

PURPOSE: To identify a bare trust relationship.

COMPLIANCE REQUIREMENTS:

- **Filing a T3 Trust Return and completing the Enhanced Reporting Requirements, which are outlined on Schedule 15.**
These forms outline the relationship of the party to the trust, whether that is the settlor, trustee or beneficiary.
Due 90 days after December 31st “unless an exemption applies”

EXAMPLES:

Some examples of situations that may be caught by the new enhanced Reporting Requirements include:

- a) Parent on title of adult child’s home for financing purposes
- b) Adult child on title of parent’s home for estate planning purposes
- c) Not for Profits holding restricted contributions or endowments
- d) Shares of a Corporation held in trust by parent on behalf of a minor child
- e) Real Estate development deposits on pre-sales
- f) Parents or Grandparents holding bank accounts in trust for children or grandchildren
- g) Individuals on title of real property held in trust for a Corporation
- h) General partner of a partnership holding land on behalf of a limited partner of the partnership
- i) Certain joint ventures
- j) One spouse is solely on legal title to property, but both spouses live in property and/or on a martial breakdown

The above is not an exhaustive list and there could be other situations that apply.

EXCEPTIONS:

If one of the examples above meets a scenario that you are in, then it is important to understand if an exception applies, which would exclude you from completing the enhanced trust reporting requirements. Some of the more common exceptions include:

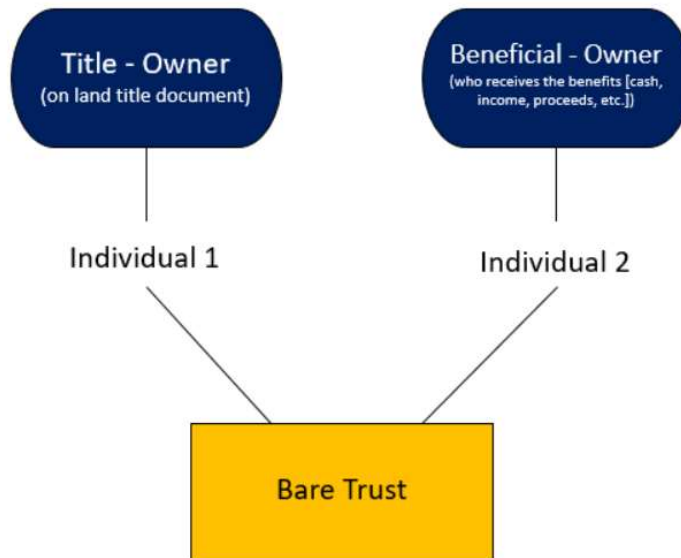
- a) A Trust in existence for less than 3 months at the end of the year
- b) A Trust only has certain restructure assets (cash & publicly listed shares) with a total Fair Market Value (“FMV”) that doesn’t exceed \$50,000 at any time in the year
- c) Trusts required by law that are regulated (i.e. lawyer’s trust accounts and not specific to certain clients)
- d) A Trust held by a registered charity
- e) A Trust held by a not for profit, club, society or association under 149(1)(1) of the ITA

A T3 Trust return must be filed if none of the exceptions are met. And previous rules in place could still require a Trust to file a return, such as when Capital Property is disposed of, or the Trust has taxes payable.

VISUAL EXAMPLES:

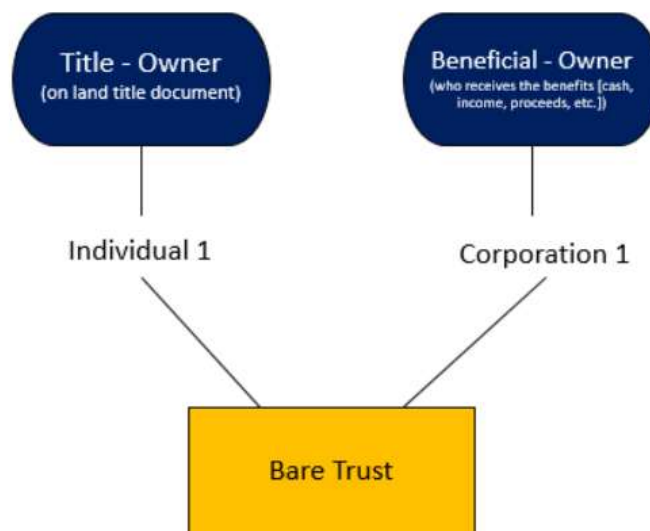
1. OWNERSHIP OF REAL ESTATE

E.G. Parent co-Signs for Child's Loan on Property OR Child is put on Parent's Property for Estate Planning Purposes

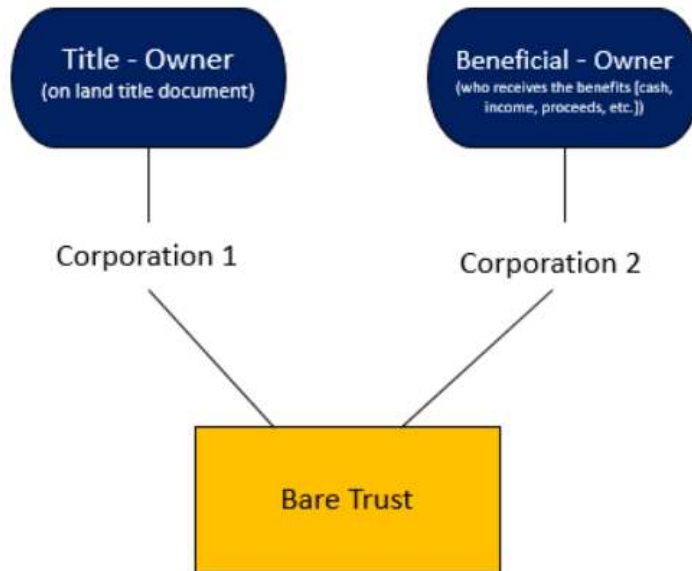


2. ASSET PURCHASED PERSONALLY AND TRANSFERRED TO A CORPORATION

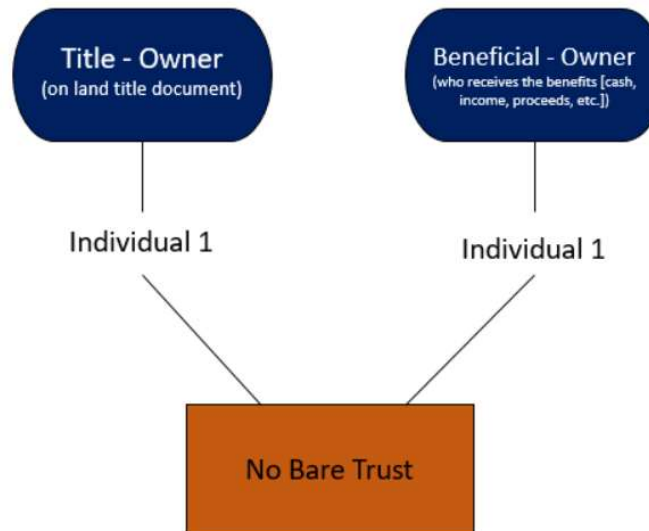
E.G. Individual purchases vehicle and transfers it into a Corporation



3. CORPORATION OWNS REAL PROPERTY BUT TRANSFERS TO A SIBLING CORPORATION



4. PERSON SOLELY OWNS REAL PROPERTY



5. SPOUSES, FRIENDS, ETC., OWN REAL PROPERTY JOINTLY

