

Form NR602 must be used where no withholding tax is required.

Form NR601 is to be completed by or on behalf of a non-resident of Canada when:

- (a) Negotiating interest coupons:
- 5% tax where the date of issue of the bond was on or before December 20, 1960, and the bond was issued or guaranteed by a Canadian province or territory
 - 25% tax for non-treaty countries **only** if taxable under section 212(1)(b) of the *Income Tax Act*
- (b) Negotiating dividend warrants for Canadian securities:
- 25% tax for non-treaty countries

Encashing agents can use the online non-resident tax calculator at www.cra.gc.ca/partxiii-calculator to determine tax liability or use the rates in the current version of Information Circular IC76-12, *Applicable rate of Part XIII tax on amounts paid or credited to persons in countries with which Canada has a tax convention*.

The encashing agent shall:

- withhold non-resident tax (see Note below);
- send copy 1 to the International and Ottawa Tax Services Office, Post Office Box 9769, Station T, Ottawa ON K1G 3Y4, CANADA, by the 15th of the following month. For information on how to remit the non-resident tax withheld, go to www.cra.gc.ca/payments or see Guide T4061, *NR4 – Non-Resident Tax Withholding, Remitting, and Reporting*.
- give copy 2 to the non-resident owners or agents at the time of the cashing;
- keep copy 3 for his or her records. The information on this form will help him or her complete the NR4 Summary.

Note: Where the total of amounts paid or credited in a year is less than \$50, the following rules apply:

- No withholding applies.
- No NR602 is required.
- No reporting is required on the NR4 Summary.

However, if the agent withheld tax on an amount less than \$50, an NR601 is required and must be reported on the NR4 Summary.

For more information on completing forms NR601 and NR602, see Guide T4061, *NR4 – Non-Resident Tax Withholding, Remitting, and Reporting*, available on our website at www.cra.gc.ca/forms.

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