	INFORMATIO	ON RETURN	OF NON-ARM T106	S LENGTH TR			TIONS	S WITH	NOI	N-RESI	DENT	S										
•	Complete a se Refer to the in	eparate T106 Sli struction sheet	before you comp ip for each non-re for information or to use functional	lete the T106 Su esident. In the penalties ap	mma	iry an			Э.													
_	,	,.	he elected function		de: l																	
			artnership identi complete the are																			
Г	Corporation	Corporation nam	ie						Bu	isiness Ni	umber (BN)				-	_	-	_	-	1	
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	Partnership	Partnership nam	e	Partnership code					artnership	ership identification number											1	
_		Trust name										Trust	accou	nt n	umbe	er						
	Trust											Т			-				-	-		
_		First name		Last name				Initial	Indi	ividual co	de	Socia	al Insur	anc	e Nur	nber				_		
	Individual								1	2]
Rei	porting	No. S	Street																			
per	son/partnership dress:	/partnership																				
Sec	tion 2 – Sumn	nary informatio	n																	_		
			you filing these T10	06 forms?			2. Is t	this the firs	t time	e you hav	e filed	T106 fe	orms?								No	٦
Fro	Year Month Day To Year Month Day Trom Year Year Month Day To Year Month Day T106 forms. T106 forms.																					
	3. Enter the total number of T106 Slips attached. 4. Enter the total of all box "!" amounts from the T106 Slips attached (to the nearest Canadian dollar or functional currency unit – see Instructions). 5. Enter the gross revenue of the reporting person/partnership (to the nearest Canadian dollar or functional currency unit – see Instructions).																					
			\$							\$]
6.	State the main bu	usiness activities o	of the reporting pers	on/partnership by e	enterir	ng the	approp	riate NAIC	S co	de(s) – se	e Instr	uctions	for NA	AICS	6 cod	es.						
		cc	AICS ode(s): 1			2				3						4						
	claimed by the re tax year/fiscal per	porting person/par riod affected by ar	ne, deductions, fore rtnership in the curr ny completed, outst ent authority assista	anding Yes] No	clai tax	any of the med by the year/fiscal roposed as	e repo perio	orting per od adjuste	son/par ed to re	tnersh flect ar	ip in th 1 asses	e cu ssme	urrent ent or		realt	<u>,</u>	'es		No	
	advanced pricing	arrangement (AP	nodologies (TPM) us A) or similar arrang rship have to file a N	ement between any	y non-	reside	ent and	a foreign t	ax ac	dministrat		III of t	he T10)6 S	lins?				'es		No	
	If yes , state the primary account																_	<u></u>	'es		No T	
	numbers:	1						2														
1.	Has the reporting		ip received from or																'es		No	
2.	Has the reporting	person/partnersh	pperty, or anything v	•			•							men	iť?				'es		No	_
	whatever, for white	ch there was nil co	onsideration?			Cer	tificat	ion											00			
Р	erson to contact	for more information	on (please print)			001	vat															
_	irst name		Last nam	ne						Area coo	le	Tel	ephone	e nu	mber							
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l, k	nowledge, correct	t and complete.					, ce	rtify that th	e info	ormation	given o	n thes	e T106	Su	mmar	y and	Slip	os is, to	b the	best	of my	′
_	Date		Authorized signing	officer's, person's,	or rep	preser	ntative's	signature			F	ositior	n, title,	or o	fficer	s rank	(
L																						

Canada Revenue Agence du revenu du Canada



Do not use this area

Instructions

If an election has been made under paragraph 261(3)(b) of the *Income Tax Act* to report in a functional currency, state all monetary amounts in that functional currency, otherwise state all monetary amounts in Canadian dollars (no cents). The codes for the functional currencies are as follows: AUD – for Australian dollar

USD – for U.S. dollar GBP – for U.K. pound EUR – for Euro

Section 1 – Reporting person/partnership identification For partnership code, check (\vee):

1 If end partners are individuals or trusts.

2 If end partners are corporations.

3 If end partners are a combination of 1 and 2 mentioned above.

An end partner is the final recipient (corporation, trust or individual) that receives an allocation of income from the partnership after the income has flowed through the various levels of a tiered partnership.

For individual code, check (\vee):

1 If the individual or the individual's spouse is self-employed.

2 If the individual or the individual's spouse is not self-employed.

Section 2 – Summary information

Q.1. Enter the applicable tax year/fiscal period.

Q.2. State if this is the first time that a T106 has been filed. If "no," enter the last tax year/fiscal period end for which T106 documentation was filed.

Q.5. Enter the gross revenue of the reporting person/partnership. Do not enter the net income or taxable income. When reporting non-arm's length transactions between a related party and a branch, enter the gross income attributable to the branch.

Q.6. State the main business activities of the reporting person/partnership by entering the appropriate North American Industrial Classification System (NAICS) code(s). The list of current NAICS codes can be found at the Statistics Canada internet site,
 http://www.statcan.ca/english/concepts/industry.htm#2. Main business activity means any business segment which accounts for more than 10% of the gross revenue of the reporting person/partnership or the non-resident.

Certification

An authorized officer, person, or representative has to sign this form when it is completed. The certification declaration on this form applies to the T106 Summary and Slips.



Agency

Refer to the information and instruction sheet before you complete this form.

Check ($$) the applicable box				•				eas	that	app	ly.										Slip		_ of	
Part I – Reporting person/pa																								
Corporation	Bus	ine	ess N	ium	<u>ıber</u>	(BN	1)	-	_	-	-		_				_	Trust		Trust acc	ount nur	nber		
											F	8 0	>							T				
Partnership	Part	ne	rship) ide	entifi	icati	on n	umb	er		_						_	Individual		Social In	surance	Number		
For what tax year/fiscal period are T106 Slip?	e you	ı fili	ing tł	nis				F	rom		Y	ear 		Mo	nth	C	ay I		То	Yea	ır 	Month	Day	
Part II – Non-resident inform	natio	n																						
1. Name of the non-resident																								
2. Address of the non-resident ar	nd co	oun	try o	f re	side	ence	e (see	e Ins	truct	ions	or i	nform	natio	n on	cou	untry	codes	s)				Cour		
																						Coun code		
3. Type of relationship:																	If	"1", is the non-resi	dent in a co	untrv Y	es N	0	·!	
1 Non-resident is controll reporting person/partne			2	: [n-resi			trols partn	ore	hin	з	3]0	Other	w	ith which Canada c tax treaty?					attach finan	ncial non-resident.
4. State the main business activit			the tr	ran		· ·				parti	615		1		- 		a	5. State the	main coun	tries for the				
Part III by entering the appropr for NAICS codes.	riate	NA	ICS	co	de(s). Se	ee in	stru	ction	S	3									d in Part III I iate country	by 1		2	
NAICS 1 code(s): 1			\neg	2							4							code(s) –	see Instru	ctions.	3		4	
code(s):	d cor	ntei				s do	cum	enta	tion		-				<u> </u>] 7. Have any of t		ry code(s):	thodoloa	ies		
as described in subsection 247 tax year/fiscal period with resp	7(4) c	of t	hė Ir	nco	me 1	Тах	Act f					٢	'es		Ν	lo		(TPM) change with respect to	ed since th	e previous			'es	No
Enter in the appropriate box the m with the non-resident. Enter the ap							•												ole) derive	d or incurred Purch		following t	ransactio	ns
Tangible Property																م ۲	to ı	non-resident		from non-	residen	t TPM		
Stock in trade/raw materials																\$			\$			_		
Other (specify):																\$			\$	F				
Rents, Royalties and Intangible			•														from	Revenue non-resident	TPM	Expenton to non-r	esident	ТРМ		
Rents																			\$					
Royalties (e.g., for the use of p	pater	nts,	, trac	lem	narks	s, se	ecret	forn	nulas	s, kno	w-h	iow)				\$_			\$					
License or franchise fees																·			\$					
Intangible property or rights (a	acqui	red	l or c	lisp	ose	d of)			• • •		• • •		• • •		\$_			\$					
Services																ہ ۲							i	
Management, financial, admin																			\$			_		
Engineering, technical, constru																~ I								
Research and development												• • •		• • •		. –								
Commissions		• •		• •		•••				• • •	• • •	• • •		• • •		\$_			\$					
Financial																۰Γ] 					
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Dividends (e.g., common stor																			\$			_		
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Lease payments																~ T						_		
Securities Lending (fees and c							,									_ F						\neg		
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Other (excluding derivatives -	see	гa	it v):	· _												\$								
Other Deimburgement of expenses																\$] \$					
Reimbursement of expenses .		• •		• •		•••		•••		• • •	• • •	• • •		• • •		\$			↓ ↓ ↓ \$			\neg		
Other: Please enter the total of all entries	mad	ز ما	n 000			mn		ort II							A=	F			- Φ B= \$			┥└─┘		
											• •		•••	• • •	~-	-ΨL] ש− שנ					
Part IV – Loans, advances, in	ives	รเก	nen	15	and	1 51	mia	raf	nou		jinn	ing I	bala	nce	_			Increase	_	Decr	ease		Ending	balance

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Amounts owed by reporting person/partnership \$

Amounts owed to reporting person/partnership \$

Investment in non-resident (ACB) \$

Please enter the total of all entries made in each column of Part IV

Part V – Derivatives	Number of contracts	Notional amount	Revenue non-resi		
101 Interest Rate Contracts		\$	\$	\$	
102 Foreign Exchange Contracts		\$	\$	\$	
103 Credit Contracts		\$	\$	\$	
104 Equity Contracts		\$	\$	\$	
105 Commodity Contracts		\$	\$	\$	
106 Index Contracts		\$	\$	\$	
107 Fees (including commissions)		\$	\$	\$	
108 Other payments / receipts (specify)		\$	\$	\$	
Please enter the total of all entries made in each column of Part VE	E= F=	= \$	G= \$	H= \$	
Please enter in box I the total of all entries made in boxes A, B,	C, D, G and H I =	= \$]		
Part VI – Current accounts					
	Beginning balance	Increase	Decrea	se Ending balance	
Amount of accounts payable	\$	+\$	-\$	=\$	
Amount of accounts receivable	\$ 4	+ \$	-\$	= \$	

Instructions

If an election has been made under paragraph 261(3)(b) of the *Income Tax Act* to report in a functional currency, state all monetary amounts in that functional currency, otherwise state all monetary amounts in Canadian dollars (no cents).

Part II - Non-resident information

Q.1 and Q.2. Enter the name and address of the non-resident. For the list of country codes, see the CRA publication, T4061 – NR4 – Non-Resident Tax Withholding, Remitting and Reporting guide, Appendix A – Country Codes, at: http://www.cra-arc.gc.ca/E/pub/tg/t4061/t4061-e.html.

Q.3. State the type of relationship that exists between the reporting person/partnership and the non-resident. The Canada Revenue Agency needs the relevant financial statements (in English or French) of the non-resident if the non-resident is controlled by the reporting person or partnership and is resident in a non-treaty country. Canada has income tax conventions (treaties) with more than 60 countries. These include the United States, the United Kingdom, France, Japan, and Australia. For information about the countries with which Canada has concluded an income tax treaty, contact your tax services office or consult the Internet at: www.fin.gc.ca.

Q.4. State the main business activities for the transactions reported in Part III by entering the appropriate North American Industrial Classification System (NAICS) codes. The current NAICS codes can be found at the Statistics Canada internet site, http://www.statcan.ca/english/concepts/industry.htm#2. You can enter more than one code.

Q.5. State the main countries for the transactions reported in Part III by entering the appropriate country code. You can enter more than one code. For the list of country codes, see the information provided under Q1. and Q2. above.

Q.6. Enter **yes** or **no** to the question. In general, subsection 247(4) of the *Income Tax Act* relates to the requirement to maintain and make available contemporaneous transfer pricing documentation. You can find more information on contemporaneous documentation requirements in Information Circular 87-2, *International Transfer Pricing*. The circular is available at our tax services offices and on the Internet at: **www.cra-arc.gc.ca**.

Part III – Transactions between reporting person/partnership and non-resident

Enter (to the nearest Canadian dollar/functional currency unit if applicable) the monetary consideration derived or incurred for the transactions in Part III. Only record in Part III those amounts that apply to the non-resident described in Part II. Report gross amounts in the two columns.

The "Sold to non-resident" and "Revenue from non-resident" refers to gross sales and revenue received from non-arm's length transactions with non-residents. For example, this includes transactions related to exports from Canada and services provided to the non-resident.

The "Purchased from non-resident" and "Expenditure to non-resident" refers to gross purchases and expenditures made relating to non-arm's length transactions with non-residents. For example, this includes transactions related to imports into Canada and services provided by the non-resident.

For the banking industries, the line for "Stock in trade/raw materials" must be used to report bonds, debentures, loans, mortgage transactions. The normal interest income and expense on loans and advances with the non-arm's length non-resident(s) must be reported in the Financial section.

Part V – Derivatives

The column for Notional Amounts applies to swap transactions. The terms used in this section are described below:

101	riptions Interest Rate Contracts This section includes – forward rate arrangements – swaps	104	Equity Contracts - includes contracts used to transfer the economic benefits of securities and debt instruments
	 options purchased options written 	105	Commodity Contracts includes swaps, forward contracts and options
102	Foreign Exchange Contracts – forward contracts – cross currency swaps	106	Index Contracts - includes all contracts that derive their value from publicly traded indices
	 cross currency interest rate swaps options purchased options written 	107	Fees – any fee or commission charged on derivative transactions
	Credit Contracts – risk transfer arrangements	108	Other Payments / Receipts - other payments and receipts not identified above

Do you need more information?

For general enquiries, contact the Business Enquiries section of your tax services office. For detailed information about completing the form, contact the International Audit Division of your tax services office. The address and telephone number of the tax services office are listed under "the Canada Revenue Agency" in the Government of Canada section of your telephone book and on the Internet at: www.cra-arc.gc.ca.



Agency

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nd instructio aboat baf you complete this form . informatio

Check ($$) the applicable b				ionn.					Slip	of
Part I – Reporting person/	partnership info	rmation							•	
Corporation	Business Numbe	er (BN)					Trust	Trust acc	count number	
			R	С				Т	_	
Partnership	Partnership iden	tification number	- i i				Individual	Social In	surance Number	
For what tax year/fiscal period a T106 Slip?	are you filing this	Fro	m Yea	r I	Month	Day		To Yea	ar Month	Day
Part II – Non-resident infor	rmation									
1. Name of the non-resident										
							`			
2. Address of the non-resident	and country of resid	dence (see Instru	ictions for inf	ormatio	on on cour	try code	9S)		Cou	
3. Type of relationship:		Non-resident c	ontrole				f "1", is the non-resident	in a country	es No	attach financial
1 reporting person/par		reporting perso		, S	3 Otl		with which Canada does a tax treaty?	not nave		ents of the non-reside
 State the main business act Part III by entering the appro for NAICS codes. 								n countries for the eported in Part III ppropriate country		2
							code(s) – see		3	4
code(s):	2		4					Country code(s):		
6. Have you prepared or obtain as described in subsection 2 tax year/fiscal period with re	247(4) of the Income	e Tax Act for the	n	Yes	No		 Have any of the tr (TPM) changed si with respect to the 	ince the previous	thodologies reporting period	Yes No
Part III – Transactions bet Enter in the appropriate box the with the non-resident. Enter the	monetary consider	ation (to the near	est Canadiar	n dollar	r/ functiona		Instructions.		Ū	transactions
Tangible Property						to	Sold non-resident T	Purch PMfrom_non		<u>n</u>
Stock in trade/raw materials	3					\$		\$		
Other (specify):						\$		\$\$		
Rents, Royalties and Intangibl	le Property					fror	Revenue n non-resident T	PM Expen to non-r	diture esident TPN	л
Rents						\$		\$]
Royalties (e.g., for the use of	of patents, tradema	rks, secret formul	as, know-hov	w)		\$		\$		
License or franchise fees .								\$		1
Intangible property or rights	(acquired or dispos	sed of)				\$		\$		1
Services										-
Management, financial, adn	ninistrative, marketi	ng, training, etc.				\$		\$		
Engineering, technical, cons								\$		
Research and development	t					\$		\$]
Commissions								\$]
Financial										_
Interest						\$		\$		

Reimbursement of expenses	\$		\$		_	
Other:	\$		\$			
Please enter the total of all entries made in each column of Part III	A= \$		B = \$			
Part IV – Loans, advances, investments and similar amout ${\sf A}$	unts Beginning balance	Increase		Decrease		Ending balance
Amounts owed by reporting person/partnership $\ldots \ldots \$$	+ \$		-\$		=\$	
Amounts owed to reporting person/partnership $\ldots \ldots \$$	+ \$		- \$		=\$	
Investment in non-resident (ACB) \$	+ \$		-\$		=\$	
Please enter the total of all entries made in each column of Part IV $_{\ldots}$	C=\$		D = \$			

Dividends (e.g., common stock, preferred stock, deemed dividends) \$

Sale of financial property (including factoring, securitizations and securities)\$ Lease payments\$

Securities Lending (fees and compensation payments) \$

Other (excluding derivatives - see Part V):

Other

\$

\$

Part V – Derivatives	Number of contracts	Notional amount	Revenue non-res		enditure to n-resident
101 Interest Rate Contracts		\$	\$	\$	
102 Foreign Exchange Contracts		\$	\$	\$	
103 Credit Contracts		\$	\$	\$	
104 Equity Contracts		\$	\$	\$	
105 Commodity Contracts		\$	\$	\$	
106 Index Contracts		\$	\$	\$	
107 Fees (including commissions)		\$	\$	\$	
108 Other payments / receipts (specify)		\$	\$	\$\$	
Please enter the total of all entries made in each column of Part VE=	F= 5	6	G= \$	H= \$	
Please enter in box I the total of all entries made in boxes A, B, C,	D, G and H	\$			
Part VI – Current accounts					
	Beginning balance	Increase	Decrea	ase Endir	ng balance
Amount of accounts payable\$	+ :	\$	-\$	= \$	
Amount of accounts receivable	+ ;	\$	-\$	= \$	

Instructions

If an election has been made under paragraph 261(3)(b) of the *Income Tax Act* to report in a functional currency, state all monetary amounts in that functional currency, otherwise state all monetary amounts in Canadian dollars (no cents).

Part II - Non-resident information

Q.1 and Q.2. Enter the name and address of the non-resident. For the list of country codes, see the CRA publication, T4061 – NR4 – Non-Resident Tax Withholding, Remitting and Reporting guide, Appendix A – Country Codes, at: http://www.cra-arc.gc.ca/E/pub/tg/t4061/t4061-e.html.

Q.3. State the type of relationship that exists between the reporting person/partnership and the non-resident. The Canada Revenue Agency needs the relevant financial statements (in English or French) of the non-resident if the non-resident is controlled by the reporting person or partnership and is resident in a non-treaty country. Canada has income tax conventions (treaties) with more than 60 countries. These include the United States, the United Kingdom, France, Japan, and Australia. For information about the countries with which Canada has concluded an income tax treaty, contact your tax services office or consult the Internet at: www.fin.gc.ca.

Q.4. State the main business activities for the transactions reported in Part III by entering the appropriate North American Industrial Classification System (NAICS) codes. The current NAICS codes can be found at the Statistics Canada internet site, http://www.statcan.ca/english/concepts/industry.htm#2. You can enter more than one code.

Q.5. State the main countries for the transactions reported in Part III by entering the appropriate country code. You can enter more than one code. For the list of country codes, see the information provided under Q1. and Q2. above.

Q.6. Enter **yes** or **no** to the question. In general, subsection 247(4) of the *Income Tax Act* relates to the requirement to maintain and make available contemporaneous transfer pricing documentation. You can find more information on contemporaneous documentation requirements in Information Circular 87-2, *International Transfer Pricing*. The circular is available at our tax services offices and on the Internet at: **www.cra-arc.gc.ca**.

Part III - Transactions between reporting person/partnership and non-resident

Enter (to the nearest Canadian dollar/functional currency unit if applicable) the monetary consideration derived or incurred for the transactions in Part III. Only record in Part III those amounts that apply to the non-resident described in Part II. Report gross amounts in the two columns.

The "Sold to non-resident" and "Revenue from non-resident" refers to gross sales and revenue received from non-arm's length transactions with non-residents. For example, this includes transactions related to exports from Canada and services provided to the non-resident.

The "Purchased from non-resident" and "Expenditure to non-resident" refers to gross purchases and expenditures made relating to non-arm's length transactions with non-residents. For example, this includes transactions related to imports into Canada and services provided by the non-resident.

For the banking industries, the line for "Stock in trade/raw materials" must be used to report bonds, debentures, loans, mortgage transactions. The normal interest income and expense on loans and advances with the non-arm's length non-resident(s) must be reported in the Financial section.

Part V - Derivatives

Descriptions

The column for Notional Amounts applies to swap transactions. The terms used in this section are described below:

Desc	riptions		
101	Interest Rate Contracts This section includes - forward rate arrangements - swaps	104	Equity Contracts - includes contracts used to transfer the economic benefits of securities and debt instruments
	 options purchased 	105	Commodity Contracts
	 options written 		 includes swaps, forward contracts and options
102	Foreign Exchange Contracts - forward contracts - cross currency swaps	106	Index Contracts - includes all contracts that derive their value from publicly traded indices
	 cross currency interest rate swaps 	107	Fees
	 options purchased options written 		 any fee or commission charged on derivative transactions
		108	Other Payments / Receipts
103	Credit Contracts – risk transfer arrangements		 other payments and receipts not identified above

Do you need more information?

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Information Return of Non-Arm's Length Transactions with Non-Residents

Purpose

T106 Information and Instructions

The T106 Summary and Slips are annual information returns used to report non-arm's length transactions between reporting persons or partnerships and non-residents under section 233.1 of the Income Tax Act. The T106 Summary and Slips are prescribed forms.

Definitions

Under section 233.1 of the Income Tax Act:

A "reporting person" for a taxation year means a person (corporation, trust or individual) who, at any time in the year,

(a) is resident in Canada; or

Aaencv

(b) is non-resident and carries on business (other than a business carried on as a member of a partnership) in Canada.

A "reporting partnership" for a fiscal period means a partnership

- (a) a member of which is resident in Canada in the period; or
- (b) that carries on business in Canada in the period.

A "reportable transaction" means

- (a) in the case of
 - (i) a reporting person for a taxation year who is not resident in Canada at any time in the year, or
 - (ii) a reporting partnership for a fiscal period no member of which is resident in Canada in the period,
- a transaction or a series of transactions that relate in any manner whatever to a business carried on in Canada by the reporting person or partnership in the year or period or a preceding taxation year or period: and
- (b) in any other case, a transaction or series of transactions that relate in any manner whatever to a business carried on by a reporting person (other than a business carried on by a reporting person as a member of a partnership) or partnership in a taxation year or fiscal period.

The terms arm's length and non-arm's length are discussed in Interpretation Bulletin IT 419, Meaning of Arm's Length. Refer also to sections 251 and 252 of the Income Tax Act.

Who has to file

A reporting person has to file T106 documentation for a tax year in respect of reportable transactions in which the reporting person and the non-arm's length non-resident person (or partnership of which that non-resident person is a member) participated in the period. The reporting person has to file the T106 documentation if the amount of the total reportable transactions for all the non-residents combined is more than CAN \$1,000,000 (i.e., the total of all Box I amounts is more than CAN \$1,000,000).

A reporting partnership has to file T106 documentation for a fiscal period in respect of reportable transactions in which the reporting partnership and the non-arm's length non-resident person (or partnership of which the non-resident person is a member) participated in the period. The reporting partnership has to file the T106 documentation if the amount of the total reportable transactions for all the non-residents is more than CAN \$1,000,000 (i.e., the total of all Box I amounts is more than CAN \$1,000,000). File T106 documentation for the partnership only and not for each partner.

Where a reporting person or partnership's total amount of the transactions with a particular non-resident during the taxation year is below \$25,000, there is no need to report these transactions in Part III of the T106 Slip. Please see the notice at http://www.cra-arc.gc.ca/tx/nnrsdnts/ntcs/t106-eng.html for additional information.

Branches

A Canadian branch of a foreign-based corporation or a foreign-based branch of a Canadian corporation does not have to file T106 documentation for notional transactions. However, non-arm's length transactions between a branch and a non-arm's length party have to be reported in the reporting person's/partnership's T106.

When to file

T106 documentation has to be filed on or before the following dates:

Corporations - six months after the end of the tax year.

Partnerships - the due date is the same as the due date for filing a partnership information return under section 229 of the Income Tax Regulations. If no partnership information return has to be filed, the reporting partnership's due date is the day by which the partnership information return would be required to be filed if section 229 did apply to the reporting partnership.

Trusts - 90 days after the end of the tax year.

Individuals - April 30 after the end of each calendar year. For individuals who are self-employed, or individuals whose spouse is self-employed, the filing due date is extended, as with their T1 individual income tax returns, to June 15 after the end of the calendar year.

For short tax years/fiscal period ends, T106 documentation is due at the same time as the filing due date of the T1, T2, and T3 income tax returns or the T5013 information return. For short tax years/fiscal periods which together do not exceed 12 months, one set of T106 documentation is enough if information for the tax years/fiscal periods is detailed in a letter that must accompany the T106 documentation.

What to file

Each reporting person or partnership has to file one T106 Summary, as well as a separate T106 Slip for each non-resident. The information reported in the T106 is filed in respect of the corporation, partnership, trust or individual and not by sub-division, cost centre or individual partner.

Where to file

T106 documentation has to be mailed to the Ottawa Technology Centre, Validation and Verification Division, Other Programs Unit, 875 Heron Road, Ottawa ON K1A 1A2. T106 documentation has to be filed separately from the income tax return. Do not attach T106 documentation to your income tax return.

Penalties

Late Filing – A late filing penalty, or multiple late filing penalties for more than one T106 Slip may be assessed under subsection 162(7) of the Income Tax Act where T106 documentation is filed after the due date. The penalty is equal to the greater of \$100 and \$25 per day, as long as the failure to file continues, to a maximum of 100 days.

Failure to file – A failure to file penalty may be assessed under subsection 162(10) of the Income Tax Act where reporting persons or partnerships knowingly, or under circumstances amounting to gross negligence, fail to file or fail to comply with a request by the Canada Revenue Agency (CRA) for T106 documentation. The minimum penalty is \$500 per month, to a maximum of \$12,000 for each failure to comply. Where the CRA has served a demand to file T106 documentation, the minimum penalty is \$1,000 per month, to a maximum of \$24,000 for each failure to comply.

False statement or omission - A false statement or omissions penalty may be assessed under subsection 163(2.4) of the Income Tax Act where information provided on the T106 Summary or Slip is incomplete or incorrect. The penalty is \$24,000.

Transfer Pricing Methodologies (TPM)

Use the codes listed below to reflect the main transfer pricing methodology.

1	Comparable Uncontrolled Price
2	Cost-Plus
3	Resale
4	Profit Split
5	Transactional Net Margin
6	Qualifying Cost Contribution Arrangement
7	Other

You can find more information on transfer pricing methods in Information Circular 87-2, International Transfer Pricing. The c	circular is available at our tax
services offices and on the Internet at: www.cra-arc.gc.ca.	