

T5 Guide –

Return of Investment Income

2002

Before you start

To help us process your T5 returns quickly and accurately, we would prefer that you type or machine-print your information slips. For more information, see “Chapter 3 – Guidelines for T5 information returns filed on paper,” on page 6.

Use the current versions of the T5 slip, T5 Summary, and T5 Segment when you file your T5 information return.

Do not file a blank or nil T5 information return that has no T5 slips. You do not have to file a T5 return for a year during which you did not pay or credit any amounts.

This guide does not deal with every tax situation. However, Appendix A has a list of publications that explain certain situations in greater detail. If you need more help after reading this guide, please call our Business Enquiries line at 1-800-959-5525. If your problem still cannot be resolved through normal channels, you should get in touch with the Problem Resolution Program co-ordinator at your tax services office. The numbers are listed in the government section of your telephone book.

You can order the publications you need, as well as blank copies of T5 slips, on our Web site. Complete the order form that you can find at www.ccra.gc.ca/orderforms or call 1-800-959-2221.

What's new for 2002?

Revised T5 slip

To increase efficiency and reduce processing costs, we redesigned our information slips adopting a format similar to the one used for T4 slips.

The major changes we made to the front of the T5 slip are:

- We renamed box 18 “Capital gains dividends.”
- We removed:
 - all low-usage, less common income boxes 14, 15, 16, 17, 19, and 20;
 - the temporary capital gains dividends boxes 40 and 41; and
 - the “VOID” box.
- We added a new area called “Other information” just below the first row of fixed-number high-usage boxes. It contains five unnumbered generic boxes where you can enter the codes and amounts that relate to the previous low-usage, less common income boxes:
 - Other income from Canadian sources (box 14);
 - Foreign income (box 15);
 - Foreign tax paid (box 16);
 - Royalties from Canadian sources (box 17);
 - Accrued income: annuities (box 19); and
 - Amount eligible for resource allowance deduction (box 20).

To identify these less common income types, you must enter a code in the box to the left of the dollar amount. We explain these codes on the back of the slip so the recipient knows what the amount represents.

We also made changes to the back of the T5 slip as follows:

- We redesigned the back of the slip:
 - In the unshaded areas, we show high-usage boxes with box numbers and explanations.
 - In the shaded areas, we show the generic boxes and explanations.
- We removed all references to boxes 40 and 41, as they no longer apply.

Revised T5 Summary

We removed all references to box 40 and 41, as they no longer apply.

Revised T5 Segment

We removed all references to box 40 and 41, as they no longer apply.

E-Amendments

For the 2003 filing season, you will be able to correct errors electronically. For more information, see “Filing on magnetic media” on page 5 and “How to correct your T5 slips” on page 10.

Dividend Tax Credit – Newfoundland and Labrador

The province of Newfoundland and Labrador announced that the provincial dividend tax credit rate changed as of March 21, 2002, from 9% to 5%. In order to help clients complete their returns, you should issue a statement or letter to those who reside in Newfoundland and Labrador on December 31, 2002, or who have tax payable in that province, indicating the taxable amount of dividends declared and paid before March 22, 2002. For more information, see the instructions for box 11 on page 8.

Table of contents

	Page		Page
Chapter 1 – General information	4	Chapter 6 – Payments to non-residents of Canada	13
Who should use this guide?.....	4	Chapter 7 – Accrued interest	13
Are you acting as a trustee?	4	Contracts acquired after 1989.....	13
Due date.....	4	Contracts acquired after November 12, 1981, and before 1990	14
Penalties and offences.....	4	Contracts acquired before November 13, 1981	14
Using the identification number.....	5	Interest adjustments and penalties	14
Interest on penalties	5	Indexed debt obligations issued after October 16, 1991...	14
Cancelling or waiving penalties and interest	5	Chapter 8 – Blended payments and deemed dividends ..	14
<i>Notice of Assessment</i>	5	Blended payments	14
Filing on magnetic media	5	Deemed dividends.....	14
Computer-printed (customized) forms	5	Chapter 9 – Unclaimed amounts: Dividends or interest ...	15
Chapter 2 – The T5 information return	5	Remittances.....	15
General information.....	5	Reporting requirements	15
Chapter 3 – Guidelines for T5 information returns filed on paper	6	Appendix A – References	18
Chapter 4 – The T5 slip	6	Appendix B – Forms	19
When do you have to prepare a T5 slip?.....	6	T5 slip	19
When do you not have to prepare a T5 slip?	7	T5 Summary	20
How to complete the T5 slip	7	T5 Segment.....	21
Distributing the T5 slips	10	Appendix C – Provincial and territorial codes	22
How to correct your T5 slips.....	10	Appendix D – <i>Income Tax Act</i> references	22
Chapter 5 – The T5 Summary and Segment	11	Addresses of tax centres	23
How to complete the T5 Summary	11		
Distributing the T5 Summary	12		
How to complete the T5 Segment	13		

Visually impaired persons can order publications in braille or large print, or on audio cassette or computer diskette, by calling **1-800-267-1267** weekdays from 8:15 a.m. to 5:00 p.m. (Eastern Time).

Confidentiality of information

Under the *Privacy Act*, the information you provide on the T5 information return and related forms can be used only for the purposes authorized by law.

Income Tax Act references

In this guide, all legislative references are to the *Income Tax Act* and *Income Tax Regulations*.

La version française de ce guide est intitulée *Guide T5 – Déclaration des revenus de placements*.

Chapter 1 – General information

This guide explains how to complete the T5 information return.

Who should use this guide?

If you make certain payments to a resident of Canada, or if you receive certain payments as a nominee or agent for a person resident in Canada, you have to prepare a T5 information return.

Note

In certain situations, the *Income Tax Act* treats payments in a specific way. For example, you have to report some interest payments as dividends and some dividend payments as interest. This guide explains these and other rules.

If you make certain payments to a non-resident of Canada, see “Chapter 6 – Payments to non-residents of Canada,” on page 13.

If you are only reporting interest or dividend payments on your T5 information return, you probably do not need to know all the details in this guide. We have published an easy-to-read, concise pamphlet called *How to File the T5 Return of Investment Income*, which contains all the information you need.

In this guide, the term “filer” refers to the person (i.e., individual, organization) who is responsible under the *Income Tax Act* for preparing and filing a T5 information return. The filer is different from a service bureau or anyone else who may be filing the return for the filer.

Do not use the T5 information return to report debt obligations in bearer form. For more information on reporting debt obligations in bearer form, see our publication called *T5008 Guide – Return of Securities Transactions*.

Note

If your corporation amalgamated with one or more corporations during the year, the new corporation can prepare the T5 information return on a consolidated basis for itself and the predecessor corporation(s).

Are you acting as a trustee?

If you are acting as a trustee, and you own and control property for another person, you have to file a *T3 Trust Income Tax and Information Return*. If the beneficial owner keeps ownership and control of the property, you should report any income earned on a T5 information return.

If you are acting as a trustee and you are not sure if you should complete a T3 or a T5 information return, see our publication called the *T3 Trust Guide*. The information in that publication and in this guide will help you decide which return to complete. If you still have questions, contact your tax services office.

Due date

You have to file your T5 information return before March 1 after the calendar year for which you are preparing it. For example, if you are filing a T5 information return for 2002, it has to be filed before March 1, 2003.

If you end your business or activity, you have to file a return for the year or part-year no later than 30 days after the date the business or activity ended.

Send the recipient’s copies of the T5 slip to his or her last known address or deliver them in person. You have to do this on or before the day you have to file the T5 information return.

Penalties and offences

Late-filing penalty

If you file your T5 information return late, or if you distribute slips to the recipients late, you are liable for each failure to a penalty of \$25 per day, from a minimum of \$100 to a maximum of \$2,500.

Failure to file an information return

If you do not file an information return as required under the *Income Tax Act* and *Income Tax Regulations*, you may be guilty of an offence. In addition to any other penalty, if convicted, you are liable to:

- a fine from a minimum of \$1,000 to a maximum of \$25,000; or
- a fine and imprisonment for a maximum of 12 months.

Failure to provide information on a return

Anyone who prepares an information return has to make a reasonable effort to get the necessary information, including identification numbers, from the individuals, corporations, or partnerships who will receive the slips. If you do not do this, you may be liable for each failure to a \$100 penalty.

Failure to provide an identification number

Individuals (other than trusts), corporations, or partnerships have to give their social insurance number (SIN) or Business Number (BN) on request to anyone who has to prepare an information slip for them. A person or partnership that does not comply with this requirement is liable for each failure to a \$100 penalty. This penalty does not apply if the person or partnership has applied for, but not yet received, a SIN or BN when the return was filed.

A person who does not have an identification number has 15 days from the date of an information request to apply for one. After receiving the identification number, the person has 15 days to provide it to the person who is preparing an information return.

A person who does not have a SIN can apply for one at any Human Resources Development Canada (HRDC) office.

For more information, see Information Circular 82-2, *Social Insurance Number Legislation That Relates to the Preparation of Information Slips*.

Using the identification number

If you have to prepare an information return, or if you are an officer, employee, or agent of someone who does, you cannot **knowingly** use or communicate an identification number, or allow it to be communicated without the written consent of the individual, taxpayer or partnership, other than as required or authorized by law or for the purpose for which it was provided.

If you use an identification number for unauthorized purposes, you may be guilty of an offence and, if convicted, liable to a maximum fine of \$5,000 or imprisonment of up to 12 months, or both.

Interest on penalties

We charge interest, compounded daily at the prescribed rate, on the total amount of penalties and interest outstanding. Interest and penalties are payable to the Receiver General.

Cancelling or waiving penalties and interest

We may cancel, reduce, or waive penalties and any interest charges if you file a T5 information return late or distribute T5 slips to recipients late because of circumstances beyond your control. If this happens, include a letter with the return explaining why. For more information, see Information Circular 92-2, *Guidelines for the Cancellation and Waiver of Interest and Penalties*.

Notice of Assessment

We will issue a *Notice of Assessment* for the T5 information return only if we apply a penalty.

Filing on magnetic media

If you (or a representative) file more than 500 information slips for the calendar year (the total number of T3, T4, T4A, T4A-NR, T4RSP, T4RIF, T5, T5007, T5008, NR4, T1204, and T5018 slips), you **have to** file your information returns on magnetic media using computer tape, cartridge, diskette, or CD-ROM.

However, anyone can file on magnetic media to save time or to simplify the requirements when using customized forms.

If you file your information return on magnetic media, do not send us the paper copy of the forms that make up the return.

If you want to participate in the magnetic-media filing program for the first time, send us a test tape or diskette for our approval at least two months before the filing deadline. For technical specifications, see the current version of the electronic guide called *Computer Specifications for Data Filed on Magnetic Media – T5, T5008, T4RSP, T4RIF, NR4, and T3*.

For more information about this method of filing, you can call us toll free at 1-800-665-5164. You can also reach us at www.ccra.gc.ca/magmedia.

If you prefer, you can write to:

Magnetic Media Processing Team
Ottawa Technology Centre
Canada Customs and Revenue Agency
875 Heron Road
Ottawa ON K1A 1A2

Note

You may need to correct information you originally filed on magnetic media. If so, make these corrections on paper or in electronic format. For more information, see “How to correct your T5 slips” on page 10.

Computer-printed (customized) forms

You may want to use your own customized T5 slips to provide tax information to your clients. To get our written approval, send samples of your proposed computer-printed slips to:

Publishing Directorate
Canada Customs and Revenue Agency
17th floor, Albion Tower
25 Nicholas Street
Ottawa ON K1A 0L5

For more information, get Information Circular 97-2, *Customized Forms*.

Chapter 2 – The T5 information return

General information

To prepare a T5 information return you must complete the T5 slips and the related T5 Summary. In some cases, you may also have to complete a T5 Segment.

A T5 Summary alone is not an information return.

The T5 slip – The T5 slip identifies the various types of investment income that residents of Canada have to report on their income tax and benefit returns. Do not report on a T5 slip investment income paid to non-residents of Canada. For information about payments to non-residents, see Chapter 6 on page 13.

All versions of the T5 slip have three individual slips printed on each page or sheet. There are three versions of the T5 slip:

- the three-copy carbon-loaded form used with continuous-feed printers by clients who file on paper;
- the two-copy carbon-loaded form, also in continuous-feed format, used by magnetic-media filers; and
- the single-copy form for ink jet and laser printers, which all clients can use.

For information on how to complete the T5 slip, see “How to complete the T5 slip” on page 7. For a sample of the T5 slip, see Appendix B on page 19.

The T5 Summary – The T5 Summary records the total of the amounts you reported on all the related T5 slips.

There are two versions of the T5 Summary:

- the two-copy carbon-loaded form in continuous-feed format; and
- the single-copy form for ink jet and laser printers.

For information on how to complete the T5 Summary, see “How to complete the T5 Summary” on page 11. For a sample of the T5 Summary, see page 20.

The T5 Segment – The T5 Segment is a single-copy form that you use when you are filing a paper T5 information return with more than 100 sheets of T5 slips (300 slips). This form will help you balance the T5 slips with the T5 Summary.

For information on how to complete the T5 Segment, see “How to complete the T5 Segment” on page 13. For a sample of the T5 Segment, see page 21.

Chapter 3 – Guidelines for T5 information returns filed on paper

If you (or a representative) file more than 500 information slips for the calendar year (the total number of T3, T4, T4A, T4A-NR, T4RSP, T4RIF, T5, T5007, T5008, NR4, T1204, and T5018 slips), you **have to** file your information returns on magnetic media. See “Filing on magnetic media” on page 5.

If you are filing your T5 information return on paper, keep the following in mind when you complete the forms that make up the return:

- Use the current versions of the T5 slips, T5 Summary and T5 Segment. You can order all the forms you need from our Web site at www.cra.gc.ca/orderforms, or from any tax services office or tax centre.
- **Do not cut or separate copy 1 of the T5 slips**, since you have to file this copy as a complete page.
- Do not tape, tear, or stamp any of the T5 forms.
- For all dollar amounts, use a comma to separate thousands and a period to separate dollars from cents. Do not use dollar signs (\$).

Example
2,345.67

- When no entry is required, leave boxes and areas blank. Do not enter nil, N/A, dashes (–), or zeros in these empty boxes.
- Do not change the title of any box or area on the forms.
- Enter an “X” in those boxes that need one. Do not use any other mark (e.g., “√” or “–”).
- Remove side borders from copy 1 of all forms.

Report information only in the appropriate box or area provided. If you are not sure where to enter the information, contact your tax services office.

Chapter 4 – The T5 slip

When do you have to prepare a T5 slip?

If you make certain payments to a resident of Canada, or if you receive certain payments as a nominee or agent for a person resident in Canada, you have to prepare a T5 slip.

These payments include:

- dividends (including most deemed dividends);
- interest from:
 - a fully registered bond or debenture;
 - money loaned to, or on deposit with, or property of any kind placed with a corporation, association, organization, or institution;
 - an account with an investment dealer or broker;
 - an insurance policy or annuity contract (when the interest is paid by an insurer); or
 - an amount owing as compensation for expropriated property;
- certain amounts distributed from an eligible funeral arrangement (see “Box 14 – Other income from Canadian sources” on page 8);
- amounts required to be included in a policyholder’s income under section 12.2;
- royalties from the use of a work, invention, or a right to take natural resources; or
- blended payments of income and capital made by a corporation, association, organization, or institution. For more information on blended payments, see “Blended payments” on page 14.

For investment contracts acquired **before** 1990, you have to report accrued interest every three years, unless the recipient has elected to report annually. This calculation is based on the calendar year. For more information, see “Contracts acquired after November 12, 1981, and before 1990” on page 14.

For investment contracts acquired **after** 1989, you have to report accrued interest every year. Base this calculation on the date the investment contract was issued. We will consider that an investment contract acquired before 1990 is a new contract acquired after 1989 if certain material changes were made after 1989. For details, see Interpretation Bulletin IT-448, *Dispositions – Changes in Terms of Securities*, and its Special Release.

We explain special accrual rules for indexed debt obligations in the section called “Indexed debt obligations issued after October 16, 1991” on page 14.

When do you not have to prepare a T5 slip?

You do not have to prepare a T5 slip to report:

- the interest part of a blended payment made by an individual;
- interest one individual pays to another, such as interest paid on a private mortgage (this does not include investment dealers or brokers making payments for client accounts);
- interest paid on loans from banks, financial houses, or other institutions whose usual business includes lending money;
- capital dividends, as described in Interpretation Bulletin IT-66, *Capital Dividends*;
- amounts paid or credited to non-residents of Canada (see Chapter 6 on page 13);
- interest on an investment contract accrued or payable during the year to a corporation, partnership, unit trust, or any trust of which a corporation or a partnership is a beneficiary;
- an amount distributed from an eligible funeral arrangement, if the amount is a return of contributions only;
- interest paid to farmers under the net income stabilization account program, Fund No. 2 (these amounts are reported on an AGR-1 Supplementary slip); or
- amounts paid to one recipient when the **total** amount for the year is less than \$50.

How to complete the T5 slip

Before you complete the T5 slips, see the information under “Filing on magnetic media” on page 5. If you are filing your T5 information return on paper, carefully read the instructions in Chapter 3 on page 6. We can process your return more efficiently if you follow these instructions.

Recipient's name and address

Enter the information in the white areas provided.

If more than one recipient is entitled to the investment income (e.g., interest credited to a joint account), you only need to complete one T5 slip. If there are two recipients, enter both names. For a corporation, enter the corporation's name.

If the payment is made to an association, organization, or institution, enter that name. Do not enter the name of the secretary-treasurer or any other individual who has signing authority. If the payment is made to the registered holder of an investment (e.g., broker or trustee of an RRSP), enter the name of the registered holder, not the name of the individual.

First line – Enter the individual's last name first, followed by the usual first names and initials, or enter the name of the recipient corporation, association, organization, or institution.

Second line – Enter the second recipient's last and first names and initials. If there is only one recipient, leave this line blank.

In all cases, enter the recipient's full mailing address as follows:

Third, fourth, and fifth lines – Enter the recipient's full address, including city and province or territory. Enter the recipient's postal code. You can leave some lines blank. For the province or territory, use the two-letter abbreviations from the list on page 22.

Payer's name and address

Complete this area on each T5 slip. Enter the payer's full name and address.

Year

Enter the four digits of the calendar year during which the recipient earned the investment income.

Boxes 10, 11, and 12 – Dividends from Canadian corporations

Dividends include all payments in cash or kind (including stock dividends) and all amounts we deem to be dividends. For details on deemed dividends, see the section called “Deemed dividends” on page 14. For information on unclaimed dividends, see Chapter 9 on page 15.

Dividends from taxable Canadian corporations paid to an individual (other than a trust that is a registered charity) are eligible for the federal dividend tax credit. Read the instructions below and on the next page for boxes 10, 11, and 12.

For more information, see Interpretation Bulletin IT-67, *Taxable Dividends From Corporations Resident in Canada*.

Box 10 – Actual amount of dividends

Enter the actual amount of dividends, or the amount we deem to be dividends, paid by a Canadian corporation. For recipients who are individuals resident in Canada (other than a trust that is a registered charity), the dividends must be paid by a taxable Canadian corporation.

Do not include:

- dividends paid or payable by a credit union to a member who has a share in the credit union, if the share is not listed on a prescribed stock exchange (we treat these amounts as interest);
- capital gains dividends;
- dividends paid to individuals who are not eligible for the federal dividend tax credit; or
- taxable dividends, other than capital gains dividends, paid by a mortgage investment corporation to any of its shareholders (we treat these amounts as interest).

To report capital gains dividends, follow the instructions for box 18.

Box 11 – Taxable amount of dividends

Complete box 11 **only** for individuals resident in Canada (other than a trust that is a registered charity). Do not enter an amount in box 11 if the dividends entered in box 10 are paid to a corporation. For recipients who are individuals, enter 25% more than the amount you reported in box 10.

Provide a statement or letter indicating the taxable amount of dividends declared and paid **before** March 22, 2002 for those individuals (other than trusts who are registered charities) resident in Newfoundland and Labrador on December 31, 2002, or those who have tax payable in that province. You should advise these clients to attach the statement or letter to their returns with the T5 slip.

Box 12 – Federal dividend tax credit

Complete box 12 **only** for individuals resident in Canada (other than a trust that is a registered charity). Do not enter an amount in box 12 if the dividends entered in box 10 are paid to a corporation. For recipients who are individuals other than a trust that is a registered charity, calculate and enter the amount of the federal dividend tax credit. The amount you enter in box 12 is 13.3333% of the taxable amount you entered in box 11.

Box 13 – Interest from Canadian sources

Enter the following amounts, as long as you did not previously report them:

- interest on a fully registered bond or debenture;
- interest on money loaned to, or on deposit with, or interest on any kind of property placed with a corporation, association, organization, or institution;
- interest on an account with an investment dealer or broker;
- interest an insurer paid in connection with an insurance policy or annuity contract;
- interest on an amount owing as compensation for property that has been expropriated;
- the interest part of blended payments (see Chapter 8, on page 14);
- dividends paid or payable by a credit union to a member who has a share in the credit union, if the share is not listed on a prescribed stock exchange;
- taxable dividends, other than capital gains dividends, that a mortgage investment corporation paid to any of its shareholders; and
- amounts reported by life insurers, to be included in a policyholder's income under paragraph 56(1)(j), except if they arise from a policy loan (see the instructions for box 14).

Do not include:

- interest from a source outside Canada (report these amounts in a generic box; see instructions for box 15); or
- the accrued income from an annuity described under former paragraph 56(1)(d.1), or accrued income of certain life insurance policies (see the instructions for box 19).

For more information on accrued interest on investment contracts, see Chapter 7 on page 13. For information on unclaimed interest, see Chapter 9, on page 15.

Other information

The "Other information" area at the bottom of the T5 slip has boxes for you to enter codes and amounts that relate to other income from Canadian sources, foreign income, foreign tax paid, royalties from Canadian sources, accrued income: annuities, and amounts eligible for resource allowance deduction, and any other entries, if they apply.

The boxes are not pre-numbered as in the top part of the slip. Enter the codes that apply to the recipient.

Note

If more than five codes apply to the same recipient, use an additional T5 slip.

Box 14 – Other income from Canadian sources

Other income includes:

- taxable dividends and deemed dividends (see the section called "Deemed dividends" on page 14) paid to an individual by a corporation resident in Canada that is **not** a taxable Canadian corporation;
- amounts to be included in a policyholder's income under a life insurance policy, if these amounts arise from a policy loan; and
- amounts distributed from an eligible funeral arrangement (EFA) after 1995 to a taxpayer as a return of funds.

An EFA is an arrangement a qualifying person establishes and maintains solely for the purpose to fund funeral or cemetery services for one or more individuals. The EFA's custodian has to report, in a generic box identified as box 14, the amounts distributed from the arrangement after 1995 that are not payments for providing funeral or cemetery services and do not reflect contributions previously made. The custodian can be the trustee of any trust governed by an EFA or, if a trust is not involved, any person who receives a deposit under the EFA for providing funeral services. This person has to be licensed or authorized under the laws of a province or territory to provide funeral or cemetery services for individuals.

The amount you have to report in a generic box identified as box 14, is the lesser of:

- the amount distributed from the EFA to a taxpayer (other than as payment for providing funeral or cemetery services for the individual from whose account the amount was distributed); and

- the amount on line 5 of the following chart:

1. Enter the individual's balance under the EFA before the refund (excluding the value of property in a cemetery care trust).	1
2. Enter the total of all payments made from the EFA to provide funeral or cemetery services for the individual (other than cemetery services funded by property in a cemetery care trust).	2
3. Line 1 plus line 2	3
4. Enter the total of all relevant contributions made to the individual's EFA before the amount was distributed (other than contributions that were in a cemetery care trust).	4
5. Line 3 minus line 4	5

Relevant contributions are contributions made to the EFA and the contributions to another EFA later transferred to the EFA for the purpose of funding funeral or cemetery services for the individual.

Example

Mr. Gilbert contributed \$8,000 to a prepaid funeral arrangement. The balance in the arrangement grew to \$10,000 before Mr. Gilbert died. The total payments made from the arrangement for funeral services amounted to \$9,500. The \$500 balance was refunded to the estate. In this case, the custodian of the EFA would show \$500 in box 14 of the T5 slip issued in the name of Mr. Gilbert's estate. This amount is the lesser of:

- \$500 (the amount of the refund); and
- \$2,000 (\$500 + \$9,500 – \$8,000).

Box 15 – Foreign income

Enter in Canadian currency the gross foreign income received from sources outside Canada in a generic box identified as box 15. Do not reduce the amount by any foreign income tax that was withheld. Enter any amounts in respect of foreign spin-off shares received from sources outside Canada. If you cannot report the amount in Canadian currency, see the instructions for box 27.

Box 16 – Foreign tax paid

Enter in a generic box identified as box 16, the amount of foreign income tax, if any, that was withheld from the gross foreign income you reported in the generic box 15. Report the amount of the foreign income tax withheld in Canadian currency. The recipient of the T5 slip will need to know this amount to calculate the federal, provincial or territorial foreign tax credits.

Box 17 – Royalties from Canadian sources

Enter in a generic box identified as box 17, the amount of royalties paid during the year. Royalties include payments for the use of a work or invention of yours, or a right to take natural resources.

Box 18 – Capital gains dividends

Enter the amount of capital gains dividends that we consider to be a capital gain and that was paid by:

- an investment corporation;
- a mortgage investment corporation; or
- a mutual fund corporation.

Box 19 – Accrued income: Annuities

Identify a generic box as 19, and enter the following amounts:

- the accrued earnings on a life insurance policy to be included in a policyholder's income under section 12.2; and
- annuity payments to be included in income under former paragraph 56(1)(d.1) for annuity contracts issued before 1990.

Box 20 – Amount eligible for resource allowance deduction

Enter in a generic box identified as box 20, all amounts included in generic box 17 that qualify as production royalties for the purposes of the resource allowance deduction.

Box 21 – Report code

The code in this box helps us determine if this is the original T5 slip you issued to the recipient, or if it is an amended slip.

If this is the original T5 slip, enter "0" in box 21.

If this slip changes the financial or identification information of a T5 slip you have already filed, enter "1."

When using code "1", enter a brief description at the top of the T5 slip (e.g., "AMENDED") and include a written explanation with any slip you file with us. For more information, see the section called "How to correct your T5 slips" on page 10.

Box 22 – Recipient identification number

If the recipient is an individual (other than a trust), enter the individual's social insurance number (SIN). For interest credited to a joint account, enter the SIN of only one of the individuals.

You have to make a reasonable effort to get the recipient's SIN. If you do not, you may be liable to a \$100 penalty for each time you do not provide the SIN on a slip. However, when a person indicates that he or she does not have a SIN but is applying for one, make sure you complete and file the return before the filing deadline. If you have not received the recipient's SIN by the time you prepare the T5 slip, leave box 22 blank.

Note

If you are reporting a payment made in trust to an institution for an individual (e.g., a payment of interest made to the trustee of a self-directed RRSP), **do not enter the individual's SIN in box 22.**

If the recipient is not an individual, enter the recipient's Business Number, if available.

Box 23 – Recipient type

Enter one of the following codes to identify the recipient to whom the investment income was paid:

- “1” for an individual;
- “2” for a joint account (two or more individuals);
- “3” for a corporation;
- “4” for an association, a trust (RRSP trustee, fiduciary-trustee, nominee, or estate), a club, or a partnership; or
- “5” for a government, government enterprise, or international organization.

Box 27 – Foreign currency

Leave this area blank if you are reporting amounts in Canadian dollars.

If you cannot report amounts in Canadian dollars, identify the foreign currency according to the *ISO (International Organization for Standardization) 4217 Codes for the Representation of Currencies and Funds*. Enter the appropriate three-letter alphabetic or three-digit numeric codes. If possible, use the alphabetic codes. For example:

- USD – United States, dollar
- JPY – Japan, yen
- SVC – El Salvador, colon
- FRF – France, franc
- HKD – Hong Kong, dollar
- ITL – Italy, lire
- DEM – Germany, mark
- DKK – Denmark, krone
- GBP – United Kingdom, pound
- ESP – Spain, peseta
- EUR – European Monetary Union, euro

When you report amounts in foreign currency, keep the following rules in mind:

- do not combine different foreign currency types on a T5 slip. Report only one type of foreign currency on each slip;
- print the name of the foreign currency on the slip (e.g., U.S. DOLLARS) under generic boxes 15 and 16, for the recipient's benefit;
- if you file a paper T5 information return and leave box 27 blank, we will process the amounts on the T5 slips as Canadian dollars; and
- when completing your T5 Summary or T5 Segment, you only have to enter one total income amount, whether or not the T5 slips are made up of different currency types.

Box 28 – Transit

If you are reporting for a financial institution or any similar business, enter the recipient's transit code or branch identification code (up to eight characters) in this area.

Box 29 – Recipient account

If you can identify the recipient by an account number or policy number, enter the appropriate characters (up to 12) in this area.

Distributing the T5 slips

Copy 1

Send us copy 1 of each T5 slip (three slips printed per sheet) along with the T5 Summary, before March 1 of the year after the calendar year for which the information return is required, to:

Ottawa Technology Centre
P.O. Box 9633, Station T
Ottawa ON K1G 6H3

If you use the T5 slip for ink jet and laser printers, see the instructions on the back of the slip.

Include T5 Segment forms if you are filing a paper return with more than 100 sheets of T5 slips (300 slips).

Copies 2 and 3

Separate copies 2 and 3 of the T5 slip into individual slips, and send both copies to the appropriate recipient before March 1 of the year after the calendar year for which the T5 information return is required.

If you use the T5 slips for ink jet and laser printers, see the instructions on the back of the slips.

Note

When a business or activity ends, you have to send the appropriate copies of the T5 slips to the recipients no later than 30 days after the date the business or activity ended.

You do not have to keep a copy of the T5 slips. However, you have to keep the information from which you prepared the slips in an accessible and readable format.

How to correct your T5 slips

If you discover an error in your information return after filing it, you can now make the corrections on paper or in electronic format, as described below.

Paper submissions – If you have to change some of the data on a slip, change only the required entries and leave the same amounts in the other boxes. Print the word “AMENDED” at the top of the revised slip. Send two copies of the amended slip to the recipient. Send copy 1 of the slips to your tax centre with a letter explaining the reason for the amendment. Provide your filer identification number on your letter. We list the tax centre addresses on page 23.

Note

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

Cancelled slips – If you issued a slip by mistake and you want to cancel it, send us another slip with the same data as on the original slip. Print the word “CANCELLED” at the top of the slip. Send two copies of the cancelled slip to the recipient.

Duplicate slips – If you issue a slip to replace one that a client lost or destroyed, print the word “DUPLICATE” at the top of the replacement slip you are sending to the recipient. **Do not send us a copy of the duplicate slip.**

Electronic submissions – Filers who discover errors in the information already filed with the Agency, will now be able to submit revisions in electronic format via hard medium (diskette or CD-ROM). Amendments and cancelled slips can now be filed electronically. The format used is Extensible Markup Language (XML). For up-to-date information visit our Web site at www.ccra.gc.ca/magmedia. New information will be posted as it becomes available. Amendments submitted in electronic format should be sent to:

Magnetic Media Processing Team
Ottawa Technology Centre
Canada Customs and Revenue Agency
875 Heron Road
Ottawa ON K1A 1A2

Chapter 5 – The T5 Summary and Segment

You have to complete a T5 Summary if you prepare one or more T5 slips.

How to complete the T5 Summary

Before you complete the T5 Summary, see the information in the section called “Filing on magnetic media” on page 5. If you are filing your T5 information return on paper, carefully read the instructions in Chapter 3 on page 6. We can process your return more efficiently if you follow those instructions.

Do not staple, mark, type, or print in the area labelled “Do not use this area.”

Do not include amounts on the T5 Summary for which you have not prepared a T5 slip.

If you filed a T5 information return for 2001, we mailed you a preprinted T5 Summary in December 2002 with your filer identification number, the name of your organization or business, and your mailing address. If an independent service bureau or transmitter files your information return, give them your preprinted T5 Summary.

Return for the year ended

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

Filer identification number

The filer identification number is a unique number that applies to information returns (including the T5 information return). It has two alphabetical and seven numerical characters (e.g., HA1234567). **Do not enter your Business Number in this area.**

If you did not receive a preprinted T5 Summary, enter your filer identification number in the space provided. If you have not filed a T5 information return in recent years or are unsure of your number, contact our Business Enquiries line at 1-800-959-5525.

It is important that you make every effort to get a filer identification number before filing your T5 return. However, do not delay filing your return, even if you have not received your filer identification number before the due date. Instead, attach a note to your T5 return explaining why you have not entered the number.

Amended T5 Summary

If you are filing an amended T5 Summary, enter an “X” in this box.

Do not send an amended T5 information return if you are issuing replacement T5 slips only. We consider these slips to be duplicates.

Additional T5 Summary

Use this box if you are preparing more than one T5 information return, and the returns are:

- for the same filer with the same filer identification number; and
- for the same year.

Enter an “X” in this box on the T5 Summary for the second return, and on each following T5 Summary as described above.

Name and address of filer or nominee (four lines)

Enter the name of the filer or nominee, and the full address of the branch or office filing the T5 Summary. Enter the information in the blank areas. Use the two-letter code that applies to the province or territory. The codes are listed in Appendix C on page 22.

Business Number

Enter the 15 digits of your Business Number (BN) in this area.

Have you filed a T5 information return before?

If you have sent us a T5 information return in a previous year, enter an “X” in the “Yes” box.

If this is the first year you are sending us a T5 information return, enter an “X” in the “No” box.

Language

Enter an “X” in the appropriate box. This will ensure that future correspondence and information we send you will be in the language of your choice.

Is this form preprinted with an incorrect address?

If we mailed you a preprinted T5 Summary and the address is incorrect, enter the correct full address in the space provided.

Line 10 – Actual amount of dividends

Enter the total amount of actual dividends you reported in box 10 of all related T5 slips.

Line 11 – Taxable amount of dividends

Enter the total amount of the taxable dividends you reported in box 11 of all related T5 slips.

Line 12 – Federal dividend tax credit

Enter the total amount of federal dividend tax credits you reported in box 12 of all related T5 slips.

Line 13 – Interest from Canadian sources

Enter the total amount of interest you reported in box 13 of all related T5 slips.

Line 14 – Other income from Canadian sources

Enter the total amount of other income you reported in box 14 of all related T5 slips.

Line 15 – Foreign income

Enter the total amount of gross foreign income you reported in box 15 of all related T5 slips.

Line 16 – Foreign tax paid

Enter the total amount of foreign tax paid you reported in box 16 of all related T5 slips. You have to report this amount in Canadian currency.

Line 17 – Royalties from Canadian sources

Enter the total amount of royalties you reported in box 17 of all related T5 slips.

Line 18 – Capital gains dividends

Enter the total amount of capital gains dividends you reported in box 18 of all related T5 slips.

Line 19 – Accrued income: Annuities

Enter the total amount of accrued income and annuity income you reported in box 19 of all related T5 slips.

Line 20 – Amount eligible for resource allowance deduction

Enter the total of the amounts eligible for a resource allowance deduction you reported in box 20 of all related T5 slips.

Line 31 – Total number of T5 slips filed

Enter the total number of T5 slips (there are three slips per sheet) you are filing with the T5 Summary. Do not include

in this total any slips you marked as being void or left blank.

Lines 32 and 33 – Unclaimed amounts later paid out

We require special reporting when you have been holding an unclaimed amount, and you finally identified the rightful owner and paid out the amount. A separate information return is required to report these amounts. For information on how to complete the T5 Summary and T5 slips to report unclaimed amounts you later paid out, see Chapter 9 on page 15.

Line 32 – Unclaimed amounts: Dividends and interest

Enter the total of the amounts you identified as unclaimed dividends or unclaimed interest later paid out. These amounts are included in box 10 or 13 on the T5 slips that you identified as “UNCLAIMED DIVIDEND ACCOUNT” or “UNCLAIMED INTEREST ACCOUNT.” For more information, see Chapter 9 on page 15.

Line 33 – Tax deducted from unclaimed amounts

Enter the total amount of tax deducted shown on the T5 slips you identified as “UNCLAIMED DIVIDEND ACCOUNT” or “UNCLAIMED INTEREST ACCOUNT.” The amount of tax deducted is shown on the T5 slip, directly below the recipient’s postal code. For more information, see Chapter 9 on page 15.

Lines 41 and 42 – Person from whom we can get more information

Enter the name and telephone number of the person who can answer any questions that we may have about the T5 information return.

Certification

Sign and date the information return in this area of the T5 Summary.

Distributing the T5 Summary

Send the completed T5 Summary along with the related T5 slips (and T5 Segments if required) to:

Ottawa Technology Centre
P.O. Box 9633, Station T
Ottawa ON K1G 6H3

These must be sent before March 1 of the year after the calendar year to which the T5 information return relates.

When a business or activity ends, you have to send the T5 Summary and the related T5 slips (and T5 Segment forms if required) no later than 30 days after the date the business or activity ended.

You may want to keep a working copy of the T5 Summary for your records.

How to complete the T5 Segment

If you are filing your T5 information return on paper, carefully read the instructions in Chapter 3 on page 6, before you complete the T5 Segment. We can process your return more efficiently if you follow these instructions. If you are filing your return on magnetic media, you do not have to use the T5 Segment.

Use the T5 Segment if:

- you are filing your T5 information return on paper; and
- your T5 information return has more than 100 sheets of T5 slips (300 slips).

You should file one T5 Segment for each bundle of 100 sheets of T5 slips (300 slips) you complete. If, for example, you complete 375 T5 slips, prepare one T5 Segment for the first 300 slips, and another T5 Segment for the remaining 75 slips. The number of T5 slips you record on each T5 Segment should balance with the total number of slips you indicate on the T5 Summary.

The filer identification number and the filer name you enter on the T5 Segment have to match the filer identification number and filer name on the T5 Summary.

It is possible that the last name (or other name, e.g., name of company or association) on the first or last T5 slip in the bundle will not fit in the space provided on the T5 Segment. If this is the case, enter the part of the last name (or equivalent) that fits into the space provided.

When you file the information return, make sure you place the T5 Segment on top of the bundle of T5 slips.

Chapter 6 – Payments to non-residents of Canada

You have to file an NR4 information return to report amounts paid or credited, or amounts we consider to be paid or credited, by residents of Canada to non-resident persons. You have to report such payments to non-residents if the total annual amount you paid or credited is \$10 or more, or if you withheld tax even if the amount paid or credited is less than \$10.

For more information on how to complete the NR4 return, see the *Non-Resident Withholding Tax Guide*.

You have to withhold income tax of 25% (or the percentage established under a tax convention or agreement) on amounts you paid or credited to non-residents. Complete the remittance part (Part 2) of Form NR76, *Non-Resident Tax – Statement of Account*, and send it with the tax to:

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

Alternatively, you can make the payment to your chartered bank by the 15th day of the month after the month in which the tax was withheld.

For more information, see Information Circular 76-12, *Applicable Rate of Part XIII Tax on Amounts Paid or Credited to Persons in Treaty Countries* (and its Special Release), and Information Circular 77-16, *Non-Resident Income Tax*.

If, as a resident of Canada who pays or credits amounts to or for a non-resident of Canada, you do not withhold (or you withhold but do not remit) non-resident tax, you are liable for the amount of tax you should have withheld and remitted, plus a penalty of 10% of the tax. We charge interest, compounded daily at the prescribed rate, on the total of the tax, penalties, and outstanding interest.

For more information about how we determine an individual's residence for tax purposes, see Interpretation Bulletin IT-221, *Determination of an Individual's Residence Status*, and its Special Release.

Chapter 7 – Accrued interest

Contracts acquired after 1989

You have to prepare T5 slips each year for all investment contracts acquired after 1989. You have to prepare these slips annually even if you did not pay the interest.

What is an investment contract?

An investment contract is any debt obligation other than those excluded by the definition of **investment contract** in subsection 12(11). For example, a debt obligation that provides for the payment of interest at least annually is not an investment contract because it is excluded by paragraph (i) of the investment contract definition.

A common type of investment contract would be a written agreement with a financial institution where a sum of money is invested for more than one year and the accrued interest on the funds invested is only paid at maturity (when the term of the contract expires).

On the T5 slip, enter the total of all interest accrued to each **anniversary day**. Do not include any interest you previously reported.

The anniversary day is:

- the day that is one year minus a day after the day the contract was issued (and every successive one-year interval after that day); or
- the day the contract was disposed of.

We consider an investment contract to be disposed of when it is converted, cancelled, sold, or redeemed.

Example

An investment contract was issued on October 29, 1999. It is disposed of on April 7, 2003, and all the interest is paid then. You have to prepare and file a T5 slip each year to report the interest that accrues to:

- October 28, 2000;
- October 28, 2001;
- October 28, 2002; and
- April 7, 2003.

Contracts acquired after November 12, 1981, and before 1990

For investment contracts (other than Canada Savings Bonds and debt obligations in bearer form) acquired after November 12, 1981, and before 1990, you have to prepare a T5 slip to report the interest that accrues to every third anniversary of the investment contract. Do not include interest you previously reported.

The third anniversary is the third December 31 after the end of the year in which the contract was originally issued, and each third December 31 after that.

If a contract is disposed of before its third anniversary date, or between third anniversary dates, you have to prepare a T5 slip to report the interest earned from the date it was acquired, or its previous third anniversary, to the date of disposal.

The first three-year anniversary for investment contracts acquired before 1982 began on December 31, 1988.

Contracts acquired before November 13, 1981

Investment contracts acquired **before** November 13, 1981, are exempt from the three-year reporting requirement if they meet all the conditions in former subsection 12(10). However, contracts that the recipient can cancel subject to a penalty on payout are not exempt.

Interest adjustments and penalties

Sometimes, an individual may withdraw funds from an investment contract after receiving T5 slips for a number of years. Withdrawing funds can often mean an early redemption penalty, which lowers the interest rate you previously calculated on the investment contract. As a result, the actual interest you pay to the recipient is less than the total of the accrued interest reflected on the T5 slips you issued to the recipient in previous years.

In such cases, do not issue a negative T5 slip or amend the previous year slips. Under subsection 20(21), the recipient is entitled to deduct, in the year in which the investment was disposed of, the excess interest previously included in income.

Indexed debt obligations issued after October 16, 1991

An indexed debt obligation is a debt obligation with terms or conditions that provide for an adjustment (determined by a change in the buying power of money) to the amount owing under the obligation for a period during which it was outstanding.

We treat as interest any increase or decrease in the amount owing under an indexed debt obligation relating to a change in the buying power of money.

If the buying power of money decreases, you have to treat as interest any additional amount the holder of the obligation received or was entitled to receive in the year.

If the buying power of money increases, treat the decrease in the amount owing under an indexed debt obligation as interest the debtor received or was entitled to receive in the year. In this situation, the holder of the obligation can deduct the amount paid to the debtor.

Chapter 8 – Blended payments and deemed dividends

Blended payments

A **blended payment** is an amount made up partly of capital and partly of interest or some other payment of an income nature. You may not be able to easily identify the interest and capital parts. Treat as interest on a debt obligation the part that can be reasonably considered to be interest. Report this amount in the same way as other interest.

We **do not** consider a payment to be a blended payment if:

- the interest or income element is definitely known;
- the amount is received either as an annuity payment, or in satisfaction of the recipient's rights under an annuity contract; or
- the payment is from certain obligations issued at a discount.

For more information, see Interpretation Bulletin IT-265, *Payments of Income and Capital Combined*.

Deemed dividends

Section 84 – Deemed dividends

In some situations, we consider that an amount paid by a corporation resident in Canada and received by a shareholder is a dividend. In general terms, the situations include the following:

- a) the paid-up capital of the corporation increases other than by means of a stock dividend without a corresponding increase in net assets or a decrease in net liabilities;
- b) property is distributed to shareholders when a corporation's business is wound-up, discontinued, or reorganized;

- c) any of the company's own shares are redeemed, acquired, or cancelled, other than by an ordinary purchase in the open market; or
- d) the paid-up capital for any class of shares of capital stock is reduced.

Generally, you calculate the deemed dividend for each of the situations described above as follows:

- In item **a)**, include the increase in paid-up capital of the shares in that class. However, subtract any increase in the value of net assets (or decrease in the value of net liabilities), or any decrease in the paid-up capital of the shares of any other class.
- In item **b)**, include the full amount or value of the funds or property distributed. However, subtract any reduction in the paid-up capital for the class of shares for which the distribution was made.
- In item **c)**, include the full amount paid. However, deduct the paid-up capital for the shares that were redeemed, acquired, or cancelled.
- In item **d)**, include the amount paid **minus** any decrease in paid-up capital.

For more information on deemed dividends, contact your tax services office.

Subsection 15(3) – Deemed dividends

Under certain circumstances, we may consider the interest or dividends paid by a corporation resident in Canada on an income bond or income debenture to be dividends.

Report these deemed dividends in boxes 10 and 11 of the T5 slip, if a taxable Canadian corporation pays them to an individual. Report them in box 10 only if they are paid to a corporation.

Report amounts we do not consider to be dividends as interest income in box 13 or 14. For more information, see Interpretation Bulletin IT-52, *Income Bonds and Income Debentures*.

Chapter 9 – Unclaimed amounts: Dividends or interest

Remittances

We use the terms **unclaimed dividends** or **unclaimed interest** to refer to dividends or interest you receive in a year for another person (the beneficial owner) who remains unknown at the end of the next year.

If you received any of these unclaimed amounts, you have to deduct a specified percentage (see the following table) as tax payable by that beneficial owner. Send the tax you withhold along with a statement showing the period covered, the gross income amount, and the amount of tax you deducted to your tax centre no later than 60 days after the end of the next year (due date). Send the payment and statement separately from any T5 information returns you are filing.

Type of unclaimed amount	Percentage to be withheld and remitted	Remitting method
Dividend	33.3333%	Statement
Interest	50%	Statement

We charge interest, compounded daily at the prescribed rate, on amounts you deduct but do not send us before the due date. We will charge interest from the date the remittance is due to the actual date you remit the amounts you deducted. Both the interest charges and the tax you deduct are payable to the Receiver General.

A penalty applies if you do not remit tax withheld. The penalty is 10% of the amount you withheld but did not remit. If we have assessed this penalty, and then for a second time in the same calendar year you do not remit tax knowingly or under circumstances amounting to gross negligence, you could be subject to a penalty of 20% of the amount you withheld but did not remit.

Note

You do not have to withhold and remit tax for unclaimed amounts you included in your income for the current or any previous year, or on which you withheld and remitted tax in a previous year.

Reporting requirements

You have to follow special procedures to report unclaimed amounts you held and later paid out to the rightful owner. An owner, who is a resident of Canada, must report the gross amount of dividends or interest for the year during which you originally received the amount.

You have to prepare a separate T5 slip and T5 Summary stating the amount you received for the recipient, the year in which you received the amount, and the amount of tax you remitted on it.

If you pay unclaimed amounts you received in different calendar years to the same claimant in the same year, make sure you prepare separate T5 slips and T5 Summary forms for each calendar year in which you actually received the amounts. The calendar year on each T5 slip you issue must be the calendar year in which you received the amount, **not** the year you paid it to its rightful owner.

Prepare a T5 slip for the previously unclaimed amount in all cases, regardless of the amount of income.

When completing the T5 slip, enter the year you made the payment and the amount of tax you deducted in the space directly above the dividends from taxable Canadian corporations (above boxes 11 and 12). Identify the T5 slip with the words "UNCLAIMED DIVIDEND ACCOUNT" or "UNCLAIMED INTEREST ACCOUNT" directly below the area for your name and address. In addition, enter the name of the person paying the amount, if different from that of the filer, directly below this description. See the examples of T5 slips on page 19.

A separate T5 Summary has to accompany these T5 slips. Identify the T5 Summary by entering either "UNCLAIMED DIVIDEND ACCOUNT" or "UNCLAIMED INTEREST

ACCOUNT” on the second line provided for the name and address of the filer or nominee.

To calculate the federal dividend tax credit on unclaimed dividends later paid out, use the rate in effect for the calendar year in which you received the dividends.

Note

For 1988 and later-year dividends, the taxable amount of dividends is 25% more than the amount paid. The federal dividend tax credit that applies to these dividends is 13.3333% of the taxable amount.

For more information, see Information Circular 71-9, *Unclaimed Dividends*.

Indicate on the T5 slip if unclaimed interest or dividends received in 1987 or previous years are eligible for the interest and dividend income deduction.

Example

Over a period of several years, Agents Inc. (Agents) received dividend payments from XYZ Company Limited (XYZ), a taxable Canadian corporation. Some of the dividends were on shares held by Agents for an unidentified shareholder. The dates and amounts appear in columns A and B in the table on this page.

These amounts represent unclaimed dividends. They remained unclaimed on April 30, Agents’ next fiscal year end. Before the due date (no later than 60 days after the year-end following the year in which the amounts are received), Agents deducted 33.3333% of the dividend amount (as shown in column D) and sent it to us.


On June 7, 2002, Mr. Albert Chang advised Agents that he had inherited some stock in XYZ and was expecting dividends totalling \$3,000.

Agents paid Mr. Chang \$2,667 (as shown in column E), the amount remaining after the unclaimed dividend tax was remitted. They gave him separate T5 slips for 2000 and 2001 showing the actual amounts in column B. The T5 for 2002 will be issued before March 1, 2003. The \$333.33 tax remitted is available as a credit to Mr. Chang for the 2002 tax year when he files his income tax and benefit return.


Date dividend received by Agents	Dividend amount	Deadline for remitting tax on unclaimed amount	Amount of tax remitted by Agents	Available for Mr. Chang
A	B	C	D	E
March 6, 2000	\$1,000	June 29, 2001	\$333	\$ 667
April 28, 2001	\$1,000	June 29, 2002*	N/A	\$1,000*
May 27, 2002	\$1,000	N/A*	N/A	\$1,000*
Totals	\$3,000		\$333	\$2,667

* The owner of the dividend amounts was identified on June 7, 2002.

Unclaimed dividends later paid out – Complete the T5 slip for the 2000 dividends as follows:

 Canada Customs and Revenue Agency / Agence des douanes et du revenu du Canada		PAID TO CLAIMANT IN 2002 INCOME TAX DEDUCTED 333.33		Year / Année <input type="text" value="2000"/>	T5 STATEMENT OF INVESTMENT INCOME ÉTAT DES REVENUS DE PLACEMENTS		
Dividends from Canadian corporations – Dividendes de sociétés canadiennes						13 Interest from Canadian sources / Intérêts de source canadienne	18 Capital gains dividends / Dividendes sur gains en capital
10 Actual amount of dividends / Montant réel des dividendes	11 Taxable amount of dividends / Montant imposable des dividendes	12 Federal dividend tax credit / Crédit d'impôt fédéral pour dividendes			13	18	
1,000.00	1,250.00	166.67					
Other information (see the back) / Autres renseignements (voir au verso)			21 Report code / Code du feuillet	22 Recipient identification number / Numéro d'identification du bénéficiaire	23 Recipient type / Type de bénéficiaire		
<input type="text"/> Box / Case <input type="text"/> Amount / Montant <input type="text"/> Box / Case <input type="text"/> Amount / Montant			0	123 456 789	1		
<input type="text"/> Box / Case <input type="text"/> Amount / Montant <input type="text"/> Box / Case <input type="text"/> Amount / Montant			<input type="text"/> Box / Case <input type="text"/> Amount / Montant				
Recipient's name (last name first) and address - Nom, prénom et adresse du bénéficiaire → CHANG, ALBERT 1365, WOODRIDGE AVE. OURTOWN MB M1B W3W			Payer's name and address – Nom et adresse du payeur AGENTS INC. 95 MAIN STREET ANYTOWN SK K1G 7G7 UNCLAIMED DIVIDEND ACCOUNT XYZ COMPANY LIMITED				
Currency and identification codes / Codes de devise et d'identification			27 <input type="text"/>	28 <input type="text"/>	29 <input type="text"/>		
			Foreign currency / Devises étrangères	Transit – Succursale	Recipient account / Numéro de compte du bénéficiaire		
T5 (02)			Return with T5 Summary / À retourner avec le T5 <i>Sommaire</i>			1 0761	

Unclaimed dividends later paid out – Complete the T5 slip for the 2001 dividends as follows:

 Canada Customs and Revenue Agency / Agence des douanes et du revenu du Canada		PAID TO CLAIMANT IN 2002 NO INCOME TAX DEDUCTED		Year / Année <input type="text" value="2001"/>	T5 STATEMENT OF INVESTMENT INCOME ÉTAT DES REVENUS DE PLACEMENTS		
Dividends from Canadian corporations – Dividendes de sociétés canadiennes						13 Interest from Canadian sources / Intérêts de source canadienne	18 Capital gains dividends / Dividendes sur gains en capital
10 Actual amount of dividends / Montant réel des dividendes	11 Taxable amount of dividends / Montant imposable des dividendes	12 Federal dividend tax credit / Crédit d'impôt fédéral pour dividendes			13	18	
1,000.00	1,250.00	166.67					
Other information (see the back) / Autres renseignements (voir au verso)			21 Report code / Code du feuillet	22 Recipient identification number / Numéro d'identification du bénéficiaire	23 Recipient type / Type de bénéficiaire		
<input type="text"/> Box / Case <input type="text"/> Amount / Montant <input type="text"/> Box / Case <input type="text"/> Amount / Montant			0	123 456 789	1		
<input type="text"/> Box / Case <input type="text"/> Amount / Montant <input type="text"/> Box / Case <input type="text"/> Amount / Montant			<input type="text"/> Box / Case <input type="text"/> Amount / Montant				
Recipient's name (last name first) and address - Nom, prénom et adresse du bénéficiaire → CHANG, ALBERT 1365 WOODRIDGE AVE. OURTOWN MB M1B W3W			Payer's name and address – Nom et adresse du payeur AGENTS INC. 95 MAIN STREET ANYTOWN SK K1G 7G7 UNCLAIMED DIVIDEND ACCOUNT XYZ COMPANY LIMITED				
Currency and identification codes / Codes de devise et d'identification			27 <input type="text"/>	28 <input type="text"/>	29 <input type="text"/>		
			Foreign currency / Devises étrangères	Transit – Succursale	Recipient account / Numéro de compte du bénéficiaire		
T5 (02)			Return with T5 Summary / À retourner avec le T5 <i>Sommaire</i>			1 0761	

Appendix A – References

The following publications relate to topics in this guide and are available from any tax services office or tax centre. Many of our publications are available on our Web site at www.cra.gc.ca/orderforms or by calling 1-800-959-2221.

Guides

- T4013 *T3 Trust Guide*
- T4031 *Computer Specifications for Data Filed on Magnetic Media – T5, T5008, T4RSP, T4RIF, NR4, and T3* (available in electronic format only)
- T4061 *Non-Resident Withholding Tax Guide*
- T4091 *T5008 Guide – Return of Securities Transactions*

Information circulars


- 71-9 *Unclaimed Dividends*
- 76-12 *Applicable Rate of Part XIII Tax on Amounts Paid or Credited to Persons in Treaty Countries (and its Special Release)*
- 77-16 *Non-Resident Income Tax*
- 82-2 *Social Insurance Number Legislation That Relates to the Preparation of Information Slips*
- 92-2 *Guidelines for the Cancellation and Waiver of Interest and Penalties*
- 97-2 *Customized Forms*

Interpretation bulletins

- IT-52 *Income Bonds and Income Debentures*
- IT-66 *Capital Dividends*
- IT-67 *Taxable Dividends From Corporations Resident in Canada*
- IT-88 *Stock Dividends*
- IT-149 *Winding-up Dividend*
- IT-221 *Determination of an Individual's Residence Status (and its Special Release)*
- IT-265 *Payments of Income and Capital Combined*
- IT-396 *Interest Income*
- IT-448 *Dispositions – Changes in Terms of Securities (and its Special Release)*
- IT-507 *Small Business Development Bonds and Small Business Bonds*
- IT-531 *Eligible Funeral Arrangements*

Appendix B – Forms

T5 slip


Canada Customs and Revenue Agency / **Agence des douanes et du revenu du Canada**

Year / Année:
T5 STATEMENT OF INVESTMENT INCOME
ÉTAT DES REVENUS DE PLACEMENTS

Dividends from Canadian corporations – Dividendes de sociétés canadiennes					
10 Actual amount of dividends Montant réel des dividendes	11 Taxable amount of dividends Montant imposable des dividendes	12 Federal dividend tax credit Crédit d'impôt fédéral pour dividendes	13 Interest from Canadian sources Intérêts de source canadienne	18 Capital gains dividends Dividendes sur gains en capital	
Box / Case	Amount / Montant	Box / Case	Amount / Montant	21 Report code Code du feuillet	22 Recipient identification number Numéro d'identification du bénéficiaire
Box / Case	Amount / Montant	Box / Case	Amount / Montant	23 Recipient type Type de bénéficiaire	


Recipient's name (last name first) and address – Nom, prénom et adresse du bénéficiaire
 Payer's name and address – Nom et adresse du payeur

Currency and identification codes / Codes de devise et d'identification:

 27 Foreign currency / Devises étrangères:
 28 Transit – Succursale:
 29 Recipient account / Numéro de compte du bénéficiaire:

Return with T5 Summary / À retourner avec le T5 Sommaire **1**
 0761

T5 (02)


Canada Customs and Revenue Agency / **Agence des douanes et du revenu du Canada**

Year / Année:
T5 STATEMENT OF INVESTMENT INCOME
ÉTAT DES REVENUS DE PLACEMENTS

Dividends from Canadian corporations – Dividendes de sociétés canadiennes					
10 Actual amount of dividends Montant réel des dividendes	11 Taxable amount of dividends Montant imposable des dividendes	12 Federal dividend tax credit Crédit d'impôt fédéral pour dividendes	13 Interest from Canadian sources Intérêts de source canadienne	18 Capital gains dividends Dividendes sur gains en capital	
Box / Case	Amount / Montant	Box / Case	Amount / Montant	21 Report code Code du feuillet	22 Recipient identification number Numéro d'identification du bénéficiaire
Box / Case	Amount / Montant	Box / Case	Amount / Montant	23 Recipient type Type de bénéficiaire	


Recipient's name (last name first) and address – Nom, prénom et adresse du bénéficiaire
 Payer's name and address – Nom et adresse du payeur

Currency and identification codes / Codes de devise et d'identification:

 27 Foreign currency / Devises étrangères:
 28 Transit – Succursale:
 29 Recipient account / Numéro de compte du bénéficiaire:

Return with T5 Summary / À retourner avec le T5 Sommaire **1**
 0761

T5 (02)


Canada Customs and Revenue Agency / **Agence des douanes et du revenu du Canada**

Year / Année:
T5 STATEMENT OF INVESTMENT INCOME
ÉTAT DES REVENUS DE PLACEMENTS

Dividends from Canadian corporations – Dividendes de sociétés canadiennes					
10 Actual amount of dividends Montant réel des dividendes	11 Taxable amount of dividends Montant imposable des dividendes	12 Federal dividend tax credit Crédit d'impôt fédéral pour dividendes	13 Interest from Canadian sources Intérêts de source canadienne	18 Capital gains dividends Dividendes sur gains en capital	
Box / Case	Amount / Montant	Box / Case	Amount / Montant	21 Report code Code du feuillet	22 Recipient identification number Numéro d'identification du bénéficiaire
Box / Case	Amount / Montant	Box / Case	Amount / Montant	23 Recipient type Type de bénéficiaire	

Recipient's name (last name first) and address – Nom, prénom et adresse du bénéficiaire
 Payer's name and address – Nom et adresse du payeur

Currency and identification codes / Codes de devise et d'identification:

 27 Foreign currency / Devises étrangères:
 28 Transit – Succursale:
 29 Recipient account / Numéro de compte du bénéficiaire:

Return with T5 Summary / À retourner avec le T5 Sommaire **1**
 0761

T5 (02)

T5 Summary



Canada Customs and Revenue Agency
Agence des douanes et du revenu du Canada

T5 Summary Sommaire

RETURN OF INVESTMENT INCOME
DÉCLARATION DES REVENUS DE PLACEMENTS

See information on the back. Complete this form using the instructions in the *T5 Guide – Return of Investment Income*.
Lisez les renseignements au verso. Remplissez ce formulaire selon les instructions données dans le *Guide T5 – Déclaration des revenus de placements*.

Information return for the year ended December 31 / Déclaration de renseignements pour l'année se terminant le 31 décembre: Year – Année [] Filer identification number / Numéro d'identification du déclarant []

If this is an amended T5 Summary, enter "X" here. / S'il s'agit d'un formulaire T5 *Sommaire* modifié, inscrivez un « X »: If this is an additional T5 Summary, enter "X" here. / S'il s'agit d'un formulaire T5 *Sommaire* additionnel, inscrivez un « X »:

Name of filer or nominee, and address of branch or office filing this form / Nom du déclarant ou du mandataire et adresse de la succursale ou du bureau qui produit ce formulaire

Name – Nom []
Address – Adresse []
City – Ville [] Prov./Terr. [] Postal code – Code postal []

Business Number (from Form PD7A or T2 return) / Numéro d'entreprise (selon le formulaire PD7A ou la déclaration T2) []

Have you filed a T5 information return before? / Avez-vous déjà produit une déclaration de renseignements T5? Yes / Oui No / Non Indicate your language of choice for correspondence / Indiquez dans quelle langue vous désirez recevoir votre correspondance. English Français

Is this form preprinted with an incorrect address? If so, complete this area. / S'il s'agit d'un formulaire préimprimé et que l'adresse indiquée est inexacte, remplissez cette section. Address – Adresse [] City – Ville [] Prov./Terr. [] Postal code – Code postal []

T5 slip totals – Totaux des feuillets T5

Do not include amounts for which a T5 slip has not been issued. / N'incluez pas des montants pour lesquels vous n'avez pas établi un feuillet T5.

Actual amount of dividends – Montant réel des dividendes 10 []
Taxable amount of dividends – Montant imposable des dividendes 11 []
Federal dividend tax credit – Crédit d'impôt fédéral pour dividendes 12 []
Interest from Canadian sources – Intérêts de source canadienne 13 []
Other income from Canadian sources – Autres revenus de source canadienne 14 []
Foreign income – Revenus étrangers 15 []
Foreign tax paid – Impôt étranger payé 16 []
Royalties from Canadian sources – Redevances de source canadienne 17 []
Capital gains dividends – Dividendes sur gains en capital 18 []
Accrued income: Annuities – Revenus accumulés : Rentes 19 []
Amount eligible for resource allowance deduction / Montant donnant droit à la déduction relative aux ressources 20 []
Unclaimed amounts – Dividends and interest / Revenus de propriétaires inconnus : Dividendes et intérêts 32 []
Tax deducted from unclaimed amounts / Impôt retenu sur les revenus de propriétaires inconnus 33 []
Total number of T5 slips filed / Nombre total de feuillets T5 produits 31 []

Do not use this area / N'inscrivez rien ici

50 [] [] [] [] [] [] [] [] [] []
51 [] [] [] []
52 [] [] [] []

Person to contact about this information return / Personne avec qui communiquer au sujet de cette déclaration de renseignements: Name – Nom 41 [] Telephone number – Numéro de téléphone 42 () []

Certification – Attestation

I certify that the information given on this T5 Summary form and related T5 slips is, to the best of my knowledge, correct and complete.
J'atteste que les renseignements fournis dans ce formulaire T5 *Sommaire* et les feuillets T5 connexes sont, à ma connaissance, exacts et complets.

Authorized person's signature – Signature d'une personne autorisée

Position or office – Titre ou poste

Date

T5 Segment



Canada Customs and Revenue Agency
Agence des douanes et du revenu du Canada

T5 SEGMENT

If you file your information return on magnetic media, you do not have to file this form.

Si vous produisez votre déclaration de renseignements sur support magnétique, vous n'avez pas à remplir ce formulaire.

This form will help you balance the amounts on your T5 slips with the totals of your T5 Summary form.

Ce formulaire vous permettra de faire concorder les montants indiqués sur vos feuillets T5 avec ceux indiqués sur votre formulaire T5 *Sommaire*.

When and how to use this form

Quand et comment utiliser ce formulaire

If your T5 information return contains more than 100 T5 sheets (300 T5 slips), divide them into bundles of 100 sheets (300 slips).

Si votre déclaration de renseignements T5 renferme plus de 100 pages de feuillets T5 (plus de 300 feuillets), divisez-les en lots de 100 pages (300 feuillets).

Attach a T5 Segment form to the top of each bundle. Complete all areas below and keep a copy for your files.

Placez un formulaire T5 *Segment* sur le dessus de chaque lot. Remplissez toutes les parties ci-dessous et conservez une copie de ce formulaire dans vos dossiers.

The total amounts for each box on all the T5 Segment forms must agree with the corresponding totals on the T5 Summary form.

Pour chaque case, le total des montants figurant sur tous les formulaires T5 *Segment* doit correspondre au total figurant sur le formulaire T5 *Sommaire*.

If you need more information or forms, please contact a tax services office or tax centre.

Si vous avez besoin de plus de renseignements ou d'autres formulaires, communiquez avec un bureau des services fiscaux ou un centre fiscal.

Complete the following areas – Remplissez les parties suivantes

Filer identification number Numéro d'identification du déclarant		Filer's name (as shown on the T5 Summary) Nom du déclarant (tel qu'indiqué sur le formulaire T5 <i>Sommaire</i>)		Number of T5 slips in this bundle Nombre de feuillets T5 dans ce lot
<input type="text"/>		<input type="text"/>		<input type="text"/>
<input type="text"/>		<input type="text"/>		<input type="text"/>
T5 Segment number (starting at 1) Numéro du formulaire T5 <i>Segment</i> (en commençant par 1)	Total number of T5 Segments in this return Nombre de formulaires T5 <i>Segment</i> dans cette déclaration	Last name on the first T5 in this bundle Nom de famille indiqué sur le premier feuillelet T5 de ce lot	Last name on the last T5 in this bundle Nom de famille indiqué sur le dernier feuillelet T5 de ce lot	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	

Totals of the amounts reported on the attached T5 slips Totaux des montants inscrits sur les feuillets T5 ci-joints

Actual amount of dividends Montant réel des dividendes	10	<input type="text"/>
Taxable amount of dividends Montant imposable des dividendes	11	<input type="text"/>
Federal dividend tax credit Crédit d'impôt fédéral pour dividendes	12	<input type="text"/>
Interest from Canadian sources Intérêts de source canadienne	13	<input type="text"/>
Other income from Canadian sources Autres revenus de source canadienne	14	<input type="text"/>
Foreign income Revenus étrangers	15	<input type="text"/>
Foreign tax paid Impôt étranger payé	16	<input type="text"/>
Royalties from Canadian sources Redevances de source canadienne	17	<input type="text"/>
Capital gains dividends Dividendes sur gains en capital	18	<input type="text"/>
Accrued income: Annuities Revenus accumulés : Rentes	19	<input type="text"/>
Amount eligible for resource allowance deduction Montant donnant droit à la déduction relative aux ressources	20	<input type="text"/>

Appendix C – Provincial and territorial codes

Please use the following abbreviations when you enter the province or territory on the T5 slip and T5 Summary.

Newfoundland and Labrador.....NL	SaskatchewanSK
Prince Edward Island.....PE	AlbertaAB
Nova Scotia.....NS	British ColumbiaBC
New BrunswickNB	NunavutNU
QuebecQC	Northwest TerritoriesNT
OntarioON	YukonYT
Manitoba.....MB	

Appendix D – Income Tax Act references

You may find the following references helpful when using this guide.

References are to the *Income Tax Act*, except where preceded by the letters “Reg.,” in which case the reference is to the *Income Tax Regulations*.

Topic	Income Tax Act reference	Page
Accrued interest	12(4), (9), (11), 20(14), (21), Reg. 201(4)	13
Blended payments	16(1), (2), (3), (4), (5).....	14
Capital gains dividends	130(2), 130.1(4), 131(1)	9
Deemed dividends	84, 15(3)	14, 15
Distribution of taxpayers’ portions of returns	Reg. 209(1), (2).....	4
Dividends from Canadian corporations.....	82(1), 130.1(2), 137(4.1)	7, 8
Due date.....	Reg. 205(1), (2).....	4
Electronic filing	Reg. 205.1	5
Eligible funeral arrangements (EFA)	148.1(1), (2), (3), 12(1)(z.4), Reg. 201(1)	8, 9
Failure to make or file an information return	238(1)	4
Failure to provide a social insurance number	162(5), (6)	4
Failure to remit amount withheld	227(9)	15
Federal dividend tax credit	121	8
Foreign spin-offs.....	86.1	9
Indexed debt obligations.....	248(1)	14
Interest from Canadian sources.....	130.1(2), 137(4.1), Reg. 201(1)	12
Investment contracts	12(4), (11), Reg. 201(4)	7, 13, 14
Late-filing penalty.....	162(7)	4
Payments to non-residents	Reg. 202(1)	13
Requirements for information return preparation.....	221(1), Reg. 201	6
Royalties from Canadian sources.....	Reg. 201(1)(c).....	9
Unclaimed interest and dividends	153(4).....	15

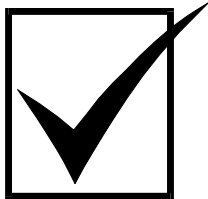
Addresses of tax centres

Filers served by a tax services office on the left side of the following list should deal with the corresponding centre or office on the right.

Bathurst, Halifax, Kingston, Moncton, Newfoundland and Labrador, Peterborough, Saint John, St. Catharines, and Sydney	St. John's Tax Centre St. John's NF A1B 3Z1
Chicoutimi, Montérégie-Rive-Sud, Outaouais, Québec, Rimouski, and Trois-Rivières	Jonquière Tax Centre Jonquière QC G7S 5J1
Laval, Montréal, Ottawa, Rouyn-Noranda, Sherbrooke, and Sudbury (Northeastern Ontario* only)	Shawinigan-Sud Tax Centre Shawinigan-Sud QC G9N 7S6
Belleville, Charlottetown, Hamilton, and Kitchener/Waterloo	Summerside Tax Centre Summerside PE C1N 6A2
Sudbury (Sudbury/Nickel Belt** only), Toronto Centre, Toronto East, Toronto North, and Toronto West	Sudbury Tax Services Office Sudbury ON P3A 5C1
Calgary, Edmonton, Lethbridge, London, Red Deer, Saskatoon, Thunder Bay, Windsor, and Winnipeg	Winnipeg Tax Centre Winnipeg MB R3C 3M2
Burnaby-Fraser, Northern B.C. and Yukon, Regina, Southern Interior B.C., Vancouver, and Vancouver Island	Surrey Tax Centre Surrey BC V3T 5E1
* Northeastern Ontario includes all areas outside of Sudbury/Nickel Belt (see below) that are served by the Sudbury Tax Services Office.	
** Sudbury/Nickel Belt area includes all postal codes beginning with P3A, P3B, P3C, P3E, P3G, P3L, P3N, P3P, P3Y, and postal codes beginning with P0M and ending with 1A0, 1B0, 1C0, 1E0, 1H0, 1J0, 1K0, 1L0, 1M0, 1N0, 1P0, 1R0, 1S0, 1T0, 1V0, 1W0, 1Y0, 2C0, 2E0, 2M0, 2R0, 2S0, 2X0, 2Y0, 3A0, 3B0, 3C0, 3E0, and 3H0.	

Your opinion counts!

We review our publications every year. If you have any comments or suggestions to help us improve them, we would like to hear from you.



Please send your comments to:

Client Services Directorate
Canada Customs and Revenue Agency
Lancaster Road
Ottawa ON K1A 0L5