



**Additional Information on Non-Resident Corporations in Canada
(2011 and later tax years)**

Protected A
when completed

Name of corporation	Business number	Tax year-end		
		Year	Month	Day

- Non-resident corporations must complete and file this schedule with their *T2 Corporation Income Tax Return*.
- A non-resident corporation includes an emigrant corporation and a deemed non-resident corporation according to subsection 250(5) of the *Income Tax Act*.
- All legislative references are to the federal *Income Tax Act* and *Income Tax Regulations*.

Part 1 – Incorporation information

Name the country in which the corporation was incorporated (or deemed to have been incorporated according to subsection 250(5.1)) **200** _____

If the corporation was incorporated in Canada, was a certificate of discontinuance issued? **210** 1 Yes 2 No

Part 2 – Canadian income of a non-resident corporation

300 Tick **only one** of the following that most closely applies to the non-resident corporation:

01 Treaty-based exempt corporation: A corporation that carried on a treaty-protected business in Canada, had a taxable capital gain subject to tax in Canada, or disposed of a taxable Canadian property that was a treaty-protected property. Complete and attach Schedule 91, *Information Concerning Claims for Treaty-Based Exemptions*. If you are claiming a refund of the withholding tax for services rendered in Canada, provide the original T4A-NR slip along with a copy of your contract.

Note

Box 01 also includes a non-resident corporation (or deemed non-resident according to subsection 250(6)) with income earned in Canada from the operation of a ship or aircraft in international traffic, which is exempt from tax under paragraph 81(1)(c).

02 Disposition of taxable Canadian property: A corporation reporting a disposition of taxable Canadian property. Attach Form T2064, *Certificate – Proposed Disposition of Property by a Non-resident of Canada*, or Form T2068, *Certificate – The Disposition of Property by a Non-Resident of Canada*. See section 116 and Information Circular IC72-17, *Procedures concerning the disposition of taxable Canadian property by non-residents of Canada – Section 116*.

Note

If the corporation disposed of a taxable Canadian property (other than real property) that was a treaty-protected property or had a taxable capital gain in respect of a property that was a treaty-protected property, tick box 01 rather than box 02. If the corporation carried on business in Canada through a permanent establishment and disposed of a taxable Canadian property, tick box 07 rather than box 02.

03 Section 216: A corporation that is electing to file a Canadian income tax return under section 216. If a corporation files its T2 return under subsection 216(1), it will be subject to Part I tax on the net rental income and must file its income tax return within two years from the end of the tax year unless an election under subsection 216(4) has been filed. Where an election under subsection 216(4) has been filed, the income tax return must be filed within six months from the end of the tax year. See Interpretation Bulletin IT-393, *Election Re: Tax on Rents and Timber Royalties Non-Residents*.

Note

If both rental income and disposition of a taxable Canadian property have to be reported during the tax year, file a **separate** tax return under section 116 for capital gains. Tick box 02 for the separate return.

04 Travelling corporation: A corporation that operated in Canada for a limited period of time in a tax year and through which services were provided by an entertainer such as an actor (other than film and video services income, see box 12), a musician, or an athlete to a third party. For more information, see the article on artists and athletes in the appropriate tax convention. Complete and attach Schedule 20, *Part XIV – Additional Tax on Non-Resident Corporations*.

Note

If the travelling corporation is claiming a treaty-based exemption for business carried on in Canada, tick box 01 rather than box 04.

- 06 **Emigrant corporation:** A corporation that ceased to be resident in Canada and is subject to Part I and Part XIV taxes. See subsection 219.1(1), subsection 219.1(2), subsection 250(5), and Interpretation Bulletin IT-451, *Deemed Disposition and Acquisition on Ceasing to be or Becoming Resident in Canada*.
- 07 **Canadian branch:** A corporation that earned income from a business carried on in Canada through a branch office. Complete and attach Schedule 20, *Part XIV – Additional Tax on Non-Resident Corporations*. See sections 115 and 219 and Interpretation Bulletin IT-137, *Additional Tax on Certain Corporations Carrying on Business in Canada*.
- Note**
If the corporation is a non-resident insurance company, refer to box 10 or box 11.
- 08 **Limited liability company (LLC):** A corporation registered under the laws of a state of the United States that is generally recognized as a fiscally transparent entity that is not subject to US taxes, unless it has checked the box on the US tax return to be treated as a corporation for US tax purposes. If the LLC has checked the box on the US tax return, it must provide documentation from the IRS substantiating that it has elected to be taxed as a corporation. Where the LLC has not checked the box, Article IV(6) of the *Canada-US Tax Convention* (Convention) establishes the parameters under which a fiscally transparent LLC may claim the benefits of the Convention. Convention benefits claimed by a fiscally transparent LLC with respect to an amount of income, profit or gain will be permitted only if the amount is considered to be derived, pursuant to Article IV(6) of the Convention, by a person who is a resident of the United States and that person is a "qualifying person" under Article XXIX-A of the Convention or is entitled, with respect to the amount, to the benefits of the Convention pursuant to paragraph 3, 4, or 6 of Article XXIX-A of the Convention. Where the LLC is eligible to receive benefits under the Convention, the LLC must file Form NR 303, *Declaration of Eligibility for Benefits under a Tax Treaty for a Hybrid Entity*. Where the LLC is not eligible for benefits under the Convention as described above, the LLC is not considered to be a resident of the US for the purposes of Article IV of the Convention. It is subject to Part I and Part XIV taxes and it does not qualify for the reduced tax rates on Canadian-source income. Complete and attach Schedule 20, *Part XIV – Additional Tax on Non-Resident Corporations*.
- 09 **Authorized foreign bank:** A foreign bank that carried on business in Canada through branch offices and is subject to Part XIII.1 tax as per section 218.2. Provide and identify calculations as Schedule 92, *Part XIII.1 Tax – Additional Tax on Authorized Foreign Banks*.
- 10 **Life insurance company:** A corporation that carried on a life insurance business in Canada at any time in the year. See sections 115, 138, and 219, and Interpretation Bulletin IT-137, *Additional Tax on Certain Corporations Carrying on Business in Canada*.
- 11 **Other insurance company:** A corporation that carried on an insurance business **other than life insurance** in Canada at any time in the year. See sections 115, 138, and 219, and Interpretation Bulletin IT-137, *Additional Tax on Certain Corporations Carrying on Business in Canada*.
- Note**
If the insurance company carried on a **life insurance business** and another type of insurance business in Canada, tick box 10.
- 12 **Actor corporation (section 216.1):** A corporation electing to file a Canadian tax return under section 216.1 will be subject to the applicable taxes on the net Canadian-source acting income from film and video services rendered in Canada.