

# Foreign Reporting Requirements for Canadian & U.S. Athletes

## Form T1135, Foreign Income Verification Statement | Canada



Form T1135 must be filed by Canadian resident athletes that, at any time during the tax year, owned **specified foreign property** with a total aggregate cost of more than CA\$100,000.<sup>1</sup>

Specified foreign property includes, but is not limited to, the following:

- Funds situated, deposited or held outside Canada (e.g., U.S. bank accounts)
- Real estate situated outside Canada other than real estate held for personal use (e.g., rental property in the U.S.)
- Shares in a non-Canadian resident corporation (e.g., marketable securities held either directly or indirectly through a brokerage account)

Form T1135 is due on the same date as the Canadian T1, Income Tax and Benefit Return i.e., April 30 of the following year (automatically extended to June 15 for self-employed individuals).

Failure to file Form T1135 could result in significant penalties.

## Report of Foreign Bank and Financial Accounts (FBAR) | U.S.



An FBAR must be filed by a U.S. citizen or resident athlete that, at any time during the tax year, has an interest in or signing authority over any **financial account** located outside of the U.S. with a combined amount of more than U.S. \$10,000.

Financial account includes, but is not limited to, the following:

- Bank accounts (e.g., Canadian chequing and savings accounts)
- Securities accounts (e.g. Canadian brokerage accounts)
- Accounts maintained in a foreign (non-U.S.) financial institution

The FBAR is due by April 15 of the following year. However, an extension to October 15 is automatically granted if you fail to meet the due date.

Failure to File the FBAR could result in significant penalties.

## Other Foreign Reporting Forms



If a Canadian resident athlete holds a significant interest in a non-Canadian private company, Form T1134 *Information Return Relating To Controlled and Non-Controlled Foreign Affiliates* may be required to be filed. This form involves significant disclosure. Similar forms are required to be filed where a U.S. citizen or resident athlete holds a significant interest in a non-U.S. private company.

## We're here to help

For more information on Sports & Entertainment tax in Canada, contact David Silber, Ananth Balasingam, Jeffrey Steinberg or Alice Madolciu to learn more:

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*While this infographic contains general information, Crowe Soberman recommends that you speak with your tax advisor before taking specific planning steps.*

<sup>1</sup> Form T1135 is not required in the first year that an athlete becomes a Canadian tax resident.