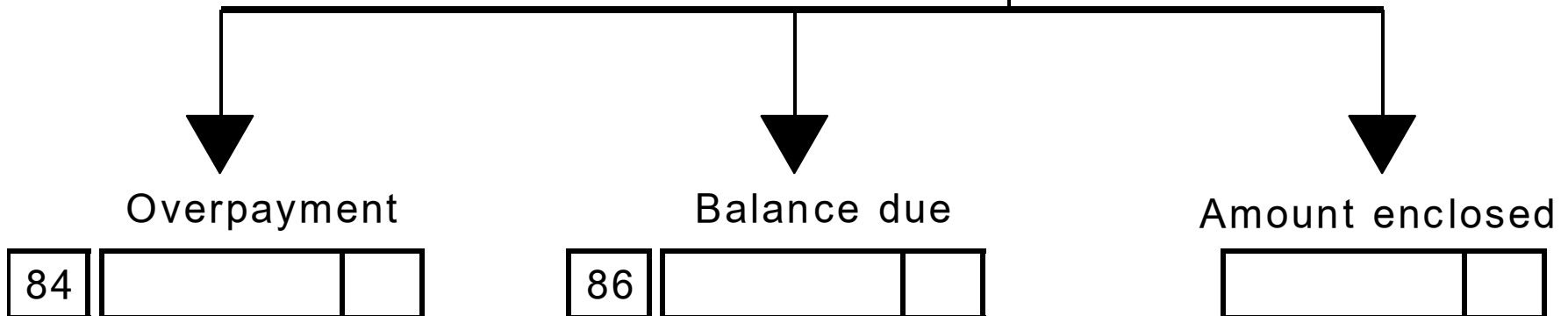
<b>Do not use this area</b>	Business Number		
	Name of payer		
	Address		
City	Province	Postal code	

You have to file the T4A-NR return on or before the last day of February following the calendar year for which you paid the amounts.

## T4A-NR slip totals

Total number of T4A-NR slips file	88			<input type="checkbox"/>	_____
Gross income	18			<input type="checkbox"/>	_____
Travel expenses	20			<input type="checkbox"/>	_____
Total tax deductions reported on T4A-NR slips	22			<input type="checkbox"/>	_____
<b>Minus:</b> remittances	82			<input type="checkbox"/>	_____
Difference					_____

We do not charge or refund a difference of less than \$2.





## Identification and certification

Canadian-controlled private corporations or unincorporated payers

SIN(s) of the proprietor(s) or principal owner(s)

74				75			
----	--	--	--	----	--	--	--

Person to contact about this return

76	First name	Last name

78	Area code	Telephone number
		-

I certify that the information given in this T4A-NR return (T4A-NR Summary and related T4A-NR slips) is, to the best of my knowledge, correct and complete.

Authorized person's signature			
Position or office	Year	Month	Day

**Do not use this area**

90 1 Last to current

2 No action

3 Other

93 Year Month Day

94

LFP

Prepared by Year Month Day

**ProForma**

91 1 No

2 Yes

Memo

---

---

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"Privacy Act", personal information bank number RCT/P-PU-005

# Appendices

## Appendix A – Country codes

Please make sure you enter the appropriate three-letter code.

<b>AFG</b>	Afghanistan	<b>ARM</b>	Armenia
<b>ALA</b>	Åland Islands	<b>ABW</b>	Aruba
<b>ALB</b>	Albania	<b>AUS</b>	Australia
<b>DZA</b>	Algeria	<b>AUT</b>	Austria
<b>ASM</b>	American Samoa	<b>AZE</b>	Azerbaijan
<b>AND</b>	Andorra	<b>AZO</b>	Azores
<b>AGO</b>	Angola	<b>BHS</b>	Bahamas
<b>AIA</b>	Anguilla	<b>BHR</b>	Bahrain
<b>ATA</b>	Antarctica	<b>BGD</b>	Bangladesh
<b>ATG</b>	Antigua and Barbuda	<b>BRB</b>	Barbados
<b>ARG</b>	Argentina	<b>BLR</b>	Belarus

<b>BEL</b>	Belgium	<b>BFA</b>	Burkina Faso (Upper Volta)
<b>BLZ</b>	Belize	<b>BDI</b>	Burundi
<b>BEN</b>	Benin	<b>KHM</b>	Cambodia (Kampuchea)
<b>BMU</b>	Bermuda	<b>CMR</b>	Cameroon
<b>BTN</b>	Bhutan	<b>CMP</b>	Campione
<b>BOL</b>	Bolivia	<b>CNP</b>	Canary Islands
<b>BIH</b>	Bosnia and Herzegovina	<b>CPV</b>	Cape Verde
<b>BWA</b>	Botswana	<b>CYM</b>	Cayman Islands
<b>BVT</b>	Bouvet Island	<b>CAF</b>	Central African Republic
<b>BRA</b>	Brazil	<b>TCD</b>	Chad
<b>IOT</b>	British Indian Ocean Territory	<b>CHL</b>	Chile
<b>BRN</b>	Brunei Darussalam	<b>CHN</b>	China (Mainland)
<b>BGR</b>	Bulgaria	<b>CXR</b>	Christmas Island (Australia)

<b>CCK</b>	Cocos (Keeling) Islands	<b>DNK</b>	Denmark
<b>COL</b>	Colombia	<b>DJI</b>	Djibouti
<b>COM</b>	Comoros	<b>DMA</b>	Dominica
<b>COG</b>	Congo	<b>DOM</b>	Dominican Republic
<b>COD</b>	Congo, The Democratic Republic of the (formerly Zaire)	<b>ECU</b>	Ecuador
<b>COK</b>	Cook Islands	<b>EGY</b>	Egypt
<b>CRI</b>	Costa Rica	<b>SLV</b>	El Salvador
<b>CIV</b>	Côte d'Ivoire (Ivory Coast)	<b>GNQ</b>	Equatorial Guinea
<b>HRV</b>	Croatia	<b>ERI</b>	Eritrea
<b>CUB</b>	Cuba	<b>EST</b>	Estonia
<b>CYP</b>	Cyprus	<b>ETH</b>	Ethiopia
<b>CZE</b>	Czech Republic	<b>FLK</b>	Falkland Islands (Malvinas)
		<b>FRO</b>	Faroe Islands

<b>FJI</b>	Fiji	<b>GIB</b>	Gibraltar
<b>FIN</b>	Finland	<b>GRC</b>	Greece
<b>FRA</b>	France	<b>GRL</b>	Greenland
<b>GUF</b>	French Guiana	<b>GRD</b>	Grenada
<b>PYF</b>	French Polynesia	<b>GLP</b>	Guadeloupe
<b>ATF</b>	French Southern Territories (incl. Amsterdam Island, Crozet Islands, the Kerguelen Islands, and Saint Paul Island)	<b>GUM</b>	Guam
<b>GAB</b>	Gabon	<b>GTM</b>	Guatemala
<b>GMB</b>	Gambia	<b>GNS</b>	Guernsey
<b>GEO</b>	Georgia	<b>GIN</b>	Guinea
<b>DEU</b>	Germany	<b>GNB</b>	Guinea-Bissau
<b>GHA</b>	Ghana	<b>GUY</b>	Guyana
		<b>HTI</b>	Haiti
		<b>HMD</b>	Heard Island and McDonald Islands

**VAT** Holy See (Vatican City State)  
**HND** Honduras  
**HKG** Hong Kong  
**HUN** Hungary  
**ISL** Iceland  
**IND** India  
**IDN** Indonesia  
**IRN** Iran, Islamic Republic of  
**IRQ** Iraq  
**IRL** Ireland  
**GBA** Isle of Man  
**ISR** Israel  
**ITA** Italy

**JAM** Jamaica  
**JPN** Japan  
**JRS** Jersey  
**JOR** Jordan  
**KAZ** Kazakhstan  
**KEN** Kenya  
**KIR** Kiribati  
**PRK** Korea, Democratic People's Republic of (North)  
**KOR** Korea, Republic of (South)  
**KWT** Kuwait  
**KGZ** Kyrgyzstan

<b>LAO</b>	Lao People's Democratic Republic	<b>MWI</b>	Malawi
<b>LVA</b>	Latvia	<b>MYS</b>	Malaysia
<b>LBN</b>	Lebanon	<b>MDV</b>	Maldives
<b>LSO</b>	Lesotho	<b>MLI</b>	Mali
<b>LBR</b>	Liberia	<b>MLT</b>	Malta
<b>LBY</b>	Libyan Arab Jamahiriya	<b>MHL</b>	Marshall Islands
<b>LIE</b>	Liechtenstein	<b>MTQ</b>	Martinique
<b>LTU</b>	Lithuania	<b>MRT</b>	Mauritania
<b>LUX</b>	Luxembourg	<b>MUS</b>	Mauritius
<b>MAC</b>	Macao	<b>MYT</b>	Mayotte
<b>MKD</b>	Macedonia, the Former Yugoslav Republic of	<b>MEX</b>	Mexico
<b>MDG</b>	Madagascar	<b>FSM</b>	Micronesia, Federated States of
<b>MDR</b>	Madeira	<b>MDA</b>	Moldova, Republic of



<b>MCO</b>	Monaco	<b>NIC</b>	Nicaragua
<b>MNG</b>	Mongolia	<b>NER</b>	Niger
<b>MSR</b>	Montserrat	<b>NGA</b>	Nigeria
<b>MAR</b>	Morocco	<b>NIU</b>	Niue
<b>MOZ</b>	Mozambique	<b>NFK</b>	Norfolk Island
<b>MMR</b>	Myanmar (Burma)	<b>GBR</b>	Northern Ireland
<b>NAM</b>	Namibia	<b>MNP</b>	Northern Mariana Islands
<b>NRU</b>	Nauru	<b>NOR</b>	Norway
<b>NPL</b>	Nepal	<b>OMN</b>	Oman
<b>NLD</b>	Netherlands	<b>PAK</b>	Pakistan
<b>ANT</b>	Netherlands Antilles (Bonaire, Curaçao, St. Maarten)	<b>PLW</b>	Palau
<b>NCL</b>	New Caledonia	<b>PSE</b>	Palestinian Territory, Occupied
<b>NZL</b>	New Zealand	<b>PAN</b>	Panama

<b>PNG</b>	Papua New Guinea	<b>KNA</b>	Saint Kitts and Nevis
<b>PRY</b>	Paraguay	<b>LCA</b>	Saint Lucia
<b>PER</b>	Peru	<b>SPM</b>	Saint Pierre and Miquelon
<b>PHL</b>	Philippines	<b>VCT</b>	Saint Vincent and the Grenadines
<b>PCN</b>	Pitcairn	<b>WSM</b>	Samoa
<b>POL</b>	Poland	<b>SMR</b>	San Marino
<b>PRT</b>	Portugal	<b>STP</b>	Sao Tome and Principe
<b>PRI</b>	Puerto Rico	<b>SAU</b>	Saudi Arabia
<b>QAT</b>	Qatar	<b>SEN</b>	Senegal
<b>REU</b>	Reunion	<b>SCG</b>	Serbia and Montenegro (formerly Yugoslavia)
<b>ROU</b>	Romania	<b>SYC</b>	Seychelles
<b>RUS</b>	Russian Federation	<b>SLE</b>	Sierra Leone
<b>RWA</b>	Rwanda	<b>SGP</b>	Singapore
<b>SHN</b>	Saint Helena		

**SVK** Slovakia (Slovak Republic)  
**SVN** Slovenia  
**SLB** Solomon Islands  
**SOM** Somalia  
**ZAF** South Africa  
**SGS** South Georgia and the South Sandwich Islands  
**ESP** Spain  
**LKA** Sri Lanka  
**SDN** Sudan  
**SUR** Suriname  
**SJM** Svalbard and Jan Mayen  
**SWZ** Swaziland  
**SWE** Sweden

**CHE** Switzerland  
**SYR** Syrian Arab Republic  
**TWN** Taiwan  
**TJK** Tajikistan  
**TZA** Tanzania, United Republic of  
**THA** Thailand  
**TLS** Timor-Leste  
**TGO** Togo  
**TKL** Tokelau  
**TON** Tonga  
**TTO** Trinidad and Tobago  
**TUN** Tunisia  
**TUR** Turkey

<b>TKM</b>	Turkmenistan	<b>VEN</b>	Venezuela
<b>TCA</b>	Turks and Caicos Islands	<b>VNM</b>	Viet Nam
<b>TUV</b>	Tuvalu	<b>VGB</b>	Virgin Islands, British
<b>UGA</b>	Uganda	<b>VIR</b>	Virgin Islands, U.S.
<b>UKR</b>	Ukraine	<b>WLF</b>	Wallis and Futuna
<b>ARE</b>	United Arab Emirates	<b>ESH</b>	Western Sahara
<b>GBR</b>	United Kingdom (incl. Northern Ireland)	<b>YEM</b>	Yemen
<b>USA</b>	United States	<b>ZMB</b>	Zambia
<b>UMI</b>	United States Minor Outlying Islands	<b>ZWE</b>	Zimbabwe
<b>URY</b>	Uruguay		
<b>UZB</b>	Uzbekistan		
<b>VUT</b>	Vanuatu (New Hebrides)		

## **Appendix B – Income codes (NR4 only)**

Please make sure you use the proper two-digit code. For example, for copyright royalties, use code "05," **not** "5."

### **Pension and similar payments**

#### **Deferred profit-sharing plans**

07 Deferred profit-sharing plans – Periodic payment

31 Deferred profit-sharing plans – Lump-sum payment

#### **Registered retirement income funds**

26 Registered retirement income funds – Periodic payment\*\*\*

27 Registered retirement income funds – Lump-sum payment\*\*\*

#### **Registered retirement savings plans**

28 Registered retirement savings plans – Periodic payment

43 Registered retirement savings plans – Lump-sum payment

- 29 Refund of premiums – Registered retirement savings plan
- 30 Refund of excess amounts – Registered retirement savings plan
- 32 Deemed receipts on deregistration – Registered retirement savings plan
- 33 Deemed receipts on death – Registered retirement savings plan

### **Superannuation or pension benefits**

- 39 Superannuation or pension benefits – Periodic payment
- 40 Superannuation or pension benefits – Lump-sum payment

### **Other payments**

- 02 Other – Periodic payment
- 03 Other – Lump-sum payment
- 04 Automotive products – Assistance benefits
- 06 Death benefits (other than Canada Pension Plan or Quebec Pension Plan)

- 14 Income averaging annuity contracts – Report all benefits including lump-sum payments on proceeds of disposition of these contracts
- 34 Registered supplementary unemployment benefits
- 36 Retiring allowances
- 37 Retirement compensation arrangements
- 41 Textile, clothing, and leather goods – Assistance benefits – Superannuation or pension benefits

### **Social security benefits**

- 44 Old Age Security payments (regular benefits)\*\*\*\*
- 45 Net Federal (Guaranteed Income) Supplement\*\*\*\*
- 46 Taxable Canada Pension Plan benefits
- 47 Disability benefits – Canada Pension Plan
- 48 Canada Pension Plan death benefits – Lump-sum
- 49 Taxable Quebec Pension Plan benefits

- 50 Disability benefits – Quebec Pension Plan
- 51 Quebec Pension Plan death benefits – Lump-sum
- 88 Old Age Security recovery tax

## **Mutual Fund Investment Distributions**

### **Taxable Canadian Property**

- 57 TCP Gains Distribution – Capital gains dividend paid by mutual fund corporations
- 58 TCP Gains Distribution – Capital gains distributions made by mutual fund trusts

### **Assessable Distributions**

- 59 Assessable Distributions – paid or credited by a Canadian Property Mutual Fund Investment Corporation
- 60 Assessable Distributions – paid or credited by a Canadian Property Mutual Fund Investment Trust



## **Interest and dividends**

### **Interest**

- 15 Interest paid in Canadian currency on deposits\*
- 16 Interest paid in Canadian currency on securities\*\*
- 17 Interest paid in Canadian currency – Other
- 18 Interest paid in foreign currency on deposits\*
- 19 Interest paid in foreign currency on securities\*\*
- 20 Interest paid in foreign currency – Other

### **Dividends**

- 08 Dividends paid by Canadian subsidiaries to foreign parent corporations
- 09 Dividends – Other

### **Rents, royalties, and franchise payments**

- 05 Copyright royalties

- 12 Franchise and similar rights
- 13 Gross rents from real property
- 23 Natural resource royalties
- 35 Research and development royalties
- 38 Royalties and similar payments for the use of, or the right to use other properties
- 52 Timber royalties

**Miscellaneous payments**

- 10 Energy conversion grants
- 11 Estate and trust income
- 21 Management or administrative fee or charge
- 22 Motion pictures, TV, films, or videotape, etc.
- 24 Registered education savings plan
- 25 Registered home ownership savings plan

53 Eligible funeral arrangements

54 Film and video acting services

55 Film and video acting services, contingent compensation

56 Film and video acting services, residuals

\* **Deposits** include bearer-deposit notes, certificates of deposits, savings certificates, and term deposits.

\*\* **Securities** include bonds, debentures, notes, mortgages, hypothecs, or similar obligations.

\*\*\* To get more information about RRIF-Periodic and Lump-sum payments to a non-resident, contact the International Tax Services Office or your tax services office.

\*\*\*\* Old Age Security benefits and net federal supplements will be issued on a NR4-OAS slip.

## Appendix C – Exemption codes (NR4 only)

### Note

Unless otherwise stated, all of the following clauses and references are from the INCOME TAX ACT.

### Code

**A** Under certain conditions, the interest payable on bonds, debentures, notes, mortgages, hypothecs, or similar obligations is exempt from withholding tax [clause 212(1)(b)(ii)(C)].

To be exempt, the securities must have been issued after April 15, 1966, and must be from:

- the Government of Canada or guaranteed by the Government of Canada [subclause (I)];
- the government of a province or its agent [subclause (II)];
- a Canadian municipality, or a municipal or public body performing a function of government in Canada [subclause (III)];

- a corporation, commission, or association owned by a province or Canadian municipality (90% or more), or a wholly-owned subsidiary of such a corporation, commission, or association [subclause (IV)]; or
- an educational institution or a hospital where payment of interest and principal is made or guaranteed by a provincial government [subclause (V)].

For more information, see Interpretation Bulletin IT-155, Exemption from Non-Resident Tax on Interest Payable on Certain Bonds, Debentures, Notes, Hypothecs or Similar Obligations.

**B** Interest payable on amounts deposited at arm's length with a prescribed financial institution is exempt from tax if:

- it is payable in foreign currency; and
- the principal is repayable in other than Canadian currency [clause 212(1)(b)(iii)(D)].

## **Note**

A prescribed financial institution is:

- a corporation that is a member of the Canadian Payments Association; or
- a credit union that is a shareholder or member of a body corporate or organization that is a central for purposes of the CANADIAN PAYMENTS ASSOCIATION ACT.

For more information, see Interpretation Bulletin IT-360, INTEREST PAYABLE IN A FOREIGN CURRENCY.

- C** Interest on any bond, debenture, or similar obligation is exempt from tax if it is payable to a person with whom the payer is dealing at arm's length, and to whom a certificate of exemption issued under subsection 212(14) is in force on the day you pay or credit the amount.

See Information Circular 77-16, NON-RESIDENT INCOME TAX, for details [subparagraph 212(1)(b)(iv)].

- D** Interest that is payable by a corporation that resides in Canada is exempt from tax if all of the following conditions are met:
- The person to whom the interest is payable deals with the corporation at arm's length on the particular obligation.
  - The evidence of indebtedness was issued after June 23, 1975.
  - The obligation satisfies the requirements of the INCOME TAX ACT concerning the repayment of principal (commonly referred to as the "5-year rule").

For details, see Interpretation Bulletin IT-361, EXEMPTION FROM PART XIII TAX ON INTEREST PAYMENTS TO NON-RESIDENTS [subparagraph 212(1)(b)(vii)].

- E** An exemption from withholding tax may apply to interest payable in Canadian currency to a person with whom the payer is dealing at arm's length if:
- the interest is payable on an amount in Canadian currency that has been deposited in a country other than Canada; and
  - the amount has been deposited with:

- (i) a branch or office of a payer who is, or is eligible to become, a member of the Canadian Payments Association; or
- (ii) a credit union that is a shareholder or member of a body corporate or organization that is a central for purposes of the CANADIAN PAYMENTS ASSOCIATION ACT [subparagraph 212(1)(b)(ix)].

**F** An exemption from tax applies to interest that is payable on an amount deposited with a prescribed financial institution. It is for the period during which the amount was an eligible deposit under the international banking provisions of subsection 33.1(1) [subparagraph 212(1)(b)(xi)].

**G** A royalty or similar payment is exempt from tax if the payment is made on, or for, a copyright for the production or reproduction of any literary, dramatic, musical, or artistic work [subparagraph 212(1)(d)(vi)].

**H** Canadian agents who receive rent from real property or timber royalties on behalf of non-residents, and who have received our



approval to withhold tax on the net rental income rather than the gross rental income [subsection 216(4)].

- I** Organizations are exempt from tax if a letter of exemption under Article XXI of the CANADA-U.S. TAX CONVENTION has been issued to them. The letter must be in force at the time the amount is paid or credited.

For more information, see Information Circular 77-16,  
NON-RESIDENT INCOME TAX.

- J** Payers who have received authorization from the Canada Revenue Agency to reduce the withholding rate on a payment to a non-resident under section 217 of the INCOME TAX ACT, or to a non-resident actor under subsection 212(5.3) of the INCOME TAX ACT.
- K** Interest may be exempt if paid by a subsidiary wholly-owned corporation resident in Canada to its non-resident parent corporation, if the capital loaned to the subsidiary corporation has been borrowed by the parent corporation from a resident Canadian person, or a non-resident insurance corporation, and if the

subsidiary's principal business is the making of loans (see section 218).

- L** Interest under certain securities lending arrangements may be exempt if the payer is a lender that is a prescribed financial institution or a resident Canadian trader in securities [see subparagraph 212(1)(b)(xii)].
- M** Capital gains dividends described in any of subsections 130.1(4), 131(1), or 133(7.1) are exempt from withholding tax [see subsection 212(2)]. In addition, certain dividend payments by foreign business corporations are exempt (see section 213).

This exemption does not apply to the portion of a capital gains dividend described in subsection 131(1) that represents a taxable Canadian property (TCP) gains distribution. The TCP gains distribution is considered a taxable dividend subject to withholding tax under subsection 212(2) [see subsection 131(5.1)]

- N** Payments for certain leasing arrangements involving railway rolling stock, corporeal property used outside Canada, and aircraft may be exempt [see subparagraphs 212(1)(d)(vii), 212(1)(d)(ix) and 212(1)(d)(xi)].

- O** Payments made under a BONA FIDE cost-sharing arrangement related to research and development expenses may be exempt [see subparagraph 212(1)(d)(viii)].
- P** Payments for a management or administration fee or charge may be exempt under a tax convention between Canada and another country (Business Profits Article) or under subsection 212(4) of the INCOME TAX ACT.
- Q** Dividend, interest, and royalty payments may be exempt under a tax convention between Canada and another country. For example, under the CANADA-U.S. TAX CONVENTION, these payments may be exempt if the beneficial owner of the payments carries on a business in Canada through a permanent establishment in Canada, or performs independent personal services from a fixed base in Canada, and if the holding, debt-claim, or property or right for which the payment is made is effectively connected with the permanent establishment or fixed base.
- R** Interest payments on obligations entered into during the course of carrying on a business in a country other than Canada may be exempt under the INCOME TAX ACT [see clause 212(1)(b)(iii)(E) and subparagraph 212(1)(b)(v)].

Certain arm's-length royalty payments may be exempt to the extent that the amounts are deductible in calculating the income of the payer under Part I from a business carried on by the payer in a country other than Canada [see subparagraph 212(1)(d)(x)].

Interest and royalty payments may be exempt under a tax convention between Canada and another country (as, for example, under the CANADA-U.S. TAX CONVENTION) if the payer has, in a country other than Canada, a permanent establishment or fixed base in connection with which the obligation to pay the interest or royalty was incurred, and the payments are borne by (i.e., deducted against the income of) the permanent establishment or fixed base.

- S** A non-resident may be exempt from withholding tax as a result of other exempting provisions in the INCOME TAX ACT, other than those given above in codes **A** through **G**, and **K** through **P**, and **R**.
- T** A non-resident may be exempt from withholding tax as a result of other exempting provisions of a tax convention, other than those given above in codes **I**, and **P** through **R**.

## Appendix D – Currency Codes (NR4 only)

Please use the correct three-letter code. Remember to make sure that the amounts entered for gross income and tax withheld are reported in the same currency as indicated by the currency code. We will convert amounts reported in foreign currency to Canadian funds based on the average annual exchange rate published by the Bank of Canada on December 31, 2005.

<b>Currency</b>	<b>Currency Code</b>
Argentine Peso	ARS
Australian Dollar	AUD
Bahamian Dollar	BSD
Brazilian Real	BRL
Baht	THB
Balboa	PAB
Bolivar	VEB

<b>Currency</b>	<b>Currency Code</b>
Canadian Dollar	CAD
Cedi	GHC
Chilean Peso	CLP
Colombian Peso	COP
Communauté Financière Africaine Franc BEAC <sup>(1)</sup>	XAF
Communauté Financière Africaine Franc BCEAO <sup>(2)</sup>	XOF
Comptoirs Français du Pacifique franc (CFP)	XPF
Croatian Kuna	HRK
Czech Koruna	CZK

1 Responsible authority: Banque des États de l'Afrique Centrale

2 Responsible authority: Banque Centrale des États de l'Afrique de l'Ouest

<b>Currency</b>	<b>Currency Code</b>
Danish Krone	DKK
East Caribbean Dollar	XCD
European Monetary Union (Euro)	EUR
Fiji Dollar	FJD
Forint	HUF
Hong Kong Dollar	HKD
Iceland Krona	ISK
Indian Rupee	INR
Jamaican Dollar	JMD
Kyat	MMK
Lempira	HNL
Malaysian Ringgit	MYR

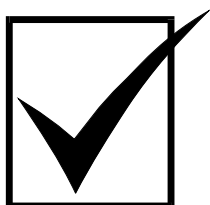
<b>Currency</b>	<b>Currency Code</b>
Mexican Peso	MXN
Moroccan Dirham	MAD
Netherlands Antillian Guilder	ANG
New Zealand Dollar	NZD
Norwegian Krone	NOK
Nuevo Sol	PEN
Pakistan Rupee	PKR
Pound Sterling	GBP
Philippine Peso	PHP
Rand	ZAR
Russian Ruble	RUB
Rupiah	IDR



<b>Currency</b>	<b>Currency Code</b>
New Israeli Shekel	ILS
Singapore Dollar	SGD
Slovak Koruna	SKK
Slovenia Tolar	SIT
Sri Lanka Rupee	LKR
Swedish Krona	SEK
Swiss Franc	CHF
New Taiwan Dollar	TWD
Trinidad and Tobago Dollar	TTD
Tunisian Dinar	TND
New Turkish Lira	TRY
US Dollar	USD

<b>Currency</b>	<b>Currency Code</b>
Won	KRW
Yen	JPY
Yuan Renminbi	CNY
Zloty	PLN

## **Your opinion counts!**



We review our income tax guides and pamphlets each year. If you have any comments or suggestions to help us improve our publications, we'd like to hear from you.

Please send your comments to:

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750 Heron Road  
Ottawa ON K1A 0L5