

# **T5008 Guide – Return of Securities Transactions**

## As of November 1, 1999, Revenue Canada became the Canada Customs and Revenue Agency.

### Before you start

This guide explains how to prepare a T5008 return of securities transactions which includes the T5008 Summary and Segment forms and the T5008 slips.

This guide does not deal with every tax situation. However, Appendix III has a list of publications that explain situations in more detail. If you need more help after reading this guide, please contact your tax services office. For our addresses and telephone numbers, see the listings in the government section of your telephone book.

Many of our publications are available on the Internet at:  
[www.ccra-adrc.gc.ca](http://www.ccra-adrc.gc.ca)

Unless otherwise stated, sections, subsections, paragraphs, and subparagraphs mentioned in this guide refer to the *Income Tax Act*.

When we refer to interpretation bulletins and information circulars in this guide, we are referring to the current versions available.

See the glossary on page 28 for definitions of technical expressions.

### What's new

Send all T5008 information returns to:

~~Employer Services Division  
Ottawa Technology Centre  
875 Heron Road  
Ottawa ON K1A 1A2~~

**Amended slips** – If you need to send us amended slips after you file your return, send them to your tax centre. We have set new tax centre boundaries. Check the list of tax centres on page 26. Your tax centre may have changed since last year.

To accommodate requirements for the year 2000, we have replaced the two-digit year format on the T5008 slip and T5008 Summary with a four-digit year format.

New section 205.1 of the *Income Tax Regulations* requires that information returns be filed in electronic format if more than 500 slips are being filed. See the section called “Filing on magnetic media” on page 5.

Visually impaired persons can get this publication in braille or large print, or on audio cassette or computer diskette by calling ~~1 800 267 1267~~ weekdays between 8:15 a.m. and 5:00 p.m. (Eastern Time).

**Privacy Act** – Under the *Privacy Act*, we can only use the information you give on the T5008 return of securities transactions and any related forms as the law permits.

La version française de cette publication est intitulée *Guide T5008 – Déclaration des opérations sur titres*.

# Table of contents

	Page		Page
<b>Chapter 1 – Who should use this guide?</b> .....	4	<b>Chapter 5 – The T5008 slip</b> .....	7
What are securities? .....	4	How to complete the T5008 slip .....	7
Who has to file a T5008 information return?.....	4	Distributing the T5008 slips .....	10
When don't you have to file a		How to correct your T5008 slips.....	10
T5008 information return?.....	4	<b>Chapter 6 – The T5008 Summary and Segment</b> .....	10
Are you acting as a trustee?.....	5	How to complete the T5008 Summary.....	10
<b>Chapter 2 – The T5008 information return</b> .....	5	Distributing the T5008 Summary .....	11
What is a T5008 information return?.....	5	How to complete the T5008 Segment.....	11
<b>Chapter 3 – Filing requirements</b> .....	5	<b>Chapter 7 – Unclaimed proceeds of disposition</b> .....	11
Due date .....	5	Remittances .....	11
Filing on magnetic media.....	5	Reporting requirements.....	12
Computer-printed (customized) forms.....	6	<b>Appendix I – Flowcharts</b> .....	13
Filing on paper .....	6	<b>Appendix II – Forms</b> .....	22
<b>Chapter 4 – Penalties and offences</b> .....	6	T5008 slip.....	22
Late-filing penalty.....	6	T5008 Summary .....	23
Failure to file an information return.....	6	T5008 Segment .....	24
Failure to provide information on a return .....	7	<b>Appendix III – References</b> .....	25
Failure to provide an identification number .....	7	<b>Appendix IV – Addresses of tax centres</b> .....	26
Using the identification number .....	7	<b>Appendix V – Province or territory codes</b> .....	27
Interest on penalties.....	7	<b>Appendix VI – Glossary</b> .....	28
Cancelling or waiving penalties and interest .....	7		
<i>Notice of Assessment</i> .....	7		

## Chapter 1 – Who should use this guide?

Traders or dealers in securities have to file a T5008 information return to report purchases of securities as principal, and sales of securities as agent, for any vendor. Issuers of securities and their agents use this information return to report redemptions, acquisitions, or cancellations of securities. You have to report transactions to all persons, including individuals, corporations, partnerships, trusts, or any other person that resides either in or outside Canada.

You can also use the T5008 information return to report dispositions or redemptions of debt obligations in bearer form by individuals resident in Canada. Debt obligations in bearer form include commercial paper and banker's acceptances.

### Note

We have developed flowcharts to help you determine the reporting requirements. See Appendix I which starts on page 13.

## What are securities?

For the purpose of completing the T5008 information return, securities mean:

- publicly traded shares of the capital stock of a corporation;
- publicly traded debt obligations;
- debt obligations of, or guaranteed by:
  - the Government of Canada (such as Treasury Bills);
  - the government of a province or its agents;
  - a municipality in Canada;
  - a municipal or public body performing a function of government in Canada; or
  - the government of a foreign country or a political subdivision of a foreign country, including a local authority of such a government;
- publicly traded interests in a partnership or a trust, other than an interest in a trust traded at a constant fixed price;
- any option or contract for any of the properties listed above;
- publicly traded options or contracts for any property including any commodity, financial futures, foreign currency, or precious metal; and
- publicly traded options or contracts for any index relating to any property.

## Who has to file a T5008 information return?

The following persons have to file a T5008 information return:

- every trader or dealer in securities who buys a security as principal (for their own account) or sells a security as an agent for any vendor;
- every person in the business of buying and selling precious metals in the form of certificates, bullion, or coins who makes a payment to another person for a sale of precious metals by that other person;
- every person who, as a nominee or agent for another person, receives the proceeds of a sale or other transaction carried out in the name of the nominee or agent;
- every person who makes a payment to, or acts as a nominee or agent for, an individual resident in Canada in respect of the disposition or redemption of a debt obligation in bearer form; and
- every person (other than an individual who is not a trust) who acquires, redeems, or cancels a security issued by that same person, **except** when the transactions involve the following:
  - capital property that is a debt obligation exchanged for another debt obligation of the same debtor, if the terms of the convertible debt obligation gave the holder the right to make the exchange and if the acquired and exchanged obligations have the same principal amount (section 51.1);
  - exchanges of shares for new shares in the course of a reorganization of the capital of a corporation (section 86), if no consideration other than the new shares is received;
  - securities disposed of when a partnership ends [subsection 98(3)];
  - securities transferred when a new partnership is formed from a predecessor partnership [subsection 98(6)];
  - convertible property (section 51), i.e., when a corporation's shares, bonds, debentures, or notes are exchanged for shares of the **same** corporation and no consideration other than the new shares is received; or
  - redemptions, cancellations, or acquisitions of securities made during an amalgamation (section 87) or mutual fund reorganization (section 132.2).

### Note

If cash or some other consideration totalling \$200 or less is received instead of a fractional interest in shares during an exchange to which sections 51 or 87 apply, you do not need to report the transaction. If the cash or other consideration is more than \$200, you have to report the entire exchange transaction. For more information, see Interpretation Bulletin IT-115, *Fractional Interest in Shares*.

## When don't you have to file a T5008 information return?

You do not need to file a T5008 information return for:

- a purchase of a security by one trader or dealer in securities from another, **other than** a non-resident trader

or dealer in securities when the non-resident trader or dealer (or a related person) acquired that security (or an identical security) from the purchaser (or a related person) within 90 days of this purchase;

- a sale of a security by a trader or dealer in securities for another trader or dealer in securities;
- a sale of currencies or precious metals in the form of jewellery, works of art, or numismatic coins;
- a sale of precious metals if you ordinarily produce or sell precious metals in bulk or commercial quantities;
- a redemption, acquisition, or cancellation of a debt obligation by the issuer or agent when:
  - the debt obligation was redeemed, acquired, or cancelled for the amount for which it was issued;
  - the redemption, acquisition, or cancellation satisfies all of the issuer's obligations;
  - there are no disproportionate payments of principal and interest to any person with an interest in the debt obligation; and
  - an information return other than a T5008 information return is required as a result of the redemption, acquisition, or cancellation;
- any transaction for a person who is exempt from tax under section 149 (e.g., municipalities, registered charities, non-profit organizations, and registered retirement savings plans);
- transactions reported under section 202 or 204 of the *Income Tax Regulations*;
- a deemed disposition of a security; or
- the expiry or exercise of an option, right, or warrant.

### Example

A client of a trader or dealer in securities owns an option to buy publicly traded shares in XYZ Corporation. If the trader or dealer buys the option from the client or sells the option to a third party for the client, the trader has to prepare a T5008 information return to reflect the transaction. However, if the client exercises the option and acquires the shares of XYZ Corporation, or if the option is allowed to expire, the trader does not have to file a T5008 information return.

### Are you acting as a trustee?

Publicly traded interests in a trust are securities and can be issued in the form of units or shares. The trust, as issuer of these interests, has to report the redemption, acquisition, or cancellation of the units or shares to the beneficial owner. If a trustee acts for the trust, the trustee must report these transactions.

You have to report income realized by a trust and distributed to its beneficiaries on a T3 slip. This income is gained by holding an interest in the trust, and is different from the proceeds received from the disposition of those interests.

## Chapter 2 – The T5008 information return

### What is a T5008 information return?

The T5008 information return is a two-part return that consists of the T5008 slips and the T5008 Summary. A return may also include T5008 Segment forms.

**The T5008 slip** – Use this slip to report one transaction (or more than one transaction involving identical securities for the same client) you made for a person. There are three slips printed on each T5008 sheet.

For information on how to complete the T5008 slip, see Chapter 5 which starts on page 7. For a sample of the slip, see page 22.

**The T5008 Summary** – Use this form to total all the proceeds of disposition or settlement amounts you report on the related T5008 slips.

You have to prepare a **separate** T5008 Summary when a beneficial owner claims previously unclaimed proceeds of disposition for securities transactions. For more details about unclaimed proceeds of disposition, see Chapter 7 on page 11.

For information on how to complete the T5008 Summary, see the section called “How to complete the T5008 Summary” on page 10. For a sample of the form, see page 23.

**The T5008 Segment** – This form helps to balance the amounts on your T5008 slips with the totals on your T5008 Summary. Use the T5008 Segment if your information return contains more than 100 sheets of T5008 slips (300 slips).

For information on how to complete the T5008 Segment, see the section called “How to complete the T5008 Segment” on page 11. For a sample of the form, see page 24.

## Chapter 3 – Filing requirements

### Due date

You have to file your T5008 information return **before March 1** after the calendar year for which you are preparing it.

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

Send the recipient's copies of the T5008 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 T5008 information return.

### Filing on magnetic media

If you send more than 500 T5008 slips to your clients, you have to file your information return on magnetic tape, cartridge, or diskette.

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 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 on the Internet at the following address:

[www.ccra-adrc.ca/magmedia/](http://www.ccra-adrc.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 and send the amended or corrected returns to the tax centre that serves your area. For more information, see “How to correct your T5008 slips” on page 10.

## Computer-printed (customized) forms

You may want to use your own customized T5008 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 – Returns and Information Slips*.

## Filing on paper

If you send more than 500 slips to your clients, you have to file your information return on magnetic media. See the section called “Filing on magnetic media” on page 5.

To help us process your paper information returns more efficiently, prepare the T5008 slips and summary and segment according to the following instructions:

- Use the current version of the T5008 slip, Summary, and Segment when you file your T5008 information return. You can get all the forms you need from any tax services office or tax centre.
- **Type or machine-print** data entries. Insert data in the middle of the white areas, separate from other printing and entries. Entries should be clear and sharp.

- Avoid writing or printing by hand. However, if you do not have a printer or typewriter and you must complete the forms by hand, we will accept your information return.
- Use black ink only.
- **Do not cut or separate copy 1 of the T5008 slip**, since you have to file this copy as a complete page.
- Use the “VOID” box to cancel T5008 slips that you may have incorrectly completed.
- When printing, use a font that has characters with fixed spacing, not proportional spacing.

#### Example

SMITH JOHN A

- Use a standard font of 10 or 12 characters per inch.
- Use **capital letters** for all information.
- Do not use italics, script, or draft-quality printing.
- Do not tape, tear, stamp, or staple any of the T5008 forms.
- Do not use photocopies of T5008 forms.
- **Complete financial fields in dollars only (do not report cents)**. Use a comma to separate thousands. Do not use dollar signs (\$). For example, you would enter 3,456 to indicate \$3,456.08.
- Where 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.
- **Do not print or stamp any information within a half-inch of the reference marks** (black lines) or the form-identifier numbers (upper right-hand corner).
- Enter an “X” in the boxes that need one. Do not use any other mark (e.g., “√”, “-”).
- Remove side borders from copy 1 of the forms.

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

## Chapter 4 – Penalties and offences

### Late-filing penalty

If you file the T5008 information return late, or if you distribute slips to the recipients late, you are liable in each case to a penalty of \$25 a 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* or *Income Tax Regulations*, you may be

guilty of an offence. In addition to any other penalty, you are liable if convicted 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 in each case to a \$100 penalty.

## Failure to provide an identification number

Individuals, corporations, or partnerships have to give their social insurance number or Business Number 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 in each case to a \$100 penalty.

An individual who does not have a social insurance number (SIN) has 15 days from the date of an information request to apply for one at any Human Resources Centre of Canada. After receiving the SIN, the individual has 15 days to provide it to the person who is preparing an information return.

For more information about SIN reporting requirements, 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 be communicated, 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 liable if convicted 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. Both interest and penalties are payable to the Receiver General.

## Cancelling or waiving penalties and interest

We may cancel, reduce, or waive penalties and interest charges if you file a T5008 information return late or distribute T5008 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 T5008 information return only if we apply a penalty.

## Chapter 5 – The T5008 slip

### How to complete the T5008 slip

Before completing the T5008 slips, see the instructions in the sections “Filing on magnetic media” and “Filing on paper” in Chapter 3, which starts on page 5. We can process your T5008 information return more efficiently if you follow these instructions.

### Foreign currency reporting

Complete all T5008 slips in Canadian currency. Use the exchange rate that was in effect at the time of the transaction or an average rate that includes the transaction period.

Foreign currency is usually converted to Canadian funds before it is credited to the recipient’s account. However, certain taxpayers keep foreign currency accounts and choose to convert their account balances themselves. If you receive proceeds of disposition in a foreign currency and deposit the amounts to your client’s foreign currency account **without** converting them to Canadian funds, you can report in the foreign currency that applies. Identify foreign currency amounts by entering in box 13, the applicable currency code under International Standard (ISO) 4217.

### Joint ownership

Complete only one T5008 slip to report a transaction even if more than one person owns the securities. Include the names of the joint owners on lines 1 and 2 of the recipient area of the T5008 slip.

### Aggregate reporting

You can report more than one transaction involving **identical** securities for the **same** client by totalling the amounts and showing them as one transaction. Examples of identical securities are units of the same mutual fund, all commodity futures, or the same class of stock of the same corporation.

### Recipient’s name and address

**First and second lines** – Enter the individual’s last name first, followed by the usual first name and initials or the legal name of a corporation, organization, or institution. Do not enter the name of a secretary, treasurer, or anyone else with signing authority.

Enter any other information, such as the name of a second recipient for a jointly owned security.

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 (you can leave some lines blank). For the province or territory, please use the two-letter abbreviations listed in Appendix V on page 27.

**Postal code** – Enter the recipient's postal code.

### **Name and address of trader or dealer in securities**

Give the full name and mailing address of the person required to complete the information return in this area of each T5008 slip. To determine whether or not you have to file a T5008 information return, see "Who has to file a T5008 information return?" on page 4.

### **Year**

Enter the four digits of the calendar year in which the transaction took place.

### **Void**

If you make an error on a T5008 slip, enter an "X." We will disregard transactions on voided T5008 slips during processing. You can enter the "X" using a medium lead pencil instead of machine-printing or typing.

### **Box 10 – Report code**

On each T5008 slip, enter one of the following codes to indicate whether this is an original or amended slip.

If this is the original slip, enter "0."

If this changes the financial data or identification information of a slip you filed before, enter "1."

When using code "1," enter a description at the top of the slip (i.e., "AMENDED" or "CANCELLED") and include a written explanation of the reason for filing the slip. For more details, see "How to correct your T5008 slips" on page 10.

### **Box 11 – Recipient type**

On each T5008 slip, enter one of the following codes to identify the person for whom the transaction was made:

"1" individual (even if the SIN is not provided);

"2" joint account;

"3" corporation; or

"4" other, e.g., association, trust (fiduciary-trustee, nominee, or estate), club, or partnership.

### **Box 12 – Recipient identification number**

**If the recipient is an individual**, enter the individual's social insurance number (SIN). When you report the disposition of a jointly owned security, enter only the SIN of the first individual you identified as a recipient.

You have to make a reasonable effort to get the recipient's SIN. However, when a person indicates that he or she does not have a SIN but is applying for one, do not delay

completing the information return beyond the filing deadline. If you have not received the SIN by the time you prepare the T5008 slip, leave box 12 blank.

### **Note**

If you are reporting a transaction made in trust to an institution for an individual (e.g., a payment made to the trustee of a self-directed RRSP), **do not enter the individual's SIN in box 12.**

**If the recipient is not an individual**, enter the first nine digits of the recipient's Business Number (BN), if available.

### **Box 13 – Foreign currency**

For Canadian funds, leave this area blank.

Enter the applicable three-letter alphabetic or three-digit numeric currency code using International Standard (ISO) 4217. If possible, use the alphabetic codes, as follows:

USD – United States, dollar

JPY – Japan, yen

FRF – France, franc

HKD – Hong Kong, dollar

ITL – Italy, lira

DEM – Germany, deutsche mark

DKK – Denmark, krone

GBP – United Kingdom, pound sterling

ESP – Spain, peseta

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

- print the name of the foreign currency on the T5008 slips (e.g., U.S. DOLLARS) above box 17 for the recipient's benefit;
- if you file your T5008 information return on paper and leave box 13 blank, we will process the amounts on the T5008 slips as Canadian dollars; and
- when completing the summary or segment, you only have to enter one amount for total proceeds of disposition, whether or not you complete the T5008 slips in different currencies.

### **Box 14 – Date (MMDD)**

Enter the month and day on which the transaction was completed (the settlement date). For example, if you completed the transaction on May 17, enter "0517." If you are reporting the aggregate of transactions that occurred throughout the year, enter "1231" (December 31). Do not enter the year in this box.

### **Box 15 – Type code of securities**

Indicate the type of security by entering one of the following codes:

BON – Bonds

BO1 – A bulk transaction in bonds for which the quantity cannot be determined

DOB – Debt obligations in bearer form

DO1 – A bulk transaction in debt obligations in bearer form for which the quantity cannot be determined

FUT – Futures

MET – Precious metals



- MFT – Units in a mutual fund trust or investment fund trust
- MSC – Miscellaneous
- OPC – Option contracts
- PTI – Publicly traded interest in a trust or partnership
- RTS – Rights
- SHS – Shares
- UNT – Units (e.g., a unit consisting of a bond and a warrant)
- WTS – Warrants

These codes are the same as field 35A in the International Standard (ISO) 7775. We have added certain codes and removed others to report transactions as required by the *Income Tax Act*. However, if you use this standard to record transactions, you can use the field 35A codes and reproduce them without changes.

### Box 16 – Quantity of securities

Enter the quantity of securities involved in the transaction. Make sure the quantity is in units that apply to that security (e.g., for gold, give the number of ounces).

### Box 17 – Identification of securities

Enter a description of the securities (e.g., Treasury Bill, banker’s acceptance, shares of XYZ Corporation, debt obligation in bearer form).

### Box 18 – ISIN/CUSIP number

When the securities are identified by a CUSIP number (Committee on Uniform Security Identification Procedures) or ISIN number (International Securities Identification Number), enter the number in box 18.

### Box 19 – Face amount

If the security represents indebtedness (e.g., bonds and other debt obligations), enter the nominal value, **in dollars only**, that appears on the face of the document (i.e., the amount to be repaid at maturity). Leave this box blank if the security does not have a face amount (e.g., shares or commodities).

### Box 20 – Cost or book value, if known

Enter the cost or book value, **in dollars only**, of the securities involved in the transaction if you keep this record. Otherwise, leave this box blank.

### Box 21 – Proceeds of disposition or settlement amount

You have to prepare a T5008 slip for all reportable transactions, regardless of the amount of proceeds. Since there is no direct relationship between proceeds of disposition and the resulting capital gain or loss, there is no administrative limit for reporting securities transactions.

Enter **in dollars only** the total amount of money received by or credited to the recipient in exchange for the securities.

#### Example

A \$10,000 Treasury Bill is disposed of before it matures, and the bearer receives \$9,500. The proceeds of disposition are

\$9,500. Enter “9,500” in box 21. Since the **face amount** of the Treasury Bill is \$10,000, you would enter “10,000” in box 19.

If you record proceeds of disposition net of brokerage fees, enter the net amount in box 21.

You should report only proceeds of disposition and amounts of a capital nature to the recipient. Report other amounts separately, as required.

#### Example

A \$15,000 discounted bond is called before maturity. The bondholder receives a net credit of \$10,480, as follows:

Principal payment .....	\$10,000
<b>Add:</b> Accrued interest.....	<u>500</u>
Gross proceeds.....	\$10,500
<b>Minus:</b> Bank charges.....	<u>20</u>
Amount deposited to bondholder’s account .....	<u>\$10,480</u>

Since the proceeds of disposition are \$10,000, enter “10,000” in box 21. Do not include the accrued interest with the transaction proceeds. Report the accrued interest on a T5 slip. The bank charges do not represent an amount payable to the bondholder. The bondholder can deduct this amount as outlays and expenses to determine the gain realized on the transaction.

### Boxes 22, 23, and 24 – Securities received on settlement (if applicable)

In some securities transactions, securities are received instead of proceeds of disposition. This usually happens in exchange or conversion transactions. **You should complete boxes 22, 23, and 24 only when you cannot readily determine the value of the securities received on settlement.** Do not report any monetary values in these boxes. Report in box 21 any part of the proceeds that is credited in money.

#### Note

Many exchanges of securities are exempt from the reporting requirement. For more information, see “Who has to file a T5008 information return?” on page 4.

Certain securities can be redeemed in return for another type of security. For example, bonds may be redeemed for gold. However, gold is often converted into money, at the fair market value, and the money is credited to the recipient. In this case, you have to report these transactions in box 21. Use boxes 22, 23, and 24 to report the transaction only if you cannot reasonably determine the fair market value of the securities obtained on conversion.

#### Example

XYZ Corporation redeems a bond for 20 ounces of gold. If you could not determine the value of the gold, you would complete boxes 22, 23, and 24 as follows:

- box 22 – MET;
- box 23 – 20 OZ; and
- box 24 – GOLD.

The instructions for completing boxes 22, 23, and 24 are the same as those for boxes 15, 16, and 17.

## Distributing the T5008 slips

### Copy 1

Send copy 1 along with the T5008 Summary and applicable T5008 Segments before March 1 of the year after the calendar year for which the information return is required, to the applicable tax centre listed in Appendix IV on page 26.

### Copy 2

Send copy 2 to the recipient before March 1 of the year after the calendar year for which the information return is required.

### Copy 3

Keep this copy.

## How to correct your T5008 slips

If you discover an error in your information return after filing it, send a letter explaining the error to the appropriate tax centre along with the necessary slips, as explained below.

**Amended slips** – 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. Please provide your filer identification number on your letter. The tax centre addresses are listed at the end of this guide.

#### Note

You do not have to file an amended summary form 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.**

#### Note

Even if you sent your original information return on magnetic media, you have to file any amended or cancelled slips on paper.

## Chapter 6 – The T5008 Summary and Segment

### How to complete the T5008 Summary

Before completing the T5008 Summary, see the instructions in the sections “Filing on magnetic media” and “Filing on paper” in Chapter 3, which starts on page 5. We can process your T5008 information return more efficiently if you follow these instructions.

### Information return for the year ending December 31

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

### Filer identification number

Enter your filer identification number. This number applies to information returns such as the T5008 and the T5. If we have not assigned you such a number, or you are unsure of your number, write to the Employer Services Section of your tax centre. Do not delay filing your information return. If you have not received your identification number before the due date, leave this area blank.

#### Note

The filer identification number is a unique number for information returns and has two alphabetical and seven numerical characters (e.g., YZ1234567). Do **not** enter your employer account number, your corporation account number, or your Business Number in this area.

### Amended T5008 Summary

If this is an amended T5008 Summary, enter an “X.”

### Additional T5008 Summary

If this is an additional T5008 Summary, enter an “X.”

You have to file an additional T5008 Summary if you file additional T5008 slips. Include only original T5008 slips with report code “0.”

### Name and address of trader or dealer filing this T5008 Summary

Enter the name and the full mailing address of the person required to complete the information return. To determine whether or not you have to file a T5008 information return, see “Who has to file a T5008 information return?” on page 4.

### Business Number (BN)

Enter the fifteen digits of your BN in this area.

### Have you filed a T5008 information return before?

If you have filed a T5008 information return in a previous year, enter an “X” in the *yes* box.

If this is the first year you have filed a T5008 information return, enter an “X” in the *no* box.

## Language

So that correspondence and information we send you will be in the official language of your choice, enter an “X” in the appropriate box.

## Address on last information return

Enter the address from your last T5008 information return, if you:

- entered an “X” in the *yes* box for the question “Have you filed a T5008 information return before?”; and
- the address on your last T5008 information return was not the same as the address you entered in the “Name and address of trader or dealer filing this T5008 Summary” area of the form.

## Box 21 – Total proceeds of disposition or settlement amount

Enter the total proceeds of disposition from box 21 of all the T5008 slips you are filing with this summary.

## Box 40 – Number of T5008 slips you have filed

Enter the total number of T5008 slips you are filing with this summary. Don’t include in this total any T5008 slips you marked “VOID” or left blank.

## Is this summary for an “Unclaimed Proceeds of Disposition Account”?

Enter an “X” in the *yes* box if this is a separate T5008 Summary to report a payment of previously unclaimed proceeds of disposition. If not, enter an “X” in the *no* box. For more information, see Chapter 7 on this page.

## Box 41 – Person to contact about this information return

Enter the name of the person who will be able to answer any questions we may have about this information return.

## Box 42 – Telephone number

Enter the telephone number of the contact person.

## Certification

Make sure a person who has signing authority signs and dates the summary.

## Distributing the T5008 Summary

Send copy 1 of the completed T5008 Summary along with the related T5008 slips before March 1 of the year after the calendar year to which the information return applies, to the Employer Services Division, Ottawa Technology Centre, 875 Heron Road, Ottawa ON K1A 1A2. Keep copy 2 for your records.

## How to complete the T5008 Segment

Before completing the T5008 Segment, please read the instructions in the sections “Filing on magnetic media” and “Filing on paper” in Chapter 3, which starts on page 5. We

can process your T5008 information return more efficiently if you follow these instructions.

You should use the T5008 Segment if you are filing your information return on paper and it contains more than 100 sheets of T5008 Supplementary slips (300 slips).

File one T5008 Segment for each bundle of 100 sheets of T5008 Supplementary slips. The totals recorded on each T5008 Segment should balance to the total reported on the T5008 Summary form. Please ensure that you place the T5008 Segment on top of the correct bundle.

The filer identification number and the name of trader or dealer in securities entered on the T5008 Segment must agree with the filer identification number and the name of trader or dealer in securities from the accompanying T5008 Summary form.

## Chapter 7 – Unclaimed proceeds of disposition

### Remittances

**Unclaimed proceeds of disposition** are proceeds of disposition you receive in a tax year for a person (the beneficial owner) who remains unknown at the end of your next tax year. If you still hold unclaimed proceeds then, you have to deduct a specified percentage of tax from these amounts and send it to the Receiver General within 60 days.

To calculate the tax, subtract from the proceeds of disposition of the property any outlays and expenses relating to its disposition, if you did not deduct the outlays and expenses in calculating your income. Multiply the result by 50%. Send the tax withheld with a statement showing the period covered, the net proceeds, and the amount of tax deducted. Please send the payment and statement separately from any T5008 information return you may be filing.

### Example

As a securities dealer with a tax year ending on March 31, you received proceeds of \$30,000 during the previous tax year for an unidentified beneficiary. The rightful owner of the proceeds is still unknown on March 31 of the current tax year. You have to send \$15,000 to the Receiver General before May 31 of the next tax year.

Penalties apply if you do not send amounts withheld. For a first failure in a calendar year, the penalty is 10% of the amount that was withheld but not sent. A second or later failure in the same calendar year could result in a penalty of 20% of the amount that was withheld but not sent. We will charge you interest on amounts that you do not send as required. Interest accrues at a prescribed rate from the required date of remittance to the date you send it, and is payable to the Receiver General.

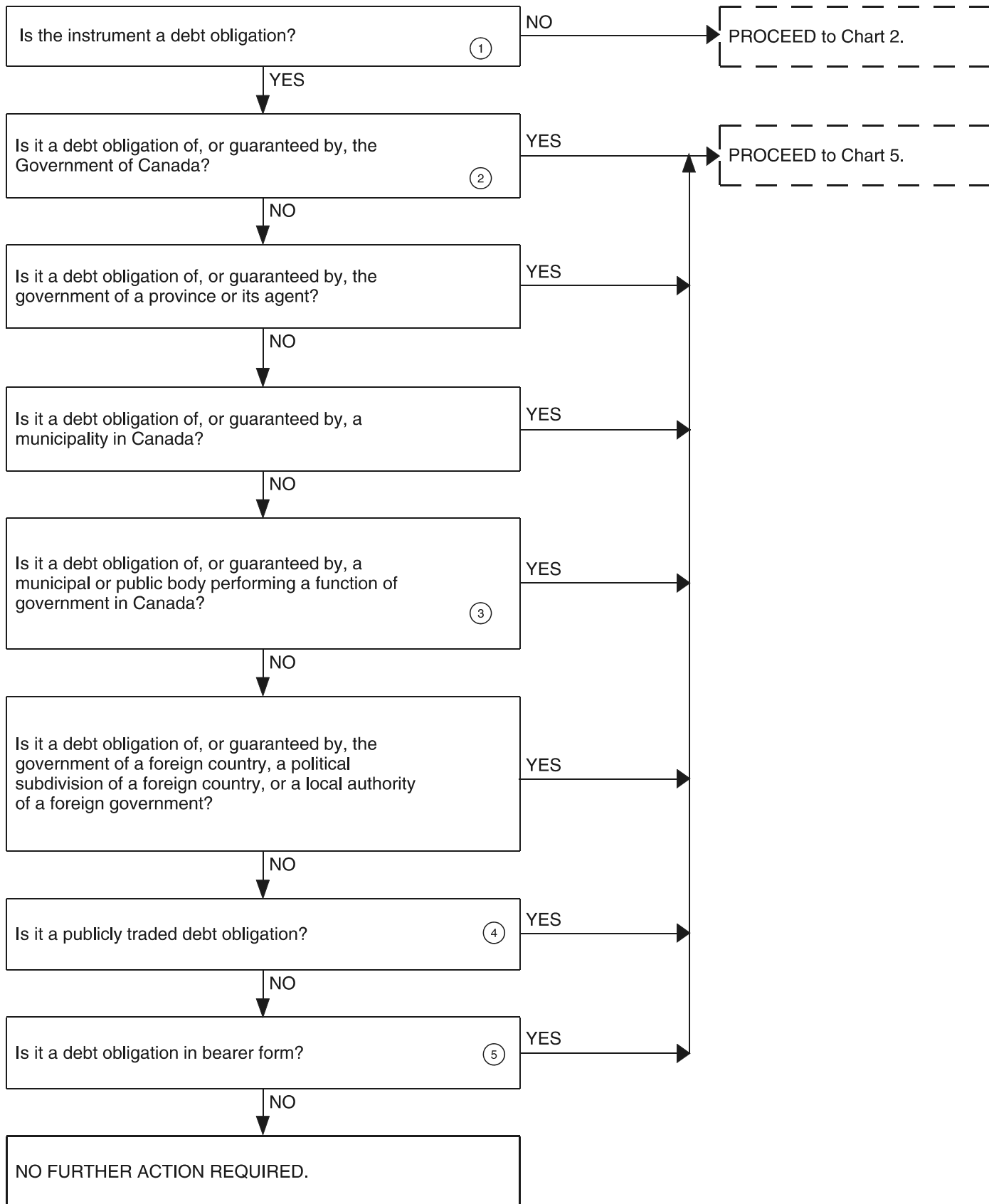
## Reporting requirements

If you hold an unclaimed amount and you later identify the beneficial owner and pay the amount, you have to prepare a separate T5008 information return. In this case, prepare a separate T5008 Summary and related T5008 slips for the applicable tax year to report the proceeds paid and the tax withheld. The beneficial owner has to calculate the amount of income from these securities transactions and include it in income for the calendar year shown on the T5008 slip. The beneficial owner can claim as a credit the tax you withheld. A non-resident will generally claim the credit in the same way as a resident.

In some cases, you can pay unclaimed proceeds of disposition received in different calendar years to the same beneficial owner in one lump sum. If so, you have to prepare separate T5008 slips for each calendar year in which you received the proceeds. You also have to report the amount of tax withheld on the T5008 slip. Identify the amount as "TAX WITHHELD" and enter it directly below the recipient's name and address. Enter "UNCLAIMED PROCEEDS OF DISPOSITION ACCOUNT" directly below the name and address of the trader or dealer in securities.

# Appendix I – Flowcharts

## Chart 1 – Debt obligations

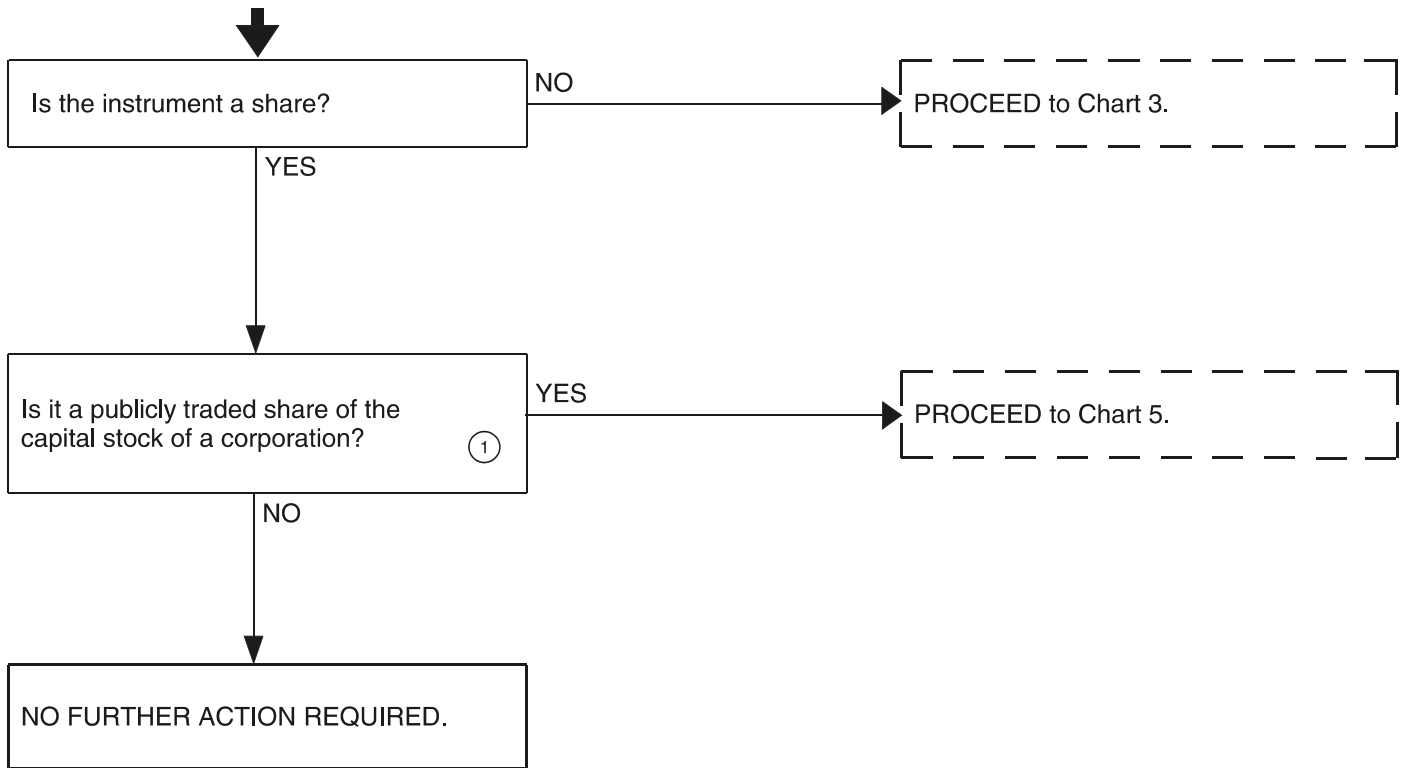


## Debt obligations

### Notes

1. Debt obligations include bonds, debentures, notes, or any other certificates of indebtedness.
2. This category includes Government of Canada Treasury Bills.
3. Municipal or public bodies performing a function of government in Canada include school boards, educational institutions, and hospitals.
4. Publicly traded means:
  - listed or posted for trading on a stock exchange, commodity exchange, futures exchange, or any other exchange, including exchanges in foreign jurisdictions; or
  - sold and distributed by prospectus, registration statement, or similar document filed with a public authority such as a provincial securities commission.
5. Banker's acceptances and commercial paper are examples of debt obligations in bearer form that are not usually traded publicly. Debt obligations in bearer form include debt obligations payable to the "bearer" or to "cash." Instruments held in street name (i.e., in the name of a broker or another nominee) are usually endorsed to the bearer.

## Chart 2 – Shares



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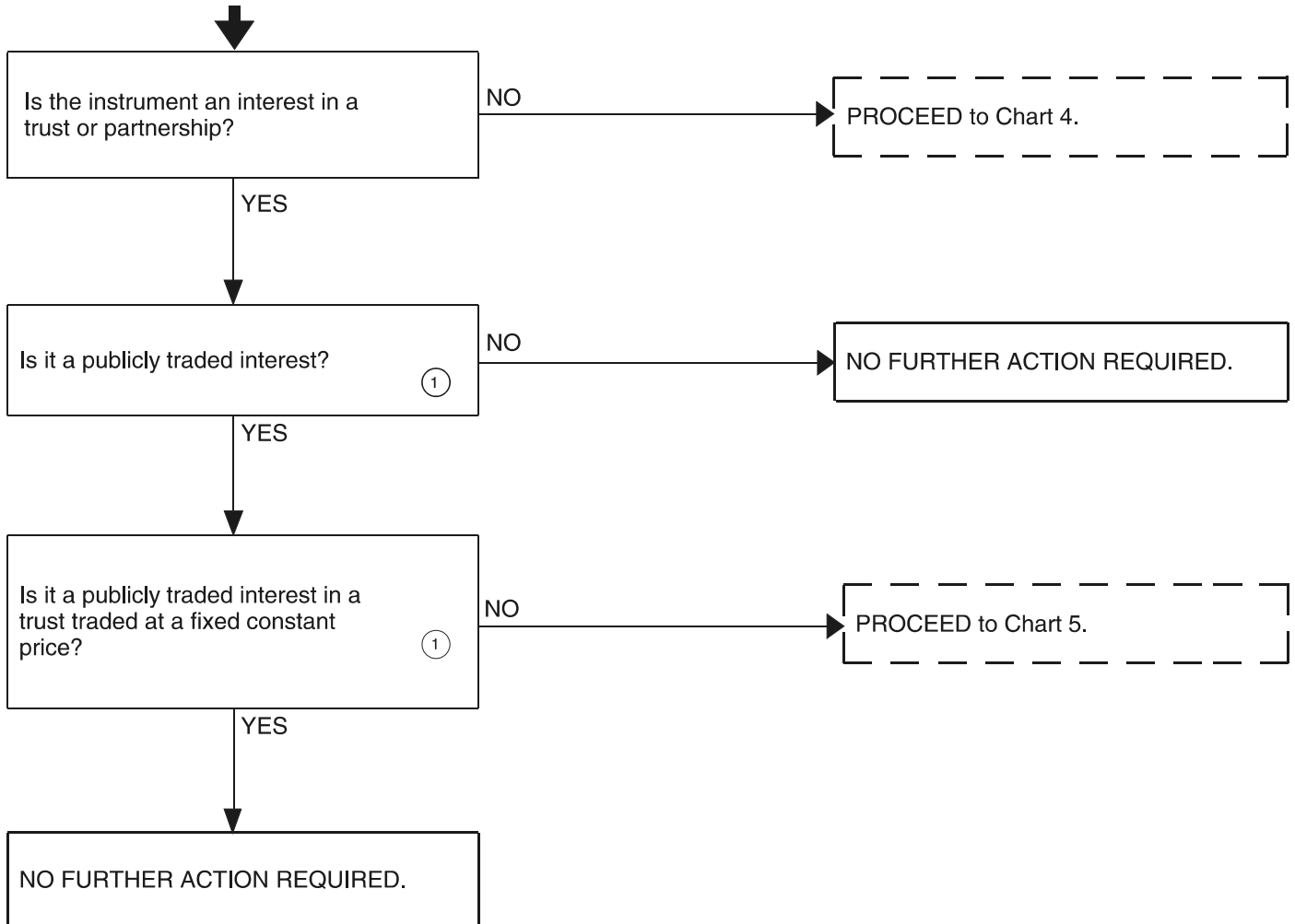
## Shares

### Note

1. Publicly traded means:

- listed or posted for trading on a stock exchange, commodity exchange, futures exchange, or any other exchange, including exchanges in foreign jurisdictions; or
- sold and distributed by prospectus, registration statement, or similar document filed with a public authority such as a provincial securities commission.

## Chart 3 – Interest in a trust or partnership



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## Interest in a trust or partnership

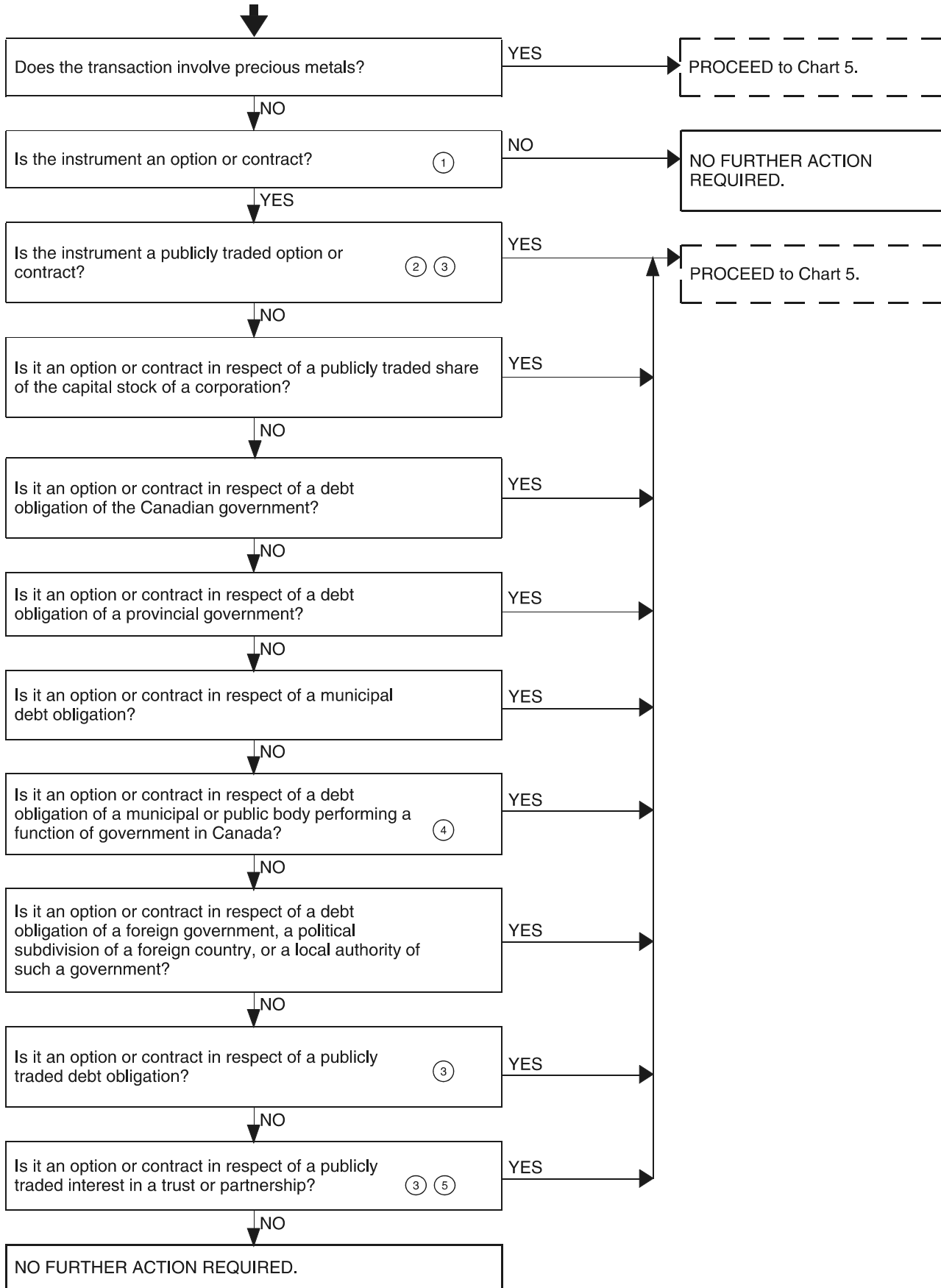
### Note

#### 1. Publicly traded means:

- listed or posted for trading on a stock exchange, commodity exchange, futures exchange, or any other exchange, including exchanges in foreign jurisdictions; or
- sold and distributed by prospectus, registration statement, or similar document filed with a public authority such as a provincial securities commission.



# Chart 4 – Other securities

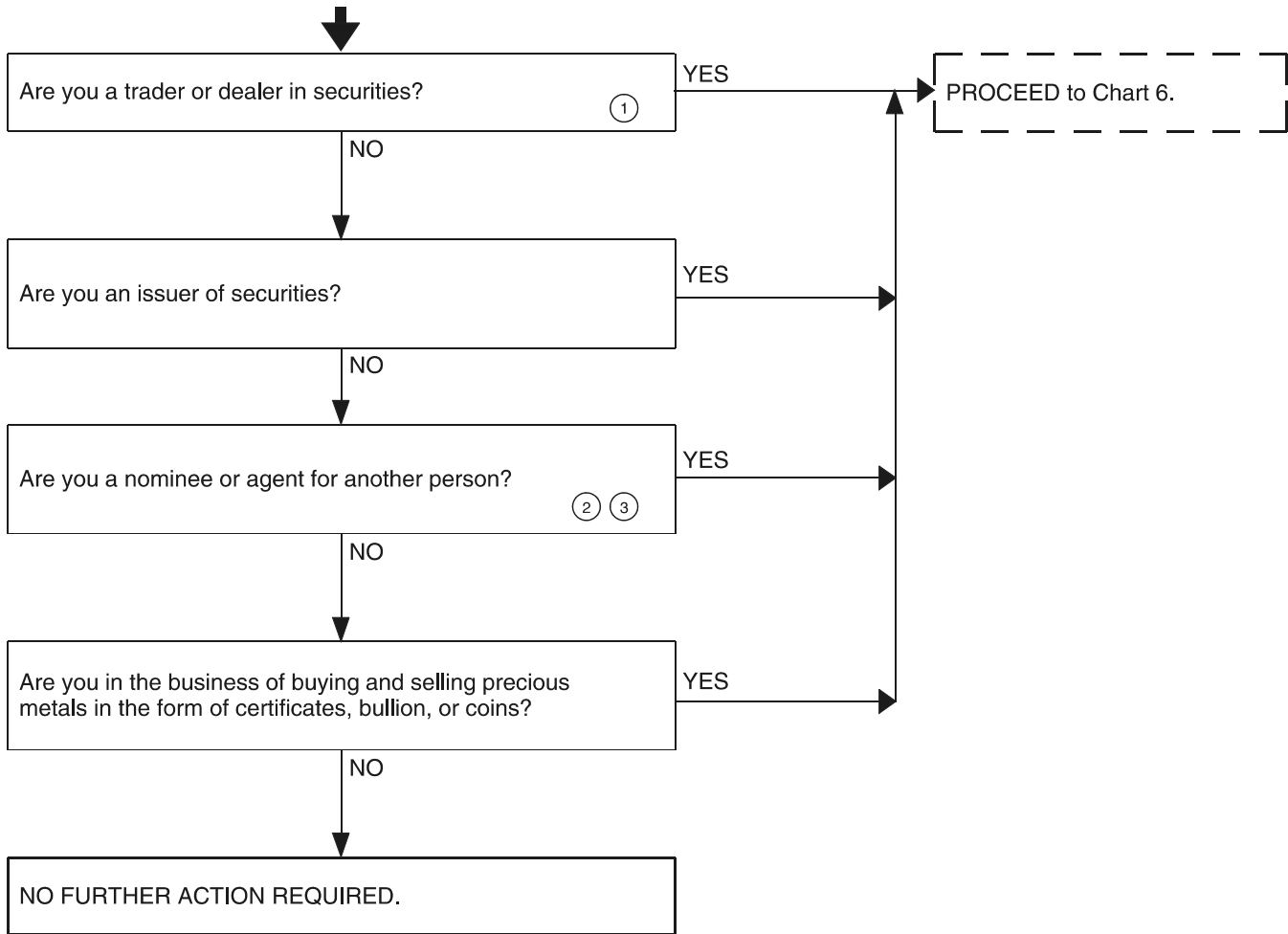


## Other securities

### Notes

1. An option is a right to buy or sell securities during an agreed period at a fixed price. Unlike an option, a contract for securities creates an obligation to buy or sell the securities.
2. A security includes a publicly traded option or contract for any property, including commodities, financial futures, foreign currency, precious metals, or any index relating to any property.
3. Publicly traded means:
  - listed or posted for trading on a stock exchange, commodity exchange, futures exchange, or any other exchange, including exchanges in foreign jurisdictions; or
  - sold and distributed by prospectus, registration statement, or similar document filed with a public authority such as a provincial securities commission.
4. Municipal or public bodies performing a function of government in Canada include school boards, educational institutions, and hospitals.
5. If a publicly traded interest in a trust is traded at a constant fixed price, no further action is required.

## Chart 5 – Reporting institutions

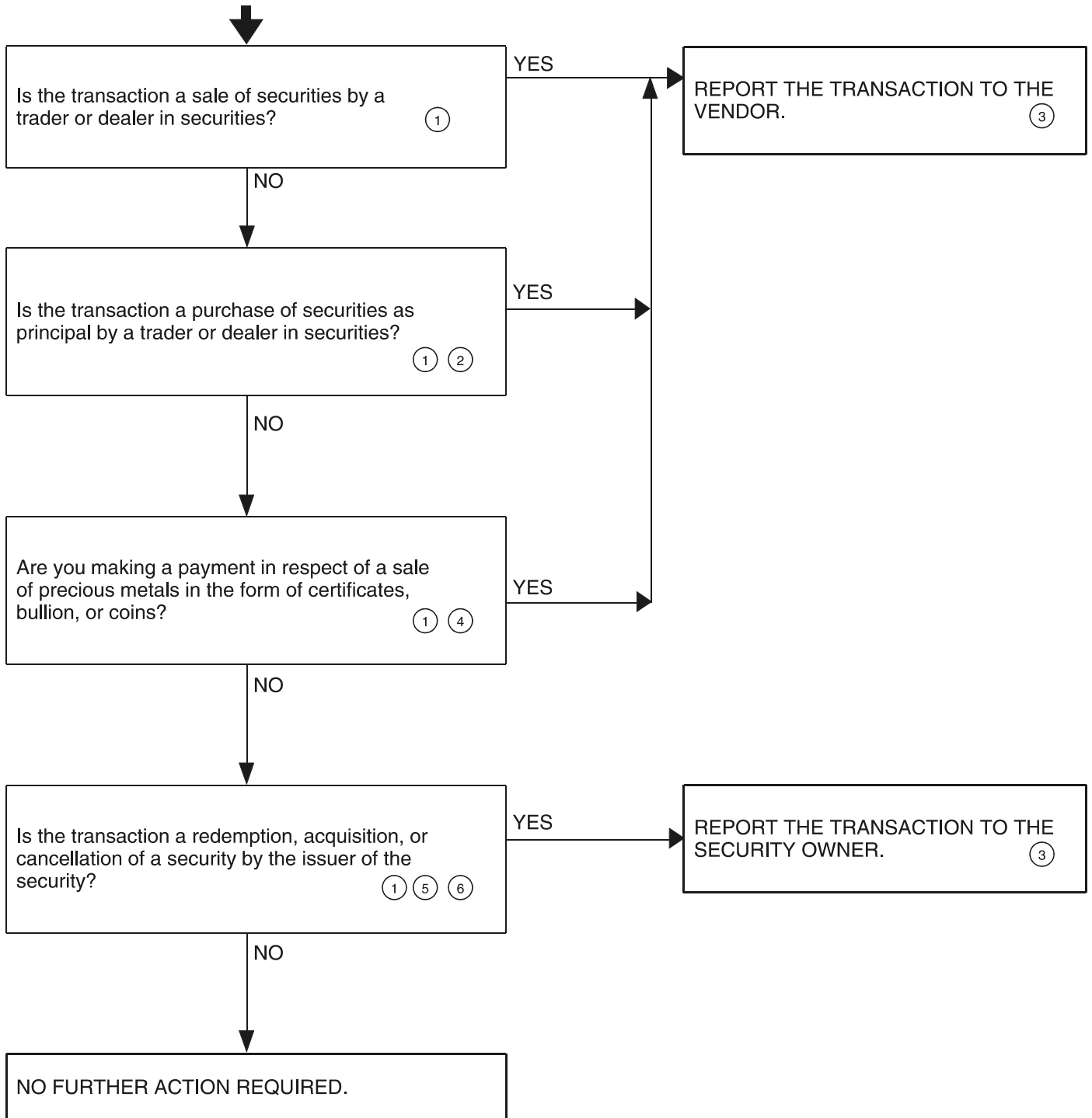


## Reporting institutions

### Notes

1. A trader or dealer in securities is:
  - a person who is registered or licensed under the laws of a province to trade in securities; or
  - a person who commonly makes sales of securities as an agent for other persons.
2. A nominee is a person or firm, such as a bank official or brokerage house, into whose name securities are transferred to facilitate transactions. The customer remains the true owner of the securities.  
 An agent is any person authorized to act for another person in transactions involving a third party. An agent includes:
  - an account executive or an investment counsellor who advises and handles orders for clients;
  - a person appointed by a corporation to maintain records of stock and bond owners, to cancel and issue certificates, and to distribute payments to stock or bond owners.
3. The reporting requirement for securities transactions does not apply to transactions for which an information return is required under section 202 (payments to non-residents) or section 204 (estates and trusts) of the *Income Tax Regulations*.

## Chart 6 – Reporting the transactions



## Reporting the transactions

### Notes

1. If a person acts as nominee or agent of the vendor or security owner and receives the proceeds of disposition from the transaction, that person has to report the transaction to the vendor or security owner.
2. A purchase as principal means a purchase on your own account. Do not report purchases made for clients or other investors.
3. You do not need to report transactions to:
  - another trader or dealer in securities, except if you purchase securities from a non-resident trader or dealer in securities when the non-resident trader (or a related person) acquired that security (or an identical security) from the purchaser (or a related person) in the period starting 90 days before the day of the purchase; or
  - a non-taxable entity such as a registered retirement savings plan, a deferred profit-sharing plan, a registered pension plan, a municipality, an agricultural organization, a board of trade, a chamber of commerce, or a municipal or public body such as a school board, educational institution, or hospital.
4. Do not report a sale of currencies or precious metal in the form of jewellery, works of art, or numismatic coins. Do not report a sale of precious metals by a person who, in the ordinary course of business, produces or sells precious metals in bulk or commercial quantities.
5. Do not report the redemption, acquisition, or cancellation of a debt obligation if:
  - the debt obligation is redeemed, acquired, or cancelled for the amount for which it was issued;
  - the redemption, acquisition, or cancellation satisfies all of the issuer's obligations (i.e., once the redemption occurs, no more amounts are payable to any person with an interest in the debt obligation);
  - each person with an interest in the debt obligation is entitled to an equal proportion of principal and interest payments (i.e., the debt obligation is not a strip bond); and
  - an information return is already required to be made as a result of the redemption, acquisition, or cancellation (e.g., a T5 slip for the redemption of an investment contract or a T600 slip for accrued interest on redemption of a bond, debenture, or similar security).
6. Do not report transactions involving:
  - convertible property, i.e., shares, bonds, debentures, or notes of a corporation which give the holder the right to exchange the security for shares of the same corporation (if you receive consideration, other than shares, of \$200 or more in the conversion, you have to report the transaction);
  - capital property that is a bond, exchanged for another bond of the same debtor when the provisions of the exchanged bond gave the holder the right to make the exchange and the exchanged bond and the acquired bond both have the same maturity value;
  - the redemption, cancellation, or acquisition of shares as a result of an amalgamation (if you receive consideration, other than shares, of \$200 or more in the exchange, you have to report the transaction);
  - share-for-share exchanges as a result of a corporation reorganization of capital (report all transactions when you receive any consideration other than shares);
  - interests in a partnership disposed of when a partnership ends; or
  - interests in a partnership transferred when a new partnership continues from a predecessor partnership.

## Appendix II – Forms

T5008 slip

## T5008 Summary

## T5008 Segment



## Appendix III – References

The following publications relate to topics included in this guide and are available free of charge from any tax services office or tax centre. Many of our publications are available on the Internet.

Our Internet address is: [www.cra-adrc.gc.ca](http://www.cra-adrc.gc.ca)

### Information Circulars

- 82-2 *Social Insurance Number Legislation That Relates to the Preparation of Information Slips*
- 97-2 *Customized Forms – Returns and Information Slips*

### Interpretation Bulletins

- IT-52 *Income Bonds and Income Debentures*
- IT-77 *Securities in Satisfaction of an Income Debt*
- IT-96 *Options Granted by Corporations to Acquire Shares, Bonds, or Debentures and by Trusts to Acquire Trust Units*
- IT-115 *Fractional Interest in Shares*
- IT-146 *Shares Entitling Shareholders to Choose Taxable or Capital Dividends*

- IT-265 *Payments of Income and Capital Combined*
- IT-346 *Commodity Futures and Certain Commodities*
- IT-396 *Interest Income*
- IT-410 *Debt Obligations – Accrued Interest on Transfer (and its Special Release)*
- IT-479 *Transactions in Securities (and its Special Release)*

### Guides and other publications

- 94-110 *Handbook on Securities Transactions*
- T4015 *T5 Guide – Return of Investment Income*
- T4031 *Computer Specifications for Data Filed on Magnetic Media – T5, T5008, T4RSP, T4RIF, NR4, and T3*

## Appendix IV – Addresses of tax centres

Traders or dealers served by a tax services office on the left side of the following list should communicate with the corresponding office on the right.

Bathurst, Halifax, Kingston, Moncton, Newfoundland and Labrador, Peterborough, Saint John, St. Catharines and Sydney	<b>St. John's Tax Centre</b> <del>290 Empire Avenue</del> <del>St. John's NF A1B 3Z1</del>
Chicoutimi, Montérégie-Rive-Sud, Outaouais, Québec, Rimouski, and Trois-Rivières	<b>Jonquière Tax Centre</b> <del>2251 René-Lévesque Boulevard</del> <del>Jonquière QC G7S 5J1</del>
Laval, Montréal, Ottawa, Rouyn-Noranda, Sherbrooke, and Sudbury (Northeastern Ontario* only)	<b>Shawinigan-Sud Tax Centre</b> <del>4695 12th Avenue</del> <del>Shawinigan Sud QC G9N 7S6</del>
Belleville, Charlottetown, Hamilton, and Kitchener/Waterloo	<b>Summerside Tax Centre</b> <del>275 Pope Road</del> <del>Summerside PE C1N 6A2</del>
Toronto Centre, Toronto East, Toronto North, Toronto West, and Sudbury (Sudbury/Nickel Belt** only)	<b>Sudbury Tax Services Office</b> <del>1050 Notre Dame Avenue</del> <del>Sudbury ON P3A 5C1</del>
Calgary, Edmonton, London, Saskatoon, Thunder Bay, Windsor and Winnipeg	<b>Winnipeg Tax Centre</b> <del>66 Stapon Road</del> <del>Winnipeg MB R3C 3M2</del>
Burnaby-Fraser, Northern B.C. and Yukon, Regina, Southern Interior B.C., Vancouver, and Vancouver Island	<b>Surrey Tax Centre</b> <del>9755 King George Highway</del> <del>Surrey BC V3T 5E1</del>

\* Northeastern Ontario includes all areas outside of Sudbury/Nickel Belt 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, and 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.

## Appendix V – Province or territory codes

Please use the following abbreviations when you enter the province or territory on the T5008 slip and the T5008 Summary.

Newfoundland .....	NF	Saskatchewan.....	SK
Prince Edward Island .....	PE	Alberta.....	AB
Nova Scotia .....	NS	British Columbia.....	BC
New Brunswick.....	NB	Nunavut .....	NT
Quebec.....	QC	Northwest Territories.....	NT
Ontario.....	ON	Yukon .....	YT
Manitoba .....	MB		

## Appendix VI – Glossary

These are not definitions provided by the *Income Tax Act* or *Income Tax Regulations*. They give only the common usage of the terms for the benefit of the reader.

**Agent** – A person authorized to act for another.

**Amalgamation** – Union of different corporations to form a single new corporation.

**As principal** – On your own account. See “principal.”

**Banker’s acceptance** – A draft payable at maturity drawn by a creditor against a debtor. Banker’s acceptances are short-term credit instruments that are commonly sold at a discount.

**Bearer** – The person in possession of a negotiable instrument.

**Bearer form** – An instrument is in bearer form if its terms state that it is payable to the bearer, or to cash, or if it does not indicate a payee.

**Bond** – A security under which the issuer contracts to pay the lender a fixed amount at a stated date in the future, and a series of interest payments. Some bonds are issued at a discount instead of providing for interest payments.

**Call** – A demand on the holder to submit securities for payment or redemption.

**Cancellation of securities** – An action of issuers who call back their own securities to cancel them and to reduce the amount of outstanding securities.

**Capital** – All shares representing ownership, including preferred and common shares.

**Commercial paper** – A negotiable instrument (promissory note, bank cheque) for the payment of money. It is commonly sold at a discount.

**Commodities** – Staples such as wool, cotton, or any articles of merchandise that are useful or serviceable.

**Consideration** – Anything received in a transaction (usually cash) including any tangible or intangible property.

**Contract** – An agreement between persons which creates an obligation. See “option.”

**Creditor** – A person to whom a debt is owed by another person who is the debtor.

**Debenture** – A promissory note or bond backed by a corporation’s general credit rating.

**Debt obligation** – A fixed obligation to pay money or some other valuable consideration.

**Debtor** – One who owes a debt.

**Deemed disposition** – This term is used when you are considered to have disposed of property, even though a transaction did not take place. A deemed disposition occurs when the owner of a security transfers certain property to a trust, leaves Canada, or dies.

**Discount** – The difference between present and maturity value. Buying an instrument before maturity, at less than par value.

**Draft** – An order to pay a sum of money on demand or at a definite time.

**Exchange** – The market place at which different securities are bought and sold (e.g., stock exchange, commodity exchange). It also means a transaction that involves trading one security for another.

**Face amount** – The nominal value which appears on the face of a document, generally a bond. It is the amount to be repaid at maturity.

**Futures** – A right to receive at a future date a quantity of a given commodity for a fixed price.

**Holder** – A person who possesses a security and who is entitled to receive payment of that security.

**Index** – A list of the current values of marketable securities given through an exchange (stock, commodities, futures exchanges).

**Instrument** – Any negotiable written document.

**Nominee** – A person designated to act for another.

**Note** – An instrument in which the signer promises to pay to a specified person, or the bearer, a sum of money at a specified time.

**Numismatic coins** – Coins or coin-like objects that have a value to collectors.

**Option** – A right to buy commodities or securities within an agreed period, at a fixed price, or to sell commodities or securities at an agreed price and time. An option to buy is known as a “call” and an option to sell is called a “put.”

**Par** – When the nominal or face value of a security equals its market value, it is trading at par. Par value may also refer to a value stated on securities, especially shares, that does not represent market value. The amount of the issue price or market value in excess of par value is called a premium.

**Partnership** – The relationship that exists between two or more persons who join to carry on a trade or business to make a profit. Each person contributes money, property, labour, or a skill, and each expects to share in the profits or losses of the venture. You can have a valid partnership without a formal written partnership agreement.

The type and extent of a person’s involvement in the business are important in determining whether the person is a partner. For more details, see Interpretation Bulletin IT-90, *What is a Partnership?*

If you would like more help to determine whether an arrangement is a partnership, you should also consult the relevant provincial laws. We will usually accept a decision based on those laws.

**Precious metal** – This means coins, metals (especially gold and silver) before coining, or certificates representing such

metals. Precious metal does not include jewellery, works of art, or numismatic coins.

**Predecessor** – This means one of any number of businesses or corporations that have been incorporated into and replaced by a new business or corporation through an amalgamation.

**Principal** – This means the capital sum of a debt or obligation, as distinguished from interest or other additions to it. See “as principal.”

**Prospectus** – A document a company publishes to invite the public to subscribe to an issue of shares, debentures, or other securities.

**Publicly traded** – Listed or posted on any exchange (e.g., stock exchange, commodity exchange, futures exchange). Sold or distributed under a prospectus or similar document.

**Redemption of securities** – An action of issuers who buy back their own securities (frequently shares).

**Right** – A privilege granted to the holder of a security, such as the right to buy more shares of the issuer, or the right to exchange the security held for a different security.

**Sale** – Includes a short sale. A short sale is a contract for the sale of securities which the seller does not own but which will be delivered at a specified time.

**Security** – See the section called “What are securities?” on page 4, for the definition of a security.

**Trader or dealer in securities** – A person registered or licensed to trade in securities or a person who ordinarily sells securities for others.

**Treasury Bill** – Short-term obligations of the federal government. Treasury Bills are for terms of three, six, and twelve months.

**Warrant** – A certificate granting the owner the right to buy securities.