Clear Data

Canada Revenue Agency | Agence du revenu du Canada

Request by a Non-Resident of Canada for a Certificate of Compliance Related to the Disposition of Taxable Canadian Property

Instructions – T2062

All legislative references are to the Canadian Income Tax Act.

When and how to file the form

Use this form if you are a non-resident of Canada to give notice of the proposed disposition of, or the completed disposition of, certain taxable Canadian property. Taxable Canadian property is property described in subsection 248(1) of the Act. A disposition of taxable Canadian property includes any interest or option for such property, whether or not the property exists.

Use Form T2062A for proposed or completed dispositions of Canadian resource or timber resource property, Canadian real property (other than capital property), or depreciable taxable Canadian property. However, when disposing of depreciable taxable Canadian property, use this form to report the gain on the disposition and Form T2062A to report the recapture of capital cost allowance or terminal loss. If both forms T2062 and T2062A are required for a disposition, the forms must be filed together.

File a separate T2062 for each disposition or proposed disposition. However, if you are disposing of, or proposing to dispose of, several properties to the same purchaser at the same time, only one T2062 is required for all the properties. A separate T2062 must be filed by each person indicating an interest in a joint tenancy, tenancy in common, or co-ownership.

If you file a request for a proposed disposition under subsection 116(1) and the completed disposition complies with the requirements of paragraphs 116(3)(d), (e), and (f), you do not have to file a separate request under subsection 116(3) for the completed disposition.

We issue a certificate of compliance after tax is paid or security acceptable to the Minister is submitted in respect of the proposed or completed disposition. You may have to file a Canadian income tax return to report the disposition of property listed on this form. Final settlement of the tax liability is made when you file your Canadian income tax return. **Failure to attach this certificate of compliance to your income tax return may result in a delay in processing. For further information related to the filing requirements, please refer to the CRA website.**

Penalties for failure to comply

If you are giving notice of a completed disposition under subsection 116(3), you must notify us by registered mail not later than 10 days after the date of disposition. The penalty, under subsection 162(7), for failing to file or submit a notice on time is $25 a day. There is a minimum penalty of $100 and a maximum penalty of $2,500.

Completing the form

Send this notice along with all supporting documents (see list attached), to the Centre of Expertise (CoE) for the area where the property is located. If there is more than one property and the properties are located in several areas and more than one CoE is affected, the notification should be sent to the CoE where the majority of the properties are located. If the property is real property, the CoE is determined based on the property's legal or municipal address. If the property is shares or assets in a business, the CoE is determined based on the head office address of the corporation whose shares are being disposed of, or where the business is located. If the property is a capital interest in an estate or a trust (pursuant to the distribution of capital), the CoE is determined by the location of the trustee. The CoEs are listed on the CRA's website: **canada.ca/cra-non-residents-dispositions**.

Vendor information

Country of residence – Indicate the country where you normally, customarily, or routinely live.

Identification number – Enter the appropriate identification number. This will ensure that security or payment made for tax is credited to the correct account. Identification numbers must be used when filing your Canadian income tax return and on all correspondence with us.

- **Social insurance number (SIN)** – applies if an individual was formerly a resident or a deemed resident of Canada.
- **Individual Tax Number (ITN)** – is a number assigned to a non-resident individual who filed a Canadian income tax return in previous years.
- **Subsidiary ledger number** – is a number assigned to a non-resident individual who has made a remittance but does not have a Canadian tax account number.
- **Business number (BN)** – is a registration number for businesses such as corporations, partnerships, and sole proprietorships.
- **Trust account number** – is a number assigned to a trust that filed a Canadian income tax return in previous years.

If you do not have a SIN or ITN, please complete Form T1261, Application for a Canada Revenue Agency Individual Tax Number (ITN) for Non-Residents, available on the Internet at **canada.ca/taxes**. **Send it to the CRA, to the address indicated on the Form T1261, in advance of the disposition if possible, to avoid delays in processing.**

Applying for a BN

Complete Form RC1, Request for a Business Number (BN). Form RC1 and our pamphlet, The Business Number and Your Canada Revenue Agency Accounts, are available on the Internet at: **canada.ca/taxes**

Send the completed RC1 with a copy of the certification of incorporation to the tax services office where you filed the Form T2062

Details of property – If a disposition includes more than one property, attach a piece of paper providing the details for each property. All amounts must be in Canadian dollars.

Property jurisdiction – include the city/municipality, province/territory, and postal code for the street address requested below in "Property description".

Clear Data

Property description	include the following details:
Land or buildings	– street address, plan number, lot number, registration number, municipal value, and use of property (e.g., personal residence, rental or business property).
Business property	– identification of business assets, business name, and street address.
Shares	– name and street address of corporation, number of shares, certificate numbers, and par value or stated capital.
Partnership property	– name, street address, and identification number of partnership.
Trusts	– name and address, if any, of trust; otherwise name(s) and street address(es) of trustee(s).
Designated insurance property	– identification of insurer's business asset, business name, and street address.

Gross proceeds of disposition

Enter the gross proceeds of disposition from the sale of the property. Enter the vendor's share of the gross proceeds in Column (1).

Exemption (column 4)

If you are claiming an exemption from tax, such as under a tax treaty or a principal residence exemption, enter the exempt portion in column (4). If the amount claimed is pursuant to a tax treaty, the vendor has to certify that they are resident in the stated country of residence and, if the tax treaty contains a limitation on benefits provision (e.g., Article XXIX A of the Canada – U.S. treaty) the vendor has to provide certification that they meet the requirements of the provision in relation to the property described in this form. Form NR301, NR302 and NR303 can be used for this purpose. Please attach a note detailing any calculations involved in determining the exemption amount.

Note: You cannot claim outlays and expenses related to the disposition of property, including real estate commissions, brokerage fees, and legal and notary fees, when you file this form. However, you can claim these amounts when you file your Canadian income tax return.

Certification

Authorizing a representative

By checking the authorization boxes in the Certification section you are authorizing the person named as your representative in the Vendor's section to act on your behalf for matters concerning this T2062 and the T1261 only.

If you want to authorize the representative to deal with the CRA on additional tax matters, you will need to complete a Form AUT-01, Authorize a Representative for Offline Access.

Authorization expiry date

Your authorization will stay in effect until you or your representative cancels it. Otherwise, the authorization will expire within six months from the date of the issuance of a Certificate of Compliance or the finalization of the T2062, whichever comes first.

Signature and date

To protect the confidentiality of your tax information, we will not deal with a representative on any information given on this form unless you or a legal representative has signed and dated the form.

This area should be completed and signed by:

- the vendor in the case of an individual;
- an authorized officer in the case of a corporation;
- the trustee, executor or administrator if the person is filing the statement for a trust; or
- an authorized partner in the case of a partnership.

More information

You can get more information about residency status in Canada from Interpretation Bulletin S5-F1-CI: Determining an Individual's residence status, or by contacting our General Enquiries line as follows: From inside Canada or the United States **1-800-959-8281** (for non-resident individuals and trusts) or **1-800-959-5525** (for non-resident corporations), From outside Canada or the United States **613-940-8495** (for non-resident individuals and trusts) or **613-940-8497** (for non-resident corporations). You can also visit our website at **canada.ca/taxes**.

You can also get information from:

Information Circular:	IC72-17 – Procedures Concerning the Disposition of Taxable Canadian Property by Non-Residents of Canada – Section 116
Interpretation bulletins:	IT 176 – Taxable Canadian Property – Interests in and Options on Real Property and Shares IT 419 – Meaning of Arm's Length
Guide:	T4058 – Non-Residents and Income Tax.

Clear Data

Protected B when completed

Supporting document list

When you send us your completed Form T2062, you must attach supporting documents so we can process your request. To help you, we have provided the following reference list. You can tick (✓) the boxes that apply to you.

Transactions

Sale of land or buildings

If you sell land or buildings, include copies of:

- ☐ the offer to purchase (proposed disposition);
- ☐ the sales agreement (actual disposition);
- ☐ the purchase agreement (when property was acquired); and
- ☐ the registered deeds on purchase and sale.

Principal residence

If the property is your principal residence, also include:

- ☐ Form T2091(IND), Designation of a Property as a Principal Residence by an Individual (Other than a Personal Trust); and
- ☐ Form T2091(IND)-WS, Principal Residence Worksheet.

Personal use property

If you sell other personal use property, include a copy of:

- ☐ a letter describing the use of the property for the ownership period; and
- ☐ a list of adjustments to the adjusted cost base with supporting documentation.

Rental property

If you sell rental property, include:

- ☐ the capital cost allowance (CCA) schedules for all years;
- ☐ a list of adjustments to the adjusted cost base with supporting documentation;
- ☐ documents to support the allocation of the proceeds of disposition between land and building;
- ☐ documents to support subsection 21(1) and (3) elections regarding capitalization of interest; and
- ☐ a completed Form T2062A, Request by a Non-Resident of Canada for a Certificate of Compliance Related to the Disposition of Canadian Resource or Timber Resource Property, Canadian Real Property (other than Capital Property), or Depreciable Taxable Canadian Property.

Leases

If you grant an interest in property, or dispose of an interest in property, include copies of:

- ☐ the right-of-way agreement;
- ☐ the surface lease agreement; or
- ☐ the leasehold interest agreement.

Vendor takes back mortgage

If the vendor takes back the mortgage include:

- ☐ a copy of the mortgage agreement.

Mortgage foreclosures and power of sale

If the transaction is a result of a mortgage foreclosure or power of sale, include copies of:

- ☐ the power of sale or court order; and
- ☐ the mortgage agreement.

Sale of business assets

If you sell business assets including but not limited to accounts receivables and prepaid expenses, include copies of:

- ☐ the sale agreement (actual disposition);
- ☐ the most recent financial statements;
- ☐ if the proceeds are included in a bundled payment, ensure that the proper value has been attributed to assets; and
- ☐ the offer to purchase (proposed dispositions).

Sale of depreciable property (other than rental property)

For this type of transaction, include copies of:

- ☐ the sales agreement;
- ☐ the CCA schedules for all years;
- ☐ documentation to support the cost amount; and
- ☐ a completed Form T2062A.

Sale of shares

If you sell shares, please provide:

- ☐ documentation supporting the adjusted cost base of the shares;
- ☐ documentation supporting the proceeds of disposition; and
- ☐ the most recent financial statements of the corporation, and if they were not prepared on a consolidated basis, the most recent financial statements of any subsidiary corporations (if applicable).

Sale of partnership property

If you sell partnership property, include copies of:

- ☐ the sale agreement (actual disposition);
- ☐ the listing of partners (including their names, addresses, Canadian identification number, percentage ownership and each partner's portion of payment;
- ☐ the partnership agreement; and
- ☐ the offer to purchase (proposed disposition).

Partnership interest

If the property is a partnership interest, include a copy of:

- ☐ the calculation of the adjusted cost base (ACB);
- ☐ the partnership capital account balance; and
- ☐ the purchase agreement (if interest was originally acquired from another partnership).

Partnership residual interest

If the property is a partnership residual interest, include a copy of:

- ☐ a calculation of the ACB.

Partnership continuing income right

If the property is a continuing income right, include:

- ☐ a calculation of the ACB; and
- ☐ documents to support the partner's share of income.

Interest in a Trust

If you are disposing of interest in a trust, include:

- ☐ the name and account number of the trust;
- ☐ sale documents if interest was sold;
- ☐ FMV of any property received from the trust in settlement of the capital including any evaluations; and
- ☐ a calculation of proceeds and adjusted cost base.

Tax treaty exemptions

If you are claiming an exemption under a tax treaty, you have to give us proof of residency.

The vendor has to provide sufficient information to establish that they met the requirement of the treaty and that they are eligible for tax treaty benefits under the treaty. In this regard, the vendor should complete and submit Form 301, Declaration of eligibility for benefits under a tax treaty for a non-resident taxpayer, Form 302, Declaration of eligibility for benefits under a tax treaty for a partnership with non-resident partners, Form 303, Declaration of eligibility for benefits under a tax treaty under a hybrid entity, or equivalent information. For partnerships and hybrid entities, each partner or member in respect of whom treaty benefits are claimed must provide a summary declaration to the CRA as indicated below.

Individuals should include:

- ☐ copies of their most recent income tax returns from the treaty country; and
- ☐ a letter from the tax authority in the treaty country confirming their residency status.

Corporations should include:

- ☐ a copy of their charter;
- ☐ a letter from the tax authority in the treaty country confirming their residency status; and
- ☐ copies of their most recent income tax returns from the treaty country.

Hybrid entities should include:

- ☐ complete and submit NR303, Declaration of eligibility for benefits under a tax treaty for hybrid entity, and Worksheet B or equivalent information; or
- ☐ proof of the election to be taxed as a corporation.

Note: A treaty exemption can only be claimed on the portion of income derived by residents of the United States who are entitled to treaty benefits under paragraph 6 of Article IV of the Canada – United States tax treaty and to whom paragraph 7 of the same article does not apply. These persons must also meet the limitation on benefits provision of Article XXIX A.

Partnerships should include:

- ☐ complete and submit NR302, Declaration of eligibility for benefits under a tax treaty for a partnership with non-resident persons; or
- ☐ proof of the election to be taxed as a corporation.

Trusts and estates should include:

- ☐ a copy of the trust agreement, indenture or will; and
- ☐ a letter from the tax authority in the treaty country confirming the trust's residency status; or
- ☐ copies of the most recent income tax returns from the treaty country.

Fresh start rule

If you are claiming an exemption under the Canada-US Tax Convention, Article XIII paragraph 9 (Fresh Start Rule), include:

- ☐ proof that you were a continuous resident of the United States from September 26, 1980, to the date of sale;
- ☐ the value of the property on December 31, 1971 (for property acquired before January 1, 1972);
- ☐ the calculation of the exempt portion of the gain accrued to December 31, 1984; or
- ☐ an appraisal report for the fair market value of the property on December 31, 1984.

Non arm's length transactions

If the transaction is between non arm's length parties, include:

- ☐ an appraisal report determining the fair-market value of the property at the time of disposition; or
- ☐ a letter of opinion from an appraiser.

Gift of property

If the transaction is a gift of property, include:

- ☐ a copy of the transfer deed.

Section 85 elections (rollovers)

If a section 85 election is made on the transaction, include a copy of:

- ☐ Form T2057, Election on Disposition of Property by a Taxpayer to a Taxable Canadian Corporation; or
- ☐ Form T2058, Election on Disposition of Property by a Partnership to a Taxable Canadian Corporation; and
- ☐ all supporting documents including variations, appraisals, and calculations showing how the agreed amounts were determined.

Corporate reorganization

If the transaction is a result of a corporate reorganization, include:

- ☐ copies of documents explaining the reorganization;
- ☐ a list of steps involved in the reorganization; and
- ☐ a corporate organization chart.

Deemed dividends – section 212.1 or subsection 84(3)

If a section 212.1 or subsection 84(3) deemed dividend results from the transaction, include the calculation of the:

- ☐ deemed dividend or paid-up capital reduction;
- ☐ tax paid-up capital; and
- ☐ non-resident tax account number.

Trusts and estates

If the vendor is a trust or estate, include the following information as well as documents related to the transaction:

- ☐ name and address of the trustee, executor, administrator, or other representative of the trust or estate;
- ☐ proof of residency of the trustee, executor, administrator, or other representative of the trust or estate;
- ☐ list of beneficiaries and their residences;
- ☐ the trust or estate's country of residence; and
- ☐ disclosure that a trust is a party to the transaction.

Charities and non-profit organizations

If the vendor is a charity or non-profit organization, include the following information as well as specific documents related to the transaction:

- ☐ proof that the organization is registered as a charity for tax purposes in the country of residence.

Joint tenancy, tenancy in common, or co-ownership

If the vendor is a member of a joint tenancy, tenancy in common, or co-ownership, include the following information as well as specific documents related to the transaction:

- ☐ a list of names and addresses of all members; and
- ☐ the percentage of ownership of each member.

Elections

If you previously made an election on the property, include a copy of the election form such as:

- ☐ Form T2061A, Election by an Emigrant to Report Deemed Dispositions of Taxable Canadian Property and Any Resulting Capital Gain or Loss.
- ☐ electing under subsection 45(2), deems the change in use from personal to income producing not to have occurred.
- ☐ electing under subsection 45(3), deems the change in use from income producing to personal not to have occurred.

Note: If there was a change in use and no election was made provide the fair market value of the property at the time the change occurred.

Payment of tax or security

If you are making a payment of tax, include:

- ☐ the trust cheque, certified cheque, bank draft, or money order;
- ☐ the bank guarantee; or
- ☐ proof that acceptable security has been provided to the Minister.

Request by a Non-Resident of Canada for a Certificate of Compliance Related to the Disposition of Taxable Canadian Property

Note: The information you provide on this form is collected under the authority of the Income Tax Act (ITA) and is protected by the provisions of the Privacy Act. It is used to process requests for certificates of compliance under Section 116 of the ITA and is retained in information bank number CRA-OPPU 111.

Vendor (non-resident)

☐ Corporation ☐ Trust ☐ Partnership ☐ Individual

Business number	Trust account number	Social insurance, individual tax*, or subsidiary ledger number

*Tick this box to indicate if a T1261 Application for a Canada Revenue Agency Individual Tax Number (ITN) for Non-Residents has been sent to the Sudbury Tax Centre. ☐

Last name (print)	First name and initial (print)	Date of Birth YYYY MM DD	Date of departure from Canada (if applicable) YYYY MM DD

Present address	Telephone number
Country of residence (see the instructions on page 1)	Fax number
Representative name	Telephone number
Representative address	Fax number

Tick the box where correspondence is to be sent (if no box is ticked, correspondence will be sent to vendor) ☐ Vendor ☐ Representative

Purchaser

Last name (print)	First name and initial (print)	Telephone number
Present address		Fax number
Representative's name		Telephone number
Representative address		Fax number

Check the box where correspondence is to be sent (if no box is ticked, correspondence will be sent to purchaser) ☐ Purchaser ☐ Representative

Details of property (see the instructions on page 1 for more information)

☐ Real property ☐ Business property ☐ Shares ☐ Partnership property ☐ Trusts ☐ Designated insurance property

Date or proposed or completed disposition ▶ YYYY MM DD	Vendor's acquisition date ▶ YYYY MM DD

Property jurisdiction ▶	City/ Municipality	Province/territory	Postal code

Property description

Gross proceeds of disposition. Tick the box that applies to you ☐ Proposed disposition ☐ Completed disposition

(1) Proceeds of Disposition	(2) Adjusted cost base	(3) Gain or (loss) Column (1) less column (2)	(4) Exemptions	(5) Net gain or (loss) Column (3) less column (4)
$	$	$	$	$

Payment of tax. Enter 25% of net gain. ▶ $

Clear Data

Protected B when completed

1. Is the disposition subject to an election under section 85 (transfer of property to a company)? ☐ Yes ☐ No

2. Did you rent or lease the property during the period of ownership? ☐ Yes ☐ No
If **yes**, complete the following:

☐ Non-resident tax was withheld. Provide name and address of person who withheld the tax. ▶

☐ Non-resident tax was not withheld. State the period during which income was received from the property (attach statements that show the amount of gross income).

From: YYYY MM DD To: YYYY MM DD

If **no**, state the use of the property during the period of ownership. ▶

3. If you have outstanding balances for taxes, including income or excise taxes, custom duties, or the goods and services tax/harmonized sales tax (GST/HST), provide the identification or account number(s) for the outstanding balances. ▶ _____

4. Indicate the last tax year for which you filed a Canadian income tax return, if applicable. ▶ _____

5. Is the disposition of property to a person with whom you are not dealing with at arm's length, or a gift inter-vivos? ☐ Yes ☐ No

If **yes**, to either or both, and the disposition is at less than fair market value, enter the vendor's share of the fair market value at the time of the disposition in the vendor's share of gross proceeds of disposition column (1) above.

Certification

Please check the box(es) that apply if you are authorizing the CRA to deal with your representative concerning:

☐ T2062, Request by a Non-Resident for a Certificate of Compliance Related to the Disposition of Taxable Canadian Property

☐ T1261, Application for a CRA Individual Tax Number (ITN) for Non-Residents

I, _____ , certify that the information given on this form is, to the best of my knowledge, correct and complete.
Name

_____ Date

_____ (Authorized person's signature)

_____ (Position or office)