



# New trust reporting requirements for T3 returns filed for tax years ending after December 30, 2023

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The Canada Revenue Agency (CRA) is dedicated to providing you with the highest quality service in the most efficient way possible. Here you will find questions and answers about the new trust reporting rules.

The rules governing which trusts must file an annual T3 Trust Income Tax and Information Return ("T3 Return") have been changed for trusts with a taxation year ending after December 30, 2023. Specifically, all trusts, unless specific conditions are met, must now provide a T3 Return including

additional beneficial ownership information on an annual basis. Additionally, bare trusts may now be required to file an annual T3 Return. As a result, many trusts that did not previously have to file are now required to file an annual T3 Return.

These changes were made as part of Canada's continuous efforts to ensure the effectiveness and integrity of the Canadian tax system. The changes will help the CRA verify that trusts, their fiduciaries, beneficiaries, and related parties have met their tax and filing obligations under the Income Tax Act.

 This page will be updated with additional questions and answers as they become available. Please check for updates periodically.

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# 1. Trust reporting requirements for T3 returns filed for tax years ending after December 30, 2023

▼ 1.1. What are the changes to trust reporting for taxation years after December 30, 2023?

There are three main changes under the new rules;

- All trusts, unless certain conditions are met, will be required to file an annual T3 Return with the CRA.
- Trusts that are required to file a T3 Return, other than listed trusts (see "What is a listed trust"), generally need to complete Schedule 15 in their annual T3 return to report beneficial ownership information.

- Bare trusts are subject to the new reporting rules.

The changes outlined above may result in a situation where a trust is required to file for the first time.

Where a trust is required to file for the first time, it will need to have a trust account number before being able to file a T3 Return electronically.

It is important to include the trust account number on the T3 Return, payments and all correspondence, related to the trust.

Information on how to obtain a trust account number can be found on canada.ca.

## ▼ 1.2. What information must now be submitted on form Schedule 15 - Beneficial Ownership Information of a Trust?

Generally, all trusts that are required to file a T3 Return, other than listed trusts, will be required to report beneficial ownership information on Schedule 15 when filing their annual T3 Return by completing Schedule 15.

The Schedule 15 asks for information on all trustees, settlors, beneficiaries and controlling persons (i.e., persons who have the ability, through the terms of the trust or a related agreement, to exert influence over trustee decisions regarding the appointment of income or capital of the trust) for the trust (collectively referred to as "reportable entities").

For each reportable entity of the trust, the following information must be provided:

- name
- address
- date of birth (if applicable)
- country of residence, and
- Tax Identification Number (i.e., Social Insurance Number, Business Number, Trust Number, or, in the case of a non-resident trust, the identification number assigned by a foreign jurisdiction)

In addition, if the above information cannot be provided because the beneficiary is unknown at the time of filing the T3 Return and Schedule 15 (for example, unborn children and grandchildren, their spouses), information must be provided on Schedule 15 under Part C detailing the terms of the trust that extend the class of beneficiaries to unknown entities.

▼ 1.3. Can the information be submitted directly to the CRA in Excel, PDF, or XML without using a T3 return or Schedule 15?

No. The beneficial ownership information will only be accepted if submitted Schedule 15, which forms part of the T3 Return. There are no alternative methods of providing beneficial ownership information at this time.

If filing by paper, the Schedule 15 itself must be used and multiple copies of Part B of the Schedule 15 can be mailed along with the T3 Return. The fillable PDF version of Schedule 15 allows the user to add additional Part B sections by selecting 'Add Part B' located at the end of Part B.

▼ 1.4. On Schedule 15, is information required to be provided on reportable entities that existed for only a portion of the year?

On Schedule 15 you must include information for all reportable entities of the trust that existed at any time during the tax year. This includes situations where the person became a reportable entity at any time during the tax year and where the person is no longer a reportable entity of the trust at the end of the tax year for which you are filing a tax return.

▼ 1.5. Are the requirements different if there are no changes to Schedule 15 from the prior year?

If the trust is required to file a T3 return including Schedule 15, the schedule must be filed every year, along with the T3 Return.

The second question in Part A of [Schedule 15](#) asks if the beneficial ownership information of the trust changed during the tax year. If you answer "No", the previously reported information will be carried forward from the prior year and you will not need to provide it on this form.

▼ 1.6. What happens if a trust does not file a T3 Return or does not provide the information required on Schedule 15?

Failure to file an annual [T3 Return](#) for a trust, including [Schedule 15](#) where required, may result in a penalty. For more information related to bare trusts see [FAQ 3.5](#).

Additional information on penalties can be found in the [T4013 T3 Trust Guide](#).

If a person knowingly or under circumstances amounting to gross negligence makes, — or participates in, assents to or acquiesces in, the making of — a false statement or omission on a return required to be filed, or fails to file a return, a new penalty may apply.

This penalty will be the greater of \$2,500 and 5% of the highest amount of the fair market value of all the property held by the trust at any time in the year.

When events beyond your control prevent you from meeting your tax obligations, the CRA may grant relief of penalties and interest. For more information see [Cancel or waive penalties and interest at the CRA](#)

▼ 1.7. Do the new trust reporting requirements require information that is subject to solicitor-client privilege to be disclosed?

The new trust reporting requirements do not require the disclosure of information that is subject to solicitor-client privilege.

## 2. Affected trusts

▼ 2.1. Which trusts are now required to file a T3 Return?

A trust that is resident in Canada (including a trust deemed resident in Canada under subsection 94(3)), other than a listed trust, must file a T3 Return annually, if:

- Is an express trust, or
- For civil law purposes, a trust is other than a trust that is established by law or by judgement.

For all other trusts (resident – and non-resident), including listed trusts, a T3 Return is required to be filed for taxation years in which the trust:

- has tax payable
- is requested to file
- is a deemed resident trust
- is resident in Canada and has either disposed of, or is deemed to have disposed of, a capital property or has a taxable capital gain (for example, a principal residence, or shares in the capital stock of a corporation)

- is a non-resident throughout the year, and has a taxable capital gain (other than from an excluded disposition described in subsection 150(5) of the *Income Tax Act*) or has disposed of taxable Canadian property (other than from an excluded disposition)
- holds property that is subject to subsection 75(2) of the *Income Tax Act*
- has provided a benefit of more than \$100 to a beneficiary for upkeep, maintenance, or taxes for property maintained for the beneficiary's use (for more information, see "Line 22 – Upkeep, maintenance, and taxes of a property used or occupied by a beneficiary" on page 29 T4013 2022 Trust Guide), or
- receives from the trust property any income, gain, or profit that is allocated to one or more beneficiaries, and the trust has:
  - total income from all sources of more than \$500
  - income of more than \$100 allocated to any single beneficiary
  - made a distribution of capital to one or more beneficiaries
  - allocated any portion of the income to a non-resident beneficiary

## ▼ 2.2. Which trusts are required to include Schedule 15 with their T3 Return?

Except for listed trusts, generally every trust that is required to file a T3 Return is required to provide the additional beneficial ownership information by completing the new Schedule 15 which is a part of the T3 Return package. Schedule 15 asks for information on all



reportable entities, as defined in the T4013 T3 Trust Guide (trustees, settlors, beneficiaries, and controlling person for the trusts) including those who may have been a reportable entity for only part of the year.

Where a trust is required to file for the first time, it will need to have a trust account number before being able to file a T3 Return electronically.

It is important to include the trust account number on the T3 Return, all correspondence, and payments related to the trust.

Information on how to obtain a trust account number can be found on canada.ca.

### ▼ 2.3. What is a listed trust?

Listed trusts refer to the trusts listed in paragraphs 150(1.2) (a) to (o) of the Income Tax Act, and are as follows:

(a) a trust that has been in existence for less than three months at the end of the year;

(b) a trust that hold assets with a total fair market value that does not exceed \$50,000 throughout the year, if the only assets held by the trust throughout the year are one or more of

(i) money (note that money does not include collectible gold or silver coins, or gold or silver bars),

(ii) a debt obligation described in paragraph (a) of the definition "fully exempt interest" in subsection 212(3),

(iii) a share, debt obligation, or right listed on a designated stock exchange,

- (iv) a share of the capital stock of a mutual fund corporation,
- (v) a unit of a mutual fund trust,
- (vi) an interest in a related segregated fund (within the meaning assigned by paragraph 138.1(1)(a) of the *Income Tax Act*, and
- (vii) an interest, as a beneficiary under a trust, that is listed on a designated stock exchange;

(c) required under the relevant rules of professional conduct or the laws of Canada or a province to hold funds for the purposes of the activity that is regulated under those rules or laws, provided the trust is not maintained as a separate trust for a particular client or clients (this provides an exception for a lawyer's general trust account, but not for specific client accounts);

(d) is a registered charity;

(e) a club, society or association described in 149(1)(l) of the ITA;

(f) a mutual fund trust,

(g) a related segregated fund trust (within the meaning assigned by paragraph 138.1(1)(a) of the *Income Tax Act*);

(h) a trust, all of the units of which are listed on a designated stock exchange;

(i) a trust prescribed to be a master trust;

(j) a graduated rate estate;

(k) a qualified disability trust;

(l) an employee life and health trust;

(m) a trust described under paragraph 81(1) (g.3);

(n) a trust under or governed by a

- (i) deferred profit-sharing plan,

- (ii) pooled registered pension plan,

- (iii) registered disability savings plan,

- (iv) registered education savings plan,

- (v) registered pension plan,
  - (vi) registered retirement income fund,
  - (vii) registered retirement savings plan,
  - (viii) tax-free savings account,
  - (ix) employee profit sharing plan,
  - (x) registered supplementary unemployment benefit plan, or
  - (xi) first time home saving account; and
- (o) a cemetery care trust or a trust governed by an eligible funeral arrangements.

**Example:**

The ABC family trust only holds assets consisting of money in an amount less than with a fair market value under \$20,000 throughout the taxation year ending December 31, 2023, and earned \$700 in interest income during the year which is retained in the trust. In this situation, the trust is considered to be a listed trust.

It should be noted that in the above example, although the trust is a listed trust, and therefore does not need to include Schedule 15 per the new reporting requirements, the trust would still be required to file a T3 Return because it received more than \$500 in income during the taxation year as outlined in question 2.1.

▼ 2.4. What is an express trust?

Generally, an express trust is a trust created with the settlor's express intent, usually made in writing (as opposed to a resulting or constructive trust, or certain trusts deemed to arise under the provision of a statute). Many types of trusts are express trusts.

▼ 2.5. If a trust holds assets that are valued at less than \$50,000, including its settled property which is a collectible gold or silver coin, does it meet the requirements of 150(1.2) (b) of the *Income Tax Act*?

No, a trust that is in possession of either a collectible gold or silver coin, or a gold or silver bar will not be able to satisfy the exception in paragraph 150(1.2) (b) of the *Income Tax Act*.

See listed trusts for items included in paragraphs 150(1.2) (a) to (o) of the *Income Tax Act*.

▼ 2.6. If the trust has no income to report, can the trust just report the beneficial ownership information by filing the new Schedule 15?

The new Schedule 15 forms part of the T3 Return and therefore cannot be filed on its own.

Note: You must use Schedule 15 to report the beneficial ownership information and it must be filed by EFILE or paper with the T3 Return. Alternative formats for providing the information requested on any part of Schedule 15 (i.e., Excel, PDF, XML, etc.) will not be accepted.

Also note that since a bare trust holds only legal title to property and therefore would report income of "NIL" on its T3 Return, the beneficial owner of the property is still required to report any income earned or taxable capital gain realized on that property on their own tax return.

▼ 2.7. Under the new trust reporting requirements, how do registered charities report an internal trust?

Internal trusts are those created when a charity receives property as a gift that is subject to certain legally enforceable terms and conditions and holds that property as trustee of the trust.

The CRA will not require registered charities to file the T3, Trust Income Tax and Information Return, for internal trusts.

## 3. Bare trusts

▼ 3.1. What is a bare trust?

The term "bare trust" is not defined in the *Income Tax Act*. However, a bare trust for income tax purposes is a trust arrangement under which the trustee can reasonably be considered to act as agent for all the beneficiaries under the trust with respect to all dealings with all of the trust's property.

A trustee can reasonably be considered to act as agent for a beneficiary when the trustee has no significant powers or responsibilities, the trustee can take no action without instructions from that beneficiary and the trustee's only function is to hold legal title to the property. In order for the trustee to be considered as the agent for all the beneficiaries of a trust, it would generally be necessary for the trust to consult and take instructions from each and every beneficiary with respect to all dealings with all of the trust property.

A common example of a situation where a bare trust arrangement can exist is when, for privacy reasons, a property developer establishes a bare trust arrangement that will hold registered title to real property, while the developer retains beneficial ownership.

### ▼ 3.2. Are bare trusts now required to file an annual T3 Return and Schedule 15?

Bare trusts are subject to the new trust reporting rules for tax years ending after December 30, 2023. Accordingly, a bare trust is required to file a T3 Return annually unless specific conditions are met. A bare trust is also required to complete Schedule 15 annually, unless it is a listed trust.

Similar to all trusts subject to the new reporting rules, a trustee of a bare trust is required to register for a trust number.

▼ 3.3. If a bare trust is required to file a T3 Return, does it have to include all of the information requested in the return?

Due to the nature of bare trusts, not all information requested on the T3 Return may be relevant. The following guidance is provided to assist in completing each section of the T3 Return:

Complete T3 Return - Step 1: Identification and other information

- When using our online services, identify the type of trust as Bare Trust by selecting "code 307, Bare Trust" and provide the trust creation date in the appropriate field.
- If this is the first year of filing a trust return, send us a copy of the trust document, unless such information or document has been previously submitted. See 5.3 for more information on what documents may be required.
- Where applicable, provide a response and information related to whether the trust is filing its final return (and if so, provide the date on which the trust has been terminated or wound up in the year).
- Provide a response and information related to applicable questions on page two.

Complete T3 Return - Step 5: Summary of tax and credits

- Complete the last page including the parts "Name and address of person or company who prepared this return" and "Certification".

For bare trusts, the remaining parts of the T3 Return can be left blank. All income from the trust property for a taxation year should be reported on the beneficial owner's return of income.

Complete all parts of Schedule 15.

- Please refer to Question 1.2 for the information to be entered on Schedule 15.

#### ▼ 3.4. What name should be used for a bare trust?

When a bare trust has not been named, here are some guidelines for naming a bare trust:

- If there is a written trust deed or other agreement governing the bare trust and the document identifies a name for the bare trust you can enter it in the name field.
- If there is no written trust deed, or other agreement governing the bare trust or if the document does not identify a name for the bare trust, list the legal name (e.g., the full corporate name identified in the articles of incorporation, or the first and last names for an individual) of the beneficial owner(s) with the word "Trust" at the end.
  - For example, if "Ms. Andrews" is the beneficiary of the bare trust and there is no identified name for the trust, you could list "Ms. Andrews trust" in the name field. If there is more than one beneficial owner, place the names in alphabetical order based on last name with the word "Trust" at the end.
  - When using our online services, the name field is limited to 60 characters, if the name(s) exceed(s) the 60 character limit, you can stop typing when the limit is reached but include the word "trust".



▼ 3.5. Will the CRA provide any relief for penalties if a bare trust does not file their 2023 T3 Return and Schedule 15 by the filing deadline as required?

The CRA will provide relief to bare trusts by waiving the penalty payable under subsection 162(7) for the 2023 tax year in situations where the T3 Return and Schedule 15 are filed after the filing deadline. For the 2023 tax year, where the tax year of the trust ends on December 31, 2023, the filing deadline of March 30, 2024, is extended to April 2, 2024, the first business day after the deadline.

This proactive relief is for bare trusts only and only for the 2023 tax year.

However, if the failure to file the T3 Return and Schedule 15 for the 2023 tax year was made knowingly or due to gross negligence, a different penalty may apply. This penalty will be equal to the greater of \$2,500 and 5% of the highest amount at any time in the year of the fair market value of all the property held by the trust.

▼ 3.6. Why is the relief of penalties for the 2023 filing year only applicable to bare trusts?

Bare trusts did not have an obligation in years prior to the 2023 tax year to file a T3 Return, and the CRA recognizes that the 2023 tax year will be the first time that bare trusts will have a requirement to file a T3 Return including the new Schedule 15.

As some bare trusts may be uncertain about the new requirements, the CRA is adopting an education-first approach to compliance and providing proactive relief by waiving the penalty under subsection

162(7) for the 2023 tax year in situations where the T3 Return and Schedule 15 are filed after the filing deadline.

## 4. Legal representatives (Primary Trustee)

▼ 4.1. I am the primary trustee, how do I gain authorization to contact the CRA?

As the primary trustee you are the legal representative of the trust and therefore able to make changes to the account. You can call the CRA or submit documents by mail as soon as your trust account number is issued. If you want online access to the account, you will first need to register as the Primary Trustee using the Authorization Request option in Represent a Client. Once you have registered, you will have online access as a trustee and will have full access to My Trust Account, which is accessed via Represent a Client.

Once you have registered as the Primary Trustee, you can add authorized representatives to the trust in the Authorized Representatives section of the trust's Profile in My Trust Account.

## 5. Trust account number

A trust account number is required to be able to file your T3 return electronically.

▼ 5.1. How do I apply for a trust account number?

A trustee, executor, or a representative (authorized by the trustee to do so) can apply for a trust account number using [Form T3APP, Application for Trust Account Number](#) by mail or through one of our online secure portals as outlined on the [Trust Account Registration](#).

The quickest way to get a trust account number is to register using the new Trust Account Registration service found within one of our online secure portals:

- [My Account](#): under the "More services" option
- [My Business Account](#): under the "More services" option
- [Represent a Client](#): under the main menu

Once you complete the online registration process, you will receive the trust account number immediately.

If you have filed electronically or by paper mail in the past, you likely already have a trust account number. You must use that same number for all subsequent filings, or you may be penalized.

## ▼ 5.2. What information do you need to register for a trust account number?

When applying for a trust account number through the [Trust Account Registration](#) page, you will be asked to provide the following information:

- Trust type
  - You will need to identify the [type of trust](#) you are applying for.

- Trust name (For trusts other than bare trusts. Bare trust naming is discussed above.)
  - If there is a written document such as a trust deed, indenture, or agreement governing the trust and the document identifies a particular name for the trust, enter the name in the name field.
  - If there is no written document governing the trust or if the document does not identify a name for the trust, list the legal name (e.g., the full corporate name identified in the articles of incorporation, or the first and last names for an individual) of the beneficiaries with the word "Trust" at the end. For example, "Ms. Andrews Trust". The name field is limited to a maximum of 60 characters. If the name exceeds the 60 character limit, you can stop typing when the limit is reached but include the word "Trust".
- Primary trustee information
  - Individual
    - First and last name (maximum 30 characters each)
    - Contact information
  - Non-individual (i.e., corporate entity, organization, accounting firm, etc.)
    - Non-individual name (maximum 60 characters each)
    - Contact person first and last name (maximum 30 characters each)
    - Contact information
- Supporting documents
  - You will need a copy of the complete signed trust document or the last will and testament.

- See Question 5.3 for examples of types of documentation required.
- Maximum number of documents is 10
- Maximum file upload size is 150MB
- Maximum 100 characters for upload description

▼ 5.3. What documents do I need to provide to the CRA to support the trust arrangement?

When registering for a trust account number, or filing a trust return for the first time, you will need to provide a copy of the required supporting documentation (examples below).

When using our online services, the supporting documentation can be uploaded electronically at the time of registration, using the Submit trust documentation button on the last page of the registration process. If you already have a trust account number, you may send documents through the [Submit documents](#) service. It is available in [Represent a Client](#) or [My Account](#), and is a secure, reliable, and easy way to send your documents to CRA.

Details of how to access [Represent a Client](#) and [My Account](#) in order to submit documents can be found on page 17 of the [2022 T4013 T3 Trust Guide](#).

In some situations, there may not be a written trust document, or it may not be clear what constitutes a trust agreement.

Examples of documents establishing a trust relationship include, but are not limited to, the following:

- Trust agreement, deed, or settlement

- Trust declaration
- Last will and testament (in the case of a testate estate)
- Notarial will (Province of Québec)
- Certificate of appointment of estate trustee with the last will and testament attached for a testate estate
- Certificate of appointment of estate administrator for an intestate estate
- Bare trust agreement
- Documentation evidencing institutions and arrangements governed by the laws of the Province of Québec that are deemed to be trusts under subsection 248(3) of the *Income Tax Act*.
- Other documentation evidencing the establishment and terms of the trust

As many different arrangements can be trusts, if there are no written documents for the trust, please submit a written summary (typewritten or legibly printed) of the nature of the trust arrangement, including the title "Summary of [enter trust name]". The written summary should include the date of creation of the trust and the full names of the trustees, settlor and beneficiaries.

#### ▼ 5.4. How do I access the trust account?

As the trustee you are able to make changes to the account by phone or by mail as soon as your trust account number is issued. If you want online access to the account, you will first need to register as the Primary Trustee using the Authorization Request option in

Represent a Client. Once you have registered, you will have online access as a trustee and will have full access to My Trust Account, which is accessed via Represent a Client.

Services available in My Trust Account include:

- Viewing/updating addresses or telephone numbers
- Setting up, changing, or cancelling direct deposit
- Authorizing representatives
- Submitting documents
- Viewing trust identification
- Viewing trustees

For more information, visit [About My Trust Account](#).

## 6. Mandatory disclosure and underused housing rules

▼ 6.1. Are the new mandatory disclosure rules for reporting transactions the same as the new reporting requirements for trusts identified here?

The new mandatory disclosure rules are different. These are separate provisions of the *Income Tax Act*, and the trustee is also required to satisfy these requirements.

The new mandatory disclosure rules are a transaction-based disclosure, while the new reporting requirements for trusts require information on the beneficial owners of a trust.

▼ 6.2. If the trustee is holding legal title to residential property in Canada, and completes the UHT-2900 Underused Housing Tax Return, are they still required to file the Schedule 15 Beneficial Ownership information with the T3 Return?

Yes.

The UHT-2900 Underused Housing Tax Return is separate from the new trust reporting rules. The obligation to file a T3 Return and Schedule 15 is not satisfied with a UHT-2900 filing. Accordingly, the trust is still subject to the trust reporting rules described above.

For information on the Underused Housing Tax, including who must file, please visit [Introduction to the Underused Housing Tax - Canada.ca](#).

## 7. More information

The CRA shares the latest information and timely updates in relation to the administration of the current tax laws for the Government of Canada and for most provinces and territories on its website, Canada.ca, and via digital and social media channels.



You can find on the website [news releases](#), [tax tips](#), [technical tax information](#), [forms](#), [guides](#), policies, manuals, Questions and Answers, and other publications in HTML and/or PDF format, or where available, in printed form upon request.

You can also [interact with us on social media](#) or contact us through [traditional channels](#) for your income tax questions not addressed on the website.

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