

2022

Tax and Investment

GUIDE

CANADA (except Quebec)

WHAT YOU NEED TO KNOW



**NATIONAL
BANK**

DIRECT BROKERAGE

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1. Disclaimer

The information in this Guide is for informational purposes and should in no way be regarded as legal or tax advice. Clients should always consult their accountant or tax specialist before acting based on the information found in this Guide.

2. Introduction

This Guide has been prepared by National Bank Direct Brokerage (“NBDB”) to present the various tax slips and information reports you may receive from us. You will find information regarding government tax slips and associated summaries. This Guide is specifically intended for individuals residing in Canada. Canadians residing in Quebec should consult the Tax and Investment Guide 2022 (Quebec), which contains specificities regarding provincial taxation. This Guide does not apply to non-resident corporations, trusts, or individuals.

Please note that this document is not meant to be an exhaustive reference on how to report income, capital gains and losses. We strongly recommend that individuals consult their accountant or tax specialist to complete their tax return. This Guide is a summary covering Federal taxation. However, some provinces have specific requirements to be considered by individuals residing in those provinces.

3. Useful Links

Canada Revenue Agency (CRA):

- > [Website \(home page\)](#)
- > ["My Account" for Individuals](#)
- > [Income Tax Package](#)

4. Mailing Deadlines for Various Tax Slips

Below is a table of the various government tax slips and summaries you may potentially need to prepare your income tax return. Please note that these documents reflect the transactions and income recorded during the calendar year and some slips may not apply to your situation. Before completing your tax return, we ask you to ensure you have received all your slips. This will avoid having to file an amended tax return. Note that the various summaries can be used as tools in verifying your tax slips.

Non-Registered		
Type of Income/Fees	Slip/Summary	Mailing Deadline ¹
Dividends, interest, foreign income	T5 and <i>Investment Income Summary</i> ²	February 28, 2023
Interest paid and investment fees	<i>Investment Income Summary</i> ²	February 28, 2023
Realized gains and losses	T5008 and <i>Securities Transactions Summary</i> ²	February 28, 2023
Distributions from a trust	T3 and <i>Summary of Trust Income</i> ²	March 31, 2023 ³
Partnerships	T5013	March 31, 2023
Registered Investments		
Withdrawal from a registered investment account:		
RRSP	T4RSP	February 28, 2023
RRIF/LIF/LRIF	T4RIF	February 28, 2023
RESP/RDSP	T4A	February 28, 2023

- 1 - Government-prescribed date.
- 2 - This summary is not government-prescribed, but NBDB commits to issuing it at the specified date, if needed.
- 3 - The first time T3 slip are issued, a "Summary of Upcoming Trust Units" may be sent to you. This summary will list trusts for which the issuers have not yet provided the tax information necessary for the filing of tax slips, and for which a tax slip will be sent later.

RRSP Contributions		
Time of Contribution	Contribution Deadline	Time of Reception
First 60 days of 2022	March 1, 2022	You should have received your contribution slip in March 2022.
Rest of the year 2022	N/A	You should have received your contribution slip in January 2023.
First 60 days of 2023	March 1, 2023	You should receive your contribution slip in March 2023.

5. T3 Slip – Statement of Trust Income (Allocations and Designations)

If you hold investments in income trusts (usually referred to as “mutual funds”), royalty trusts, and real estate investment trusts (REITs), you will receive a T3 slip and a *Summary of Trust Income* specifying amounts and the nature of these distributions in your account.

Canada Revenue Agency / Agence du revenu du Canada

Statement of Trust Income Allocations and Designations - T3

YEAR []

Actual amount of eligible dividends [49] []

Taxable amount of eligible dividends [50] []

Dividend tax credit for eligible dividends [51] []

Capital gains [21] []

Capital gains eligible for deduction [30] []

Actual amount of dividends other than eligible dividends [23] []

Taxable amount of dividends other than eligible dividends [32] []

Dividend tax credit for dividends other than eligible dividends [39] []

Other income [26] []

Trust year end: Year [] Month []

Other information (see the back):

Box	Amount	Box	Amount

Footnotes []

Recipient's name (last name first) and address []

Trust's name and address []

Recipient identification number [12] []

Account number [14] []

Report code [16] []

Beneficiary code [18] []

• For information, see the back. 2

Mutual fund companies generally issue their own tax slips. You should receive a T3 slip for each separate mutual fund. For example, if you own a “Canadian Corporation” mutual fund and a “Fixed Income” mutual fund from ABC Company Mutual Inc., you should receive two T3 slips from ABC Company Mutual Inc. You should wait to receive all your slips before filing your income tax return.

Note that several fund companies issue consolidated T3 slips; if you deal with one of these companies, you will receive one “consolidated” slip.

You can now use the CRA’s “My Account” and the auto-fill application to help in the preparation of your tax return. However, please note that the T3 slips are issued under the name of the Trust and you will not find NBDB's name on it. The information shown on your T3 slips will be reported in the name of each trust listed in the CRA’s “My Account;” you must, therefore, refer to the details on your *Summary of Trust Income* to reconcile the amounts reported.

Amounts Reported on Your T3 May Include:

- > Interest and other income
- > Dividends from taxable Canadian corporations
- > Dividends from foreign corporations
- > Foreign non-business income
- > Capital gains/Capital losses
- > Capital income

5.1. Summary of Trust Income

The *Summary of Trust Income* is issued by NBDB. It provides detailed information regarding each trust, the nature of the distributions, as well as the associated boxes in chronological order. This information will allow you to reconcile your T3 slip from each trust.

Most of the expenses in the section "PAID BY YOU" are associated with foreign withholding taxes. (see below image)

DATE		QUANTITY	DESCRIPTION	T3/REL16 BOX NO.	PAID BY YOU	AMOUNT PAID TO YOU
20XX						
YOUR CANADIAN ACCOUNT XX-XXXX-X						
20xx/xx/xx	50	ARTIS REIT T/U	(26/G)			0.71
20xx/xx/xx	50	ARTIS REIT T/U	(42/M)			3.79
20xx/xx/xx	50	ARTIS REIT T/U	(26/G)			0.71
20xx/xx/xx	50	ARTIS REIT T/U	(42/M)			3.79
20xx/xx/xx	50	ARTIS REIT T/U	(26/G)			0.71
20xx/xx/xx	50	ARTIS REIT T/U	(42/M)			3.79
20xx/xx/xx	50	ARTIS REIT T/U	(26/G)			0.71
20xx/xx/xx	50	ARTIS REIT T/U	(42/M)			3.79
20xx/xx/xx	50	ARTIS REIT T/U	(26/G)			0.71
20xx/xx/xx	50	ARTIS REIT T/U	(42/M)			3.79
20xx/xx/xx	50	ARTIS REIT T/U	(26/G)			0.71
20xx/xx/xx	50	ARTIS REIT T/U	(42/M)			3.79
20xx/xx/xx	50	ARTIS REIT T/U	(26/G)			0.71
20xx/xx/xx	50	ARTIS REIT T/U	(42/M)			3.79
20xx/xx/xx	50	ARTIS REIT T/U	(26/G)			0.71
20xx/xx/xx	50	ARTIS REIT T/U	(42/M)			3.79
20xx/xx/xx	50	ARTIS REIT T/U	(26/G)			0.71
20xx/xx/xx	50	ARTIS REIT T/U	(42/M)			3.79
20xx/xx/xx	50	ARTIS REIT T/U	(26/G)			0.71
20xx/xx/xx	50	ARTIS REIT T/U	(42/M)			3.79
	(26/G)	OTHER INCOME				7.81
	(42/M)	RETURN OF CAPITAL *				41.69
TOTAL						
	(26/G)	OTHER INCOME				7.81
	(42/M)	RETURN OF CAPITAL *				41.69

5.2. Detailed Description of Each Type of Income:

> Interest and other income

Interest and other income (e.g., interest, rental income) are reported in box 26 “Other income” on the T3 slip.

> Dividends from taxable Canadian corporations

To differentiate *Eligible dividends* from *Dividends other than eligible dividends* (or “non-eligible dividends”), please see the “Dividends from Taxable Canadian Corporations” section below.

1- Eligible dividends:

Federal: The actual amount (not grossed-up) of eligible dividends received by the unit holder is reported in box 49 of the T3 slip. This amount is not the one to be used in your Federal tax return. Instead, the taxable amount (grossed-up) shown in box 50 of the T3 slip should be the amount included in your tax return. You will be entitled to an eligible dividends tax credit which is shown in box 51 of the T3 slip. The components of the “grossed-up dividend” and dividend tax credit are part of the integration mechanism of income earned by a corporation. Since dividends represent a distribution of corporate profits after taxes, adjustments (the gross-up and credit) must be made in order to avoid double taxation on this income.

2- Dividends other than eligible dividends (or “non-eligible dividends”):

Federal: The actual amount (not grossed-up) of dividends other than eligible dividends received by the holder is reported in box 23 of the T3 slip. Once again, this amount is not to be used in the Federal tax return of the individual. The amount shown in box 32 of the T3 slip, the taxable amount (grossed-up) should be reported. The credit for dividends other than eligible dividends will be shown in box 39 of the T3 slip.

> Dividends from foreign corporations

Please note that dividends from foreign corporations (American, European, etc.) will be reported in box 25 of the T3. These will not be grossed-up and are not entitled to a tax credit, as the integration mechanism applies only to dividends from Canadian corporations.

> Foreign non-business income

For Canadian tax purposes, foreign dividends income is taxed/treated in the same way as interest income. All gross (prior to withholding) foreign income received by the trust will be found in box 25 of the T3. Please note that foreign income is generally subject to a foreign withholding tax in the country of origin. Although you have received the amount after deduction of the foreign withholding tax, you must report the gross amount. You cannot deduct the foreign tax amount directly from the gross income, but you may be entitled to a foreign tax credit for a portion of the amounts withheld. The foreign withholding tax, which could entitle you to a foreign tax credit, can be found in box 34 of the T3. Please note that if the investment is held in a registered account, the withheld amounts cannot be recovered through the foreign tax credit.

> Capital gains/Capital losses

Trust investments may generate capital gains (or losses) with the sale of underlying assets. Only capital gains will be allocated to unitholders based on an allocation provided by the investment manager of the trust. The capital gain will be reported in box 21 of the T3. 50% of capital gains are not taxable and must reduce the capital loss otherwise realized in the same year. All these elements are covered in *Schedule 3 – Capital gains (or losses)* of your *Income Tax and Benefit Return* for the current year.

> **Capital income**

The amount in box 42 of the T3 represents a distribution of a return of capital from the trust. Note that this amount is not taxable and does not have to be included in your tax return. However, this amount must be considered when calculating the adjusted cost base (ACB) of your trust units. The ACB of your trust units will be reduced by the return of capital. Please keep this information to validate that this adjustment has been made to the ACB of your trust units.

5.3. FAQ – T3

> **Q.1.: My T3 and *Summary of Trust Income* refer to a capital gain, but I have received nothing in my account. Do I have to report these amounts?**

A.1.: Yes, these amounts must be reported. Sometimes, capital gains known as “phantom distributions” (non-cash distributions) are attributed by mutual funds without any actual payment made to the account. You must generally, thereafter, make an ACB adjustment if this has not already been done. To obtain accurate information on these distributions, please refer to the mutual fund's website.

> **Q.2.: Why did I receive my T3 slip so late in the month of April?**

A.2.: Trust companies must also file tax returns. Coordination between these filings and the issuance of slips is often the reason these companies wait until the prescribed limit (i.e., 90 days after year-end) before providing the issuers with the necessary data to produce T3 slip, which in turn leads to filing delays.

> **Q.3.: Why did I receive amended T3 slip?**

A.3.: As previously mentioned, trust companies very tardily prepare the information related to their distributions to coordinate them with their own returns. Sometimes, corrections are required after the deadline that may, among other causes, result from adjustments or errors in their own tax returns.

> **Q.4.: I received a T3 slip from NBDB. However, I do not find any T3 slip issued in NBDB's name in the CRA's “*My Account*.” Why?**

A.4.: T3 slip are issued by NBDB, but on behalf of the different trusts. The income shown on the T3 and slip you received will be displayed in the trust's name in the CRA's “*My Account*.” You will not find any T3 slip in the name of NBDB. To reconcile the trust information, set out in the CRA's “*My Account*,” you must refer to the details provided in your *Summary of Trust Income*.

5.4. Joint Accounts

Note that when an account is held jointly between spouses, the client must allocate the income, the gains, and the losses generated based on everyone's contribution, even if only one tax slip is issued.

Hence, tax legislation applies attribution rules, disallowing income splitting in certain situations involving gifts and loans to a spouse, common-law partner, and minor children.

6. T5 Slip – Statement of Investment Income

The T5 is used to report dividend income, interest income, and foreign taxes paid on your investments held in a non-registered account. The amounts in the boxes of the T5 represent the total of the amounts shown on the *Investment Income Summary*. You will receive a separate T5 if you hold a USD-denominated account. Please note that the slip will not be issued if the total investment income is less than \$50, but you must still include this income in your tax return. Note that the income from discount bonds, such as Treasury Bills and commercial paper, are not included on the T5 but they must also be reported.

If you own shares of a split-share corporation, you will receive a separate T5 for expenses and income related to investments in this stock class. In addition, you may also receive a T5 if you hold shares in a real estate investment trust (REIT) or shares of U.S. limited capital investment funds.

Moreover, incorporated mutual funds (that are not trusts) also issue T5 slips to report their dividend distributions and allocation of capital gains.

6.1. Lending Revenue from a Fully Paid Securities Lending Program (FPL Program)

The full amount of lending revenue realized by you in connection to your loaned securities must be included in your tax return. This lending income is included in box 14 – *Other Income from Canadian source* of your T5 slip and will also be included on your *Investment Income Summary*. You should be entitled to deduct the administration fees paid to Natcan Trust Company. You should speak to a tax specialist to find out all the tax implications of your participation in the FPL program. Please see the details in the *Investment Income Summary* section below.

Canada Revenue Agency / Agence du revenu du Canada		T5 Statement of Investment Income		2021 Year		Protected B when completed	
Dividends from Canadian corporations		Federal credit		Year		Protected B when completed	
24 Actual amount of eligible dividends	25 Taxable amount of eligible dividends	26 Dividend tax credit for eligible dividends	13 Interest from Canadian sources	18 Capital gains dividends			
89763.13	123873.12	18605.49	10.00				
10 Actual amount of dividends other than eligible dividends	11 Taxable amount of dividends other than eligible dividends	12 Dividend tax credit for dividends other than eligible dividends	21 Report code	22 Recipient identification number	23 Recipient type		
			0		2		
Other information (see the back)		14	276.90	Box	Amount	Box	Amount
27 Foreign Currency	28 Transit	29 Recipient Account number	Recipient's name and address				
			Payer's name and address				

T5(09/21) See the privacy notice on your return. • For Recipient - Attach to your Income Tax Return For information, see the back 2

Canada Revenue Agency / Agence du revenu du Canada		T5 Statement of Investment Income		2021 Year		Protected B when completed	
Dividends from Canadian corporations		Federal credit		Year		Protected B when completed	
24 Actual amount of eligible dividends	25 Taxable amount of eligible dividends	26 Dividend tax credit for eligible dividends	13 Interest from Canadian sources	18 Capital gains dividends			
89763.13	123873.12	18605.49	10.00				
10 Actual amount of dividends other than eligible dividends	11 Taxable amount of dividends other than eligible dividends	12 Dividend tax credit for dividends other than eligible dividends	21 Report code	22 Recipient identification number	23 Recipient type		
			0		2		
Other information (see the back)		14	276.90	Box	Amount	Box	Amount
27 Foreign Currency	28 Transit	29 Recipient Account number	Recipient's name and address				
			Payer's name and address				

T5(09/21) See the privacy notice on your return. • For Recipient - Keep for your records For information, see the back. 3

6.2. Dividends from Taxable Canadian Corporations

To respect the principle of integration between a corporation and its shareholders, the dividends you receive from taxable Canadian corporations are subject to a gross-up and dividend tax credit. This principle is essential in taxation to ensure "tax neutrality." That is, any income earned by a corporation that has been distributed to you in the form of a dividend (net of corporate tax) should be subject to the same tax burden as if you had earned that income directly.

Essentially, the gross-up and dividend tax credit will vary depending on the type of dividend you received from a taxable Canadian corporation, i.e., "eligible dividends" or "dividends other than eligible dividends" (or non-eligible dividends). Essentially, the gross-up/tax credit results in "eligible dividends" being taxed at a lower rate than "dividends other than eligible dividends."

The determination of the type of dividend depends primarily on the corporate tax rate applicable to the income earned by the corporation. Generally, corporate income is subject to the "general tax rate" or a "lower small business tax rate." "Eligible dividends" (generally from Canadian public corporations) are paid on corporate income subject to the "general tax rate." "Dividends other than eligible dividends" (mostly from Canadian private corporations) are paid out of income subject to the "lower small business tax rate."

1 - Eligible dividends:

Federal: Eligible dividends paid to you during the year are found in box 24 of the T5 slip. However, this is not the amount to be reported in your federal tax return; you must report the grossed-up amount shown in box 25 – Taxable amount of eligible dividends of your T5 slip. This amount is equal to box 24 multiplied by 1.38. In addition, you will find the tax credit for eligible dividends in box 26.

2 - Dividends other than eligible dividends (or "non-eligible dividends"):

Federal: Dividends other than eligible dividends paid to you over the year are found in box 10 of the T5 slip. However, this is not the amount to be reported in your return; you must report the grossed-up amount shown in box 11 of the T5 slip – Taxable amount of dividends other than eligible dividends. This amount is equal to box 10 multiplied by 1.15. In addition, you will find the tax credit for non-eligible dividends in box 12 of the T5 slip.

6.3. Foreign Income

Earnings from dividends, interest, or any other type of foreign income are shown in box 15 of the T5. The foreign tax paid pertaining to such income is reported in box 16 of the T5. All types of foreign income are grouped together in the same box. The Canadian tax system makes no distinction between them; they are taxed in the same way. The foreign tax credit mechanism will allow you to recover a portion of the foreign tax paid in your tax return. Please note that if this investment is held in a registered account, the withholding tax cannot be recovered through the foreign tax credit.

6.4. Foreign Spin-Off

For Canadian tax purposes, when a reorganization occurs and a foreign corporation issues shares of a new corporation, the value of these new shares must be reported as a foreign dividend (box 15 of the T5), when the shares are held in a non-registered account. The event is generally taxable in Canada, even if there are no tax implications in the foreign country.

However, a Canadian tax deferral may be possible when the foreign spin-off meets certain requirements of the *Income Tax Act* (the Act governing Canadian Federal income taxes, hereinafter referred to as the "ITA"). To take advantage of this deferral, foreign corporations must provide the CRA with information on the spin-off. Foreign corporations usually provide the CRA permission to publish the fact that their "spin-off shares" are eligible for

the tax deferral. Thus, eligible foreign spin-offs are usually listed on the CRA's website at the following address: [Eligible spin-offs](#).

In order to take advantage of this deferral, you must file an election with your Federal tax return: [Information for Canadian shareholders](#)

Note that even when the foreign reorganization qualifies for the tax deferral and this election is filed on time, the amount still appears on box 15 of the T5 slip. When the election is filed, the adjusted cost base of the old shares and the new shares must be adjusted. The necessary adjustments are explained with [this example](#).

6.5. Equity Linked Notes Interest

Following regulatory changes in 2017 regarding the disposition or transfer of equity linked notes prior to their maturity, all gains realized at the time of disposition or transfer must be considered as accrued interest. This interest must be registered in box 30 of the T5 slip. Box 21 (proceeds of disposition or settlement amount) on the T5008 slip will not include the interest declared on the T5.

(See section *Linked Notes below*)

6.6. Accrued Interest on Debt Securities

Accrued interest during the year on discount debt securities (e.g., stripped coupons and residual bonds) and compound interest debt securities (e.g., guaranteed investment certificates) must be reported annually, even if interest is not paid. This interest is included on your T5 slip, except for interest on stripped coupons and residual bonds which are both reported on the provided Accumulated Interest Report. (See section 7.5. below *Premium or Discount Bonds below*)

6.7. Transfer of Securities to a Registered Account

If savings bonds or other types of bonds are transferred with accrued interest to a Registered Retirement Savings Plan (RRSP), a Registered Disability Savings Plan (RDSP), a Tax-Free Savings Account (TFSA) or a Registered Education Savings Plan (RESP), the interest amounts will be included on the T5 slip and will also be shown on the *Investment Income Summary*.

6.8. Investment Income Summary

This summary lists, in chronological order, all the investment income paid to your non-registered accounts during the period.

In addition, it contains information on the interest you paid during the year, for example, interest on the outstanding balance of margin accounts and accrued interest paid upon the purchase of a bond. The accrued interest that was paid should not be deducted from interest received. It should be added to other deductible financial expenses. Note that the annual administration fees of an RRSP, RRIF, TFSA, RESP, RDSP, LIRA, LRIF or Locked-in RRSP are not deductible, even if paid through a non-registered account.

Fully Paid Securities Lending (FPL) entries appear as SLR and E45 on the *Investment Income Summary*. You should be entitled to deduct any agent fees paid by you since these constitute fees that are incurred by you to earn property or business income in connection with your securities loans. The agent fees that were paid by you should be added to other deductible financial expenses. The agent fees will be included on your *Investment Income Summary*.

DATE 2021	QUANTITY	DESCRIPTION		AMOUNT PAID BY YOU	AMOUNT PAID TO YOU
21.09.01		SL Ag. Fee/Frais agent PT	(W) SLR	21.52	
21.09.01		SL revenues/Revenus PT	(2) SLR		54.21
21.09.01	945	ENBRIDGE INC	(1) DIV		789.08
21.09.15	5,600	EXCHANGE INCOME CORP	(1) DIV		1,064.00
21.09.15	6,100	NORTHLAND POWER INC	(1) DIV		610.00
21.09.15	1,000	PARK LAWN CORP	(1) DIV		38.00
21.09.16		INTEREST TO SEP 16	(0) INT	22.48	
21.09.23	1,550	ALIMENT COUCHE-TARD-B SV	(1) DIV		135.63
21.09.29	4,200	TRANSALTA RENEWABLES INC	(1) DIV		328.99
21.10.01		SL Adv. Fee/Frais gest PT	(W) E45	2.54	
21.10.01		SL Ag. Fee/Frais agent PT	(W) SLR	10.38	
21.10.01		SL revenues/Revenus PT	(2) SLR		26.07
21.10.14	1,000	PARK LAWN CORP	(1) DIV		38.00
----	----	-----	----	----	----
DATE 2021	QUANTITY	DESCRIPTION		AMOUNT PAID BY YOU	AMOUNT PAID TO YOU
TOTALS FOR ALL ACCOUNTS :					
(0) TOTAL ELIGIBLE INTEREST FROM CANADIAN SOURCES				95.15	10.00
(1) TOTAL ELIGIBLE DIVIDENDS FROM CANADIAN CORPS					89,762.12
(2) TOTAL OTHER INCOME FROM CANADIAN SOURCES					276.90
(W) TOTAL ADMINISTRATION FEES				135.78	

6.9. Joint Accounts

Note that when an account is held jointly between spouses, the client must allocate the income, the gains, and the losses generated based on everyone's contribution, even if only one tax slip is issued.

Hence, tax legislation applies attribution rules, disallowing income splitting in certain situations involving gifts and loans to a spouse, common-law partner, and minor children.

7. T5008 Slip – Statement of Securities Transactions

If you have sold securities from your non-registered account during the year, you will receive a T5008 statement.

Year / Année		VOID ANNULÉ	10 Report code / Code du feuillet	11 Recipient type / Type de bénéficiaire	12 Recipient identification number / Numéro d'identification du bénéficiaire	13 Foreign currency / Devises étrangères	Protected B / Protégé B when completed / une fois rempli T5008 Statement of Securities Transactions État des opérations sur titres
14 Date / MMDD - MMJJ	15 Type code of securities / Code de genre de titres	16 Quantity of securities / Quantité de titres	17 Identification of securities / Désignation des titres				
18 ISIN/CUSIP number / Numéro ISIN/CUSIP	19 Face amount / Valeur nominale	20 Cost or book value / Coût ou valeur comptable	21 Proceeds of disposition or settlement amount / Produits de disposition ou paiements				
22 Type code of securities received on settlement / Code de genre de titres reçus en guise de règlement		23 Quantity of securities received on settlement / Quantité de titres reçus en guise de règlement	24 Identification of securities received on settlement / Désignation des titres reçus en guise de règlement				
Last name (print) - Nom de famille (en lettres moulées)			First name and initials - Prénom et initiales		Name and address of trader or dealer in securities / Nom et adresse du négociant ou du courtier en valeurs		
Recipient / Bénéficiaire _____ _____ _____							

See the privacy notice on your return.
Consultez l'avis de confidentialité dans votre déclaration.
T5008 (XX)

Year / Année: **2022**
 Protected B / Protégé B when completed / une fois rempli

Boxes of the T5008 information slip / Cases du feuillet T5008							
14	15	16	17	18	19	20	21
0111	SHS	200	ARITZIA INC SUB VTG	04045U102		6084.40	10105.00
0704	PTI	1600	BMO INTL DIV HGD-CAD ETF	05581A103		42572.71	42662.00
0704	PTI	400	BMO INTL DIV HGD-CAD ETF	05581A103			
		2000	TOTAL			42572.71	42662.00
0715	PTI	1300	BMO LONG US TREAS HDG ETF	05582Y308		50605.00	50700.00
0428	PTI	1900	CANSO CREDIT INCOME-A T/U	138080106		27132.00	26695.00
0502	PTI	5600	CANSO CREDIT INCOME-A T/U	138080106		79968.00	79296.00
		7500	TOTAL			107100.00	105991.00
0201	SHS	900	CRESCENT POINT ENGY CORP	22576C101		11146.66	7294.50
0114	PTI	1280	ISHARES U.S. S/C INDX ETF	46430R202		36671.42	56179.20
0111	PTI	9880	MACKENZIE UNCONSTR BD ETF	55454N104		204288.49	200070.00
0404	PTI	100	MACKENZIE UNCONSTR BD ETF	55454N104		165415.78	154562.00
0404	PTI	7900	MACKENZIE UNCONSTR BD ETF	55454N104			
		17880	TOTAL			369704.27	354632.00
0201	SHS	1400	SECURE ENERGY SVCS INC	81373C102		6062.00	8274.00
0111	PTI	2030	VANGUARD FTSE DV CSHD ETF	92206P103		62714.11	70298.90
0131	SHS	1200	WHITECAP RES INC	96467A200		10119.90	10596.00
0525	SHS	1240	WHITECAP RES INC	96467A200		11333.80	12542.40
		2440	TOTAL			21453.70	23138.40
0111	MFT	1547.408	MCK IVY EQ-F /NL/NFRAC			24775.86	29571.90
0627	MFT	50000.000	NBI ACA NBC-F /NL/NFRAC			50000.00	50000.00

2 – Recipient's copy
 (You must include this information in your federal income tax return.
 Keep this copy for your files.)

2 – Copie du bénéficiaire
 (Vous devez inclure ces données dans votre déclaration de revenus fédérale.
 Conserver cette copie pour vos dossiers.)



- > As indicated in [the CRA Guide](#), the amount shown in box 20 of the T5008 slip may not represent the Adjusted Cost Base (ACB) required to calculate the gain/loss. As such, please refer to the FAQ at the end of this section for more details.
- > In all cases, you must take the "adjusted cost base" calculated based on your aggregate data as indicated on the following page. IMPORTANT: Keep the explanations of your ACB calculations, especially if they differ from the values shown in box 20 of your T5008 slips. This will allow you to respond to requests for additional information from tax authorities, as required.
- > If box 20 is left blank, it is because the institution does not have accurate information to report a book value. In this case, you will need to check your records to determine the ACB to calculate your gain or loss for tax purposes.
- > Note that if electronic slips are used, you must add the adjusted cost base manually in Schedule 3, otherwise the gain will be overvalued. Please see the section below outlining the concept of ACB.

7.1. How Capital Gain or Loss is Calculated

The fiscal gain or loss is calculated as: Proceeds of disposition minus (ACB minus the expenses incurred to sell the asset). Therefore, for tax purposes, the ACB is used to calculate the taxpayer's loss or gain at the time of disposition.

- > **Proceeds of Disposition:** Proceeds of disposition is the amount received or receivable in return for property or goods and is, generally, the sale price. Box 21 of the T5008 slip represents the proceeds of disposition before commissions or any expenses are disbursed.
- > **Commissions or Fees:** The fees or commissions disbursed are necessary to complete the calculation of the capital gain or loss mentioned above. Please refer to your portfolio statements or trade confirmations. For more information, contact your Advisor.
- > **ACB for Tax Purposes:** This is typically the cost of acquiring a security with certain upward or downward adjustments. For example, brokerage fees or commissions are added to the ACB and, for some securities, the ACB is reduced by capital distributions. Thus, "ACB" is a term defined by our tax laws.
- > **Special Rules for Identical Properties:** If an individual buys identical properties but at different prices, an average ACB must be calculated after each purchase. Dispositions of identical properties do not affect the ACB. The CRA considers that identical properties are securities that are similar based on key elements, such that a potential buyer will have no preference for one over the other. For example, shares of the same class of the capital stock of a corporation or units of a mutual fund trust will be considered identical properties.

Here is the link to the CRA's website that explains, in detail, the calculation of gains and losses on capital property, and how to properly complete your income tax return (e.g., Schedule 3). [Calculating and reporting your capital gains and losses](#)

The following example outlines the calculation of the average ACB for the same class of shares for the "XYZ Inc." corporation (i.e., the ACB for identical properties):

XYZ Inc.		A	B	C			D	E
Date		Number of shares sold or bought	Purchase price/Sell price	Total (AxB)	Total Shares	Average ACB	Average ACB per share	Gains (losses) C – (AxD)
10-Feb	BUY	100	12	1200	100	1200	12	
12-Mar	BUY	150	9	1350	250	2550	10.2	
15-Mar	SELL	(50)	8	400	200	2040	10.2	(110)
25-Jul	BUY	200	5	1000	400	3040	7.6	

Settlement Date vs. Transaction Date

A disposition for tax purposes is triggered on the settlement date rather than on the date the transaction was ordered.

Conversion to Canadian Dollars

Please note that all information reported on your income tax return must be in Canadian dollars (with a few exceptions). Therefore, for capital gain and loss purposes, the ACB must be calculated in Canadian dollars, even if the security (Canadian or foreign) is denominated in a different currency. The exchange rates in effect at the time of purchase and at the time of disposition must be used to calculate the ACB and the proceeds of disposition accordingly, in order to calculate the gain or loss. The same is true for items that affect the calculation of the ACB (e.g., capital distributions), as well as those that affect the calculation of the gain or loss (e.g., sales charges).

Note that in certain income situations, the CRA administratively allows the use of the average annual exchange rate, but this ministerial discretion does not apply to items related to the calculation of the capital gain or loss.

7.2. Linked Notes

A linked note is a debt obligation, most often issued by a financial institution, the return on which is linked in some manner to the performance of one or more reference assets or indexes over the term of the obligation. Previously, selling a linked note prior to maturity generally only produced a capital gain or loss. Since January 1, 2017, all or a portion of any gain realized on the sale of a linked note is deemed to be interest that has accrued on the debt obligation. This measure ensures that any positive return on a linked note retains the same character, whether it is earned at maturity or reflected in a secondary market sale.

Caution: Certain products may be referred to as "Notes," but may not be subject to the rules of the Notes if the legal nature of the product doesn't fall within the definition of "linked bills" under ITA. For example, bills with fixed coupons (redeemable or not) are exempt because they don't provide for any variable or conditional interest in addition to fixed interest. Thus, these bills, whose interest payments do not depend in any way on the performance of at least one reference asset or index during the term, receive the same tax treatment as a conventional bond (see the section "Taxation of Bonds" below).

The following three elements must be identified at the sale or maturity of a linked note:

- 1 - Taxable interest (T5)
- 2 - Interest paid to the seller at purchase; this is deductible at the Carrying charges and interest expenses (no prescribed slip is required) section.
- 3 - Gain or loss, as applicable (T5008 and calculation of the ACB).

We recommend that you calculate each of the steps above in the following order:

- 1 - *Calculation of interest:* Paragraph 20(14.2) ITA stipulates that the difference between the amount received in exchange for the linked note (hereinafter, the "Sell Price") and the remaining capital (hereinafter, the "Face Value") is considered interest income, regardless of whether the linked note was sold before or after maturity. When there are returns of capital during the holding period, the repaid amount reduces the Face Value for the calculation of interest at the time of the disposition or the maturity of the linked note (see Example 6 below). Note that even if a capital loss is realized in the third step calculation, this capital loss does not reduce the interest calculated in this first step.

The CRA requires the portion of interest be reported on a T5.

- 2 - *Calculation of interest paid to the seller at purchase:* When a premium is paid upon the acquisition of a linked note, it is generally considered as interest paid to the seller. In this case, the purchaser would be entitled to deduct an amount, limited to the interest calculated in Step 1 and indicated on the T5 slip as "interest paid" pursuant to paragraph 20(14)(b) ITA. This amount must be provided in the section – Carrying charges and interest expenses. The interest paid also reduces the acquisition cost for the purpose of calculating the ACB (see Example 3 below).
- 3 - *Calculation of the gain or loss:* Upon the disposition or the maturity of the linked note, it is necessary to calculate whether there is a gain or loss. For this purpose, the proceeds of disposition must be reduced by the interest income included at the time of disposition or maturity (Step 1 above). In addition, the initial cost must be modified in certain circumstances to obtain the ACB required to calculate the capital gain or loss. For additional information, please refer to the section entitled "How capital gain or loss is calculated" above.

The disposition or maturity must also be reported on a T5008 (box 15 = ELN or BLA for Linked Notes). However, the proceeds of disposition on the T5008 are reduced by the portion of interest indicated on the T5 slip.

The following are examples illustrating the calculation of the interest and the capital gain (or loss) resulting from the disposition or the maturity of the linked note.

Example 1: Purchase at face value

Issue Price	\$1 000,00
Investor's Purchase Price	\$1 000,00
Sell Price	\$1 020,00
Interest (T5)	\$20,00
Gain (loss) calculation	
Proceeds of Disposition	\$1 020,00
Adjustment (interest T5)	\$20,00
Proceeds of Disposition (T5008)	\$1 000,00
Initial Cost	\$1 000,00
Adjustment	\$0,00
Adjusted Cost Base	\$1 000,00
Gain (loss)	\$0,00

Example 2: Commissions

The payment of a commission requires an adjustment to the calculation of the capital gain (loss). If a \$25 commission was paid at the time of disposition, this amount must be considered in the calculation of the gain (loss). Please refer to the section "How capital gain or loss is calculated" above for more information. No adjustment is required when the commission is integrated into the product, that is, provided in the linked note's issuing document.

Issue Price	\$1 000
Investor's Purchase Price	\$1 000
Sell Price	\$1 020
Purchase Commission	\$0
Sale Commission	\$25
Interest (T5)	\$20
Gain (loss) calculation	
Proceeds of Disposition	\$1 020
Adjustment (interest T5)	\$20
Proceeds of Disposition (T5008)	\$1 000
Purchase Commission	\$25
Initial Cost	\$1 000
Adjustment	\$0
Adjusted Cost Base	\$1 000
Gain (loss)	\$25

Example 3: Acquisition cost exceeds face value

When a premium is paid upon the acquisition of a linked note, it is generally considered as interest paid to the seller. In this case, the purchaser would be entitled to deduct the amount as "interest paid" pursuant to paragraph 20(14)(b) of the ITA. This amount must be shown on line 22100 – Carrying charges and interest expenses. The interest paid also reduces the acquisition cost for the purpose of calculating the ACB.

Issue Price	\$1 000
Investor's Purchase Price	\$1 050
Sell Price	\$1 070
Interest (T5)	\$70
Deduction for interest paid purchase	\$50
Gain (loss) calculation	
Proceeds of Disposition	\$1 070
Adjustment (interest T5)	\$70
Proceeds of Disposition (T5008)	\$1 000
Initial Cost	\$1 050
Adjustment (interest paid on purchase)	\$50
Adjusted Cost Base	\$1 000
Gain (loss)	\$0

Example 4: Acquisition cost below face value

Issue Price	\$1 000
Investor's Purchase Price	\$998
Sell Price	\$1 000
Interest (T5)	\$0
Deduction for interest paid on bought	\$0
Gain (loss) calculation	
Proceeds of Disposition	\$1 000
Adjustment (interest T5)	\$0
Proceeds of Disposition (T5008)	\$1 000
Initial Cost	\$998
Adjustment (interest paid)	\$0
Adjusted Cost Base	\$998
Gain (loss)	\$2

Example 5: Foreign currency linked notes

Interest received (and taxable) is converted using the exchange rate at the time of payment. Interest paid (deductible on line 22100 – Carrying charges and interest expenses) is converted at the exchange rate applicable at the time of acquisition.

For the purposes of calculating the gain (loss), proceeds of disposition and related expenses are converted at the exchange rate at either the time of disposition or maturity, as the case may be. Proceeds of disposition are reduced by the interest included in Canadian dollars. Finally, the initial cost is converted to the exchange rate at the time of acquisition. ACB adjustments (such as interest paid) are converted at the exchange rate when they occur.

	US		Rate of conversion in CDN dollars	
Issue Price	\$1 000	January 16, 2017	1,1	\$1 100
Investor's Purchase Price	\$1 050	April 18, 2017	1,2	\$1 260
Sell Price	\$1 070	November 26, 2017	1,3	\$1 391
Interest (T5)	\$70		1,3	\$91
Deduction for interest paid on bought	\$50		1,2	\$60
Gain (loss) calculation				
Proceeds of Disposition	\$1 070		1,3	\$1 391
Adjustment (interest T5)	\$70		1,3	\$91
Proceeds of Disposition (T5008)	\$1 000			\$1 300
Initial Cost	\$1 050		1,2	\$1 260
Adjustment (interest paid)	\$50			\$60
Adjusted Cost Base	\$1 000			\$1 200
Gain (loss)	\$0			\$100

Example 6: Return on capital

Issue Price	\$1 000
Investor's Purchase Price	\$1 000
Return on capital	\$200
Sell Price	\$820
Interest (T5)	\$20
Gain (loss) calculation	
Proceeds of Disposition	\$820
Adjustment (interest T5)	\$20
Proceeds of Disposition (T5008)	\$800
Initial Cost	\$1 000
Adjustment (Return on capital)	\$200
Adjusted Cost Base	\$800
Gain (loss)	\$0

When there are returns of capital during the holding period, the repaid amount reduces the face value for the calculation of interest at the time of the disposition or the maturity of the linked note. This amount also reduces the purchase price to obtain the ACB for the calculation of the gain or loss.

7.3. Premium or Discount Bonds

Generally, a bond that trades in a secondary market allows investors to buy and sell the bond at prices that fluctuate due to several factors, including the interest rate in effect at the time of the transaction. Thus, the bond may be **sold** at a lower price (at a discount), a higher price (at a premium), or at a price equal to its face value.

Bonds will often have interest income and the potential for capital gain (loss). If it is a capital loss, it cannot be applied against interest income (capital losses only indicate capital gains, with the possibility of being carried over to the previous 3 years or indefinitely in the future, always against capital gains).

Calculation of the interest portion

ITA requires taxpayers who hold investment contracts (including bonds) acquired after December 31, 1989, to report their interest income annually. Thus, interest income must be declared annually on the anniversary date of the investment. Interest is added to the ACB annually. At the time of sale, it is likely a portion of the accrued interest will be included in the sale price. Therefore, the seller must add this portion of accrued interest to his/her income. The purchaser may **deduct the interest paid**. Note that the buyer will receive the T5 slip for the full year, but deduct the portion paid to the seller.

Calculation of gain (loss) in the year of disposition

For the seller, the difference between the **sale price** and the **price paid after subtracting the portion representing the interest accrued since the last interest payment** will then constitute a capital gain or loss.

Example for the seller of a bond

- > Bond acquired on January 1, 2022, and maturing in 2035
- > Interest rate = 3% annually payable semi-annually on June 30 and December 31 of each year
- > Face value: \$10,000
- > Price paid: \$10,000
- > Sale of the bonds before maturity on July 31, 2022, at a price of \$9,500. This amount includes accrued interest since the last payment.
- > Tax impact for the seller:

Face value		10 000 \$		
Interest rate		3%		
Interest income calculation		2022		
Half-yearly payment 1	Jan. 1 to June 30	148,77 \$	181/365	
Half-yearly payment 2	July 1 to July 31	25,48 \$	31/365	
	TOTAL	174,25 \$		
Capital Gain (Loss) Calculation		2022		
Selling price		9 500,00 \$		
Reduction of accrued interest		25,48 \$		
ACB		10 000,00 \$		
Capital loss		(525,48) \$		
Allowable capital loss		(262,74) \$		

- > The seller must include \$174.25 in interest income. Moreover, he also realizes a capital loss which must reduce the capital gains of the same year. The excess can be carried over to the previous 3 years or indefinitely in the future.

Another example of an obligation

- > Same example as above, but with a sale price of \$10,500 on July 31, 2022.

Face value		10 000 \$	
Interest rate		3%	
Interest income calculation		2022	
Half-yearly payment 1	1er janvier au 30 juin	148,77 \$	181/365
Half-yearly payment 2	1er juillet au 31 juillet	25,48 \$	31/365
	TOTAL INTÉRÊTS	174,25 \$	
Capital Gain (Loss) Calculation		2022	
Selling price		10 500,00 \$	
Reduction of accrued interest		25,48 \$	
ACB		10 000,00 \$	
Capital loss		474,52 \$	
Allowable capital loss		237,26 \$	

- > The seller must include \$174.25 in interest income. In addition, he realizes a capital gain.

7.4. FAQ –T5008

- > **Q.1.: Under what circumstances may adjustments to the amount shown in box 20 of my T5008 slip be required to determine the ACB for tax purposes?**

A.1.: There are a wide variety of reasons why the amount in box 20 may not accurately reflect the ACB, including:

- > when a security was transferred into your account, the information that was provided by the institution that transferred the security may have been incorrect. It is necessary to check whether the cost of the security indicated on the broker's statement following the change is the correct tax cost or whether it is the market value at the time the client changed firm.
- > when interest paid on bonds acquired between 2 interest payment periods for which the deduction of such interest paid is forgotten
- > when you hold identical securities in more than one non-registered account, even when the accounts are all at the same institution.
- > when you have a history of losses subject to the superficial loss regulations.
- > when you have made a tax election, undertaken certain rollover transactions (including a spousal or estate rollover), or have been subject to "deemed disposition" rules for the security.
- > certain market events such as mergers, acquisitions, and foreign spin-off reorganizations may not have been properly considered.

- > if you disposed of interests in mutual funds, income trusts, royalty trusts, real estate investment trusts (REITs), exchange traded funds (ETFs), or limited partnerships, the amount in box 20 may not reflect reimbursements of capital (which reduce the ACB) or reinvested distributions (which increase the ACB).
- > if you have entered short sale transactions and the position was not fully hedged during the year, the book value may not be accurately reflected.

8. T5013 Slip – Statement of Partnership Income

If you hold units of a limited partnership (or units of a partnership), you will receive tax information on a T5013 slip. Note that you will receive a separate T5013 for each limited partnership (or partnership) for which you hold units.

Canada Revenue Agency / Agence du revenu du Canada

T5013
Statement of Partnership Income
État des revenus d'une société de personnes

Filer's name and address - Nom et adresse du déclarant
AMERICAN HOTEL INCM REIT LPU
1650-401 WEST GEORGIA STREET
VANCOUVER BC V6B5A1

Fiscal period end / Exercice se terminant le
YYYY MM DD
20XX 12 31

Tax payer identification number (see statement on reverse side) / Numéro d'inscription d'un abri fiscal (voir l'annexe au dos)
TS

Partnership account number (15 characters) / Numéro de compte de la société de personnes (15 caractères)
001 00000000RZ0000

Partner's identification number / Numéro d'identification de l'associé
006

Partner's name and address - Nom et adresse de l'associé
FIRST NAME SURNAME
PRÉNOM NOM
ADDRESS
ADRESSE
PREPARE PAR : FINANCIERE BANQUE NATIONALE

Partner code / Code de l'associé
002 0

Country code / Code du pays
003 CAN

Recipient Type / Genre de bénéficiaire
004 3

Partner's share (% of partnership) / Part de l'associé (% de la société de personnes)
005 0.0009

TOTAL DIST. \$ 142.50

Box - Case	Code	Amount - Montant
113		65.18
128		0.24
135		127.11
135	USA	127.11
210		50.05
211	USA	50.05

Please note that a holder of partnership units must inform the CRA of the partnership's allocation, which may differ from the amounts received in the account. Therefore, the taxpayer should use the amounts shown on the T5013 statement. Note that, for information purposes, the amount which has been distributed is generally shown on the top right-hand corner of the T5013 slip.

You can now use the CRA's "My Account" and the auto-fill function to facilitate the preparation of your tax return. However, please note that the T5013 slip is issued in the name of the partnership, and you will not find a T5013 slip issued under NBDB's name. The information shown on your T5013 slip will therefore be reported in "My Account," under the name of each partnership.

Due to the complexity and number of boxes and information shown on the T5013, we strongly recommend that you visit the [CRA website](https://www.cra.gc.ca) to learn more about this topic.

Partnerships that are incorporated as tax shelters or that waive certain fees in favour of the original investor often provide complete and detailed information on their website regarding the taxation of the amounts reported on the T5013 slip. In addition, their website should also help establish how to report these amounts in your tax return. We, therefore, suggest that you visit these partnerships' websites for additional information.

8.1. FAQ –T5013

- > **Q.1.: I received a T5013 slip from NBF. However, I do not find any T5013 slips issued under NBDB's name in the list provided in the CRA's "My Account." Why?**

A.1.: The T5013 slips are issued by NBF, but on behalf of the partnership. The revenues shown on the T5013 slips are reported under the partnership's name in "My Account." Therefore, you will not find a T5013 slip issued under NBDB's name in "My Account."

8.2. Joint Accounts

When an account is held jointly between spouses, the client must allocate the income, the gains, and the losses generated based on everyone's contribution, even if only one tax slip is issued.

Hence, tax legislation applies attribution rules, disallowing income splitting in certain situations involving gifts and loans to a spouse, common-law partner, and minor children.

9. RRSP

9.1. RRSP Contribution Receipt

If you have contributed to an RRSP of which you or your spouse (or common-law partner) is an annuitant between March 2, 2022 and March 1, 2023, you will receive an RRSP contribution receipt. Receipts will be issued for two separate periods: the first one corresponding to contributions between March 2, 2022 and December 31, 2022, and the second covering the first 60 days of 2022 from January 1, 2023, to March 1, 2023.

It is important to complete *Schedule 7* of your 2022 income tax return and attach all receipts including those covering the first 60 days of 2022, even if you do not claim RRSP deductions on your 2021 income tax return for some or all contributions made between March 2, 2022 and March 1, 2023.

		REGISTERED RETIREMENT SAVINGS PLAN ATTACH TO FEDERAL INCOME TAX RETURN			
DUPLICATE					
DATE	ACCOUNT NUMBER	DURING THE FIRST 60 DAYS OF THE YEAR (\$)	DURING THE REMAINDER OF THE YEAR (\$)	CONTRIBUTOR'S NAME	
DEC 31, 2019	00-0000-0		740.00	NAME SURNAME	
NAME SURNAME ADDRESS		ANNUITANT'S SOCIAL INSURANCE NUMBER 000 000 000		CONTRIBUTOR'S SOCIAL INSURANCE NUMBER 000 000 000	
Contribution was in whole or in part, in kind <input type="checkbox"/>					
Official tax receipt <input type="checkbox"/>		NATIONAL BANK FINANCIAL INC. AS AGENT FOR NAJCAN TRUST COMPANY Registered under the Income Tax Act (CANADA) and subject thereto. PER  AUTHORIZED OFFICER			

		REGISTERED RETIREMENT SAVINGS PLAN ATTACH TO PROVINCIAL INCOME TAX RETURN			
DUPLICATE					
DATE	ACCOUNT NUMBER	DURING THE FIRST 60 DAYS OF THE YEAR (\$)	DURING THE REMAINDER OF THE YEAR (\$)	CONTRIBUTOR'S NAME	
DEC 31, 2019	00-0000-0		740.00	NAME SURNAME	
NAME SURNAME ADDRESS		ANNUITANT'S SOCIAL INSURANCE NUMBER 000 000 000		CONTRIBUTOR'S SOCIAL INSURANCE NUMBER 000 000 000	
Contribution was in whole or in part, in kind <input type="checkbox"/>					
Official tax receipt <input type="checkbox"/>		NATIONAL BANK FINANCIAL INC. AS AGENT FOR NAJCAN TRUST COMPANY Registered under the Income Tax Act (CANADA) and subject thereto. PER  AUTHORIZED OFFICER			

		REGISTERED RETIREMENT SAVINGS PLAN DUPLICATE RETAINED BY RECIPIENT			
DUPLICATE					
DATE	ACCOUNT NUMBER	DURING THE FIRST 60 DAYS OF THE YEAR (\$)	DURING THE REMAINDER OF THE YEAR (\$)	CONTRIBUTOR'S NAME	
DEC 31, 2019	00-0000-0		740.00	NAME SURNAME	
NAME SURNAME ADDRESS		ANNUITANT'S SOCIAL INSURANCE NUMBER 000 000 000		CONTRIBUTOR'S SOCIAL INSURANCE NUMBER 000 000 000	
Contribution was in whole or in part, in kind <input type="checkbox"/>					

9.2. Spousal or Common-Law Partner's RRSP

You can contribute into a spousal or common-law partner's RRSP instead of yours. These contributions will be deductible on your income tax return based on your RRSP deduction limit (i.e., RRSP contribution room). You will need to separately identify, in Schedule 7, the contributions made to your own RRSP from those made to your spousal or common-law partner's RRSP.

9.3. Excess Contributions

A special tax of 1% per month is payable on contributions made to an RRSP that exceed your RRSP deduction limit by more than \$2,000.

If you are subject to this special tax, you must complete a T1-OVP return, "Individual Tax Return for RRSP, SPP and PRPP - Excess Contributions," send it to your tax center and make a payment within 90 days following the end of the calendar year to avoid paying a penalty or interest.

The application of this special tax (1%) may cease either:

- > when you have new RRSP contribution room;
- > at the time of withdrawal of excess contributions.

9.4. Withdrawal of Excess Contributions

If you withdraw excess contributions from your RRSP, you will have to include the withdrawn amount in your income for the year of withdrawal, even if you have never deducted this amount in your previous tax returns. However, an offsetting deduction can be claimed when certain conditions are met. You can refer to [Form T746](#) to find out if you are eligible for this offsetting deduction.

10. RRSP or RRIF Withdrawal – T4RSP and T4RIF Slips

If you made a withdrawal from your RRSP or RRIF account during the year, you will receive a T4RSP or T4RIF slip, as applicable showing the amount withdrawn and taxes withheld. The taxes withheld will be credited to your taxes owed on your income tax return. You may still have to pay taxes, particularly if you have other sources of income.

Canada Revenue Agency		Agence du revenu du Canada		STATEMENT OF RRSP INCOME ÉTAT DU REVENU PROVENANT D'UN REER		T4RSP	
Year Année	16 Annuity payments Paiements de rente	18 Refund of premiums Remboursement des primes	20 Refund of excess contributions Remboursement des contributions excédentaires	22 Withdrawal and contributions payments Retrait et paiements de cotisation	25 LLP withdrawal Retrait LLP	26 Amounts deemed received on disposition Montants réputés reçus lors de la disposition de l'investissement	
20XX				10000.00			
	28 Other income or deductions Autres revenus ou déductions	30 Income tax deducted Impôt sur le revenu, retenu	34 Amounts deemed received on death Montants réputés reçus au décès		27 RRSP withdrawal Retrait RRSP	35 Transfers on breakdown of marriage or common-law partnership Transferts après rupture du mariage ou de l'union de fait	
		2000.00					
Occupant's name and address – Nom et adresse du bénéficiaire Last name (print) / Nom de famille (en lettres majuscules) FIRST NAME SURNAME PRÉNOM NOM ADDRESS ADRESSE							
Privacy Act / Personal Information Bank number CRA PPU 665 and CRA PPU 047 Loi sur la protection des renseignements personnels / Fiche de renseignements personnels AIC PPU 035 et AIC PPU 047				*If your social insurance number is not shown, see the back of this slip. *Si votre numéro d'assurance sociale n'est pas indiqué, consultez le verso de ce feuillet.			
T4RSP (XX)							

Canada Revenue Agency		Agence du revenu du Canada		STATEMENT OF INCOME FROM A REGISTERED RETIREMENT INCOME FUND ÉTAT DU REVENU PROVENANT D'UN FONDS ENREGISTRÉ DE REVENU DE RETRAITE		T4RIF	
Year Année	16 Taxable amounts Montants imposables	18 Deceased Personne décédée	20 Disposition Annulation de l'enregistrement	22 Other income or deductions Autres revenus ou déductions	24 Excess amount Excédent	26 Spousal or common-law partner RRSP CRRRA ou profit de l'époux ou conjoint de fait	
20XX	20000.00				4161.58	NO	
	28 Income tax deducted Impôt sur le revenu, retenu	30 Year Année	35 Transfers on breakdown of marriage or common-law partnership Transferts après rupture du mariage ou de l'union de fait			32 Spousal or common-law partner social insurance number Numéro d'assurance sociale de l'époux ou conjoint de fait	
	416.16						
Occupant's name and address – Nom et adresse du bénéficiaire Last name (print) / Nom de famille (en lettres majuscules) FIRST NAME SURNAME PRÉNOM NOM ADDRESS ADRESSE							
Privacy Act / Personal Information Bank number CRA PPU 665 and CRA PPU 047 Loi sur la protection des renseignements personnels / Fiche de renseignements personnels AIC PPU 035 et AIC PPU 047				*If your social insurance number is not shown, see the back of this slip. *Si votre numéro d'assurance sociale n'est pas indiqué, consultez le verso de ce feuillet.			
T4RIF (XX)							

10.1. Attribution Rules: Calculation of the Amount to be Included in Your Income and in the Income of Your Spouse or Common-Law Partner

When you withdraw from a spousal or common-law partner's RRSP, it is possible that all or part of the amount on the T4RSP or T4RIF slip is reattributed to you (even if the slip is issued in the annuitant's name), meaning that the amount must be included in your income tax return (the contributor's tax return).

If you contributed to a spousal or common-law partner's RRSP in 2020, 2021, or 2022, you may have to include in your 2021 income some or all the amounts withdrawn from the spousal or common-law partner's RRSP.

In the year of withdrawal (e.g., 2022), you must include the lesser of the amount you contributed to your spouse's RRSP for the year of withdrawal (2022) as well as the two previous years (2021 and 2020) or the amount that your spouse or common-law partner has withdrawn from his/her RRSP (e.g., 2022).

Please review the [CRA website](#) for more information.

Use Form T2205, “Amounts from a Spousal or Common-law Partner RRSP, RRIF or SPP to Include in Income” to calculate the amount to be included in your own income tax return and in the return of your spouse or common-law partner.

In all cases, the individual whose name appears on the slip must declare the tax withheld. Most of the time, after a withdrawal, the information slip is made in the name of the annuitant. However, you must report income as calculated in Parts 1 and 2 of Form T2205.

10.2. Exceptions

The attribution rules do not apply in the following situations:

- > You and your spouse or common-law partner were living separately at the time of withdrawal due to a breakdown of the relationship.
- > At the time of withdrawal, you or your spouse or common-law partner were non-residents of Canada.
- > Regarding the Prescribed Minimum RRIF Amount: the attribution rules apply only to amounts in excess of the minimum withdrawal for the year.
- > In the year of death.

11. Transfer of a RRIF/LIF to an RRSP/LIRA

It is possible, in certain circumstances, that an annuitant transfers funds from his/her RRIF/LIF to his/her RRSP/LIRA. While this transfer is not taxable, the amount transferred from the RRIF (LIF) to the RRSP (LIRA) will trigger the issuance of a T4RIF and a tax receipt marked 60 I) (v). The T4RIF will result in the inclusion of the amount in declared income, while the tax receipt marked 60 I) (v), included as appropriate on Schedule 7 of the Federal income tax return (transfer section), will provide a deduction that will negate the inclusion of the income.

Note, however, that the following transfers do not generate tax slips and do not affect the reporting of income: an RRSP/LIRA to an RRSP/LIRA, an RRSP/LIRA to an RRIF/LIF, or an RRIF/LIF to an RRIF/LIF.

12. RESP Withdrawal – T4A Slip

RESP income or grant withdrawal will trigger the issuance of a T4A slip in the name of the beneficiary of the plan. RESP capital withdrawals are not taxable.

Canada Revenue Agency / Agence du revenu du Canada		Year / Année	T4A		
Payer's name – Nom du payeur		Statement of Pension, Retirement, Annuity, and Other Income / État du revenu de pension, de retraite, de rente ou d'autres sources			
061	Payer's program account number / Numéro de compte de programme du payeur	Pension or superannuation – line 11500 / Prestations de retraite ou autres pensions – ligne 11500		Income tax deducted – line 43700 / Impôt sur le revenu retenu – ligne 43700	
012	Social insurance number / Numéro d'assurance sociale: 999 999 999	016	Lump-sum payments – line 13000 / Paiements forfaitaires – ligne 13000	022	Self-employed commissions / Commissions d'un travail indépendant
013 Recipient's program account number / Numéro de compte de programme du bénéficiaire		018	Annuities / Rentes	020	Fees for services / Honoraires ou autres sommes pour services rendus
Recipient's name and address - Nom et adresse du bénéficiaire Last name (print) – Nom de famille (en lettres moulées) / First name – Prénom / Initials – Initiales FIRST NAME SURNAME / PRENOM NOM ADDRESS / ADRESSE		024	Other information (see page 2) / Autres renseignements (voir à la page 2)		
014	Box – Case / Amount – Montant: XXXXXXXX	042	872.62	048	Box – Case / Amount – Montant
Box – Case / Amount – Montant	Box – Case / Amount – Montant	Box – Case / Amount – Montant	Box – Case / Amount – Montant	Box – Case / Amount – Montant	Box – Case / Amount – Montant
Box – Case / Amount – Montant	Box – Case / Amount – Montant	Box – Case / Amount – Montant	Box – Case / Amount – Montant	Box – Case / Amount – Montant	Box – Case / Amount – Montant

13. Tax-Free Savings Account (TFSA)

The TFSA is an account that allows a taxpayer to save and invest on a tax-free basis. Any amounts accumulated in a TFSA or withdrawn from the account are generally not taxable.

13.1. Eligibility

Any individual who is 18 years of age or older and who has a valid Canadian Social Insurance Number is eligible to open a TFSA. To make contributions, the holder must be a tax resident of Canada. Individuals who reach the age of 18 during the year must wait until their birthday to open a TFSA. In Canadian provinces where the age of majority is 19 (British Columbia, New Brunswick, Nova Scotia, Nunavut, the Northwest Territories, Yukon, and Newfoundland/Labrador), a TFSA account for an individual who is 18 years of age must be opened as follows: "Name of the Child, C/O name of the guardian, tutorship to minors." When the individual turns 19, a new TFSA account will have to be opened in the individual's name and new documents must be signed by the individual.

13.2. Annual TFSA Contribution Limit

The TFSA contribution limit in 2023 is \$6,500, for 2022 (as for 2019, 2020, and 2021) it remains at \$6,000. The limit will be indexed to the inflation rate for subsequent years and will be rounded to the nearest \$500. The annual contribution limit from 2009 to 2012 was \$5,000. The contribution limit for each of 2013, 2014, 2016, 2017 and 2018 was \$5,500. Exceptionally, the 2015 contribution limit was \$10,000.

A TFSA contribution is not deducted from income (unlike an RRSP contribution). Unused contribution room will be carried forward to future years indefinitely and there is no cumulative limit. In addition, withdrawals from a TFSA in any given year will be added to the individual's contribution room for the following year. This allows individuals withdrawing money from their TFSA to use their accumulated savings to recontribute an amount equivalent to the withdrawal in the following or subsequent years.

The calculation of the annual contribution room is as follows:

$$\text{Unused contribution room from previous years} + \text{withdrawals made in the previous year} \\ + \text{current year's contribution room.}$$

For example, an individual has unused contribution room of \$10,000 and withdraws \$7,000 in a given year. The following year, that individual may, therefore, contribute \$17,000 in addition to that year's contribution limit. As with RRSPs, it is not possible for financial institutions to calculate, for the client, the amount they are entitled to contribute to their TFSA. Note, however, that it is possible to find this information on the CRA's "My Account." For more information, see the following webpage: [TFSA Contributions](#)

"In-kind" contributions are allowed. The amount of the contribution will be equal to the fair market value (FMV) of the property. CRA considers that there was a disposition of the property at FMV at the time of the contribution. If the FMV exceeds the fiscal cost of the property, a capital gain must be reported when filing your tax return. However, if the fiscal cost is greater than the FMV, no capital loss will be permitted since the loss would be considered "deemed to be nil" under ITA.

There is no maximum age for contributing. No tax slip will be issued. Each year, CRA will determine the permitted contribution amount for the TFSA holder. Interest paid on money borrowed and invested in a TFSA is not deductible for tax purposes.

13.3. Excess Contributions

Excess TFSA contributions are subject to a 1% tax per month. If the CRA suspects that the excess contributions were deliberate, a 100% tax will be levied on income earned on these contributions. There is no special procedure to withdraw excess contributions, i.e., a regular withdrawal must be made. The withdrawal of excess contributions will not allow the holder to accumulate new contribution room.

> **Example:**

Rosanna is a 31-year-old Canadian resident. She opened a TFSA on February 6, 2009 and contributed the maximum amount she could contribute from 2009 to 2021. In February 2022, she contributed \$4,500. Later that year, she received an unexpected \$4,100. She forgot that her contribution room for 2022 was limited to \$6,000 and decided to contribute the full amount (\$4,100) to her TFSA on October 30, 2022.

After making this contribution, Rosanna had an excess of \$2,600 in her TFSA because the total amount she contributed as of October 30 was \$8,600 (\$4,500 + \$4,100), and this amount exceeded her 2022 contribution room of \$6,000.

If Rosanna has made no further contributions to her TFSA and no withdrawals during the remainder of 2022, she has a tax liability of \$78 on her excess TFSA amount. This amount was calculated by multiplying the highest excess amount in each month by 1% for each of the three months from October to December; therefore, $\$2,600 \times 1\% \times 3 \text{ months} = \78 .

If, after making her \$4,100 contribution on October 30, 2022, Rosanna realized her error and withdrew \$2,600 on October 31, she still would have been subject to a 1% tax on the \$2,600 excess amount, but only for October. Her tax liability would have been \$26 ($\$2,600 \times 1\% \times 1 \text{ month}$). (Example from the CRA Guide)

Note that the application of this special 1% tax may cease when the taxpayer has new TFSA contribution rights.

13.4. Withdrawals

TFSA withdrawals may be made at any time, for any reason, and are not taxable. The total amount of the withdrawals may be re-contributed to the TFSA in the following or subsequent years (due to the increase in contribution room). Hence, a TFSA withdrawal restores contribution room, which is not the case for RRSP withdrawals.

13.5. Plan's Maturity Date

Unlike an RRSP where you must terminate the plan when reaching 71 years of age, there is no termination date for a TFSA. The TFSA, therefore, offers seniors aged 71 and over a tax-free savings vehicle.

13.6. Operating a Business

Income/gains earned in TFSAs (structured as trusts) are generally not taxable except for business income. Indeed, if the CRA determines that the TFSA trust is used during "carrying on a business," the income/gains earned by that business (net of business losses) may be subject to tax. Note that it is the TFSA trust and not you (via personal tax return(s)) that is subject to tax at the top marginal rate on the first dollar of taxable income.

What is business income?

Depending on the circumstances, frequent trading activities with a short holding period (or "day trading") may be considered to be carrying on a business - even if it takes place in a TFSA trust.

In recent years, the CRA has increased its scrutiny of TFSAs where frequent or speculative trading is taking place.

Several factors are considered when determining whether a TFSA trust is being used for business purposes. These factors include: the frequency of trading, the repetition of similar transactions, the length of time the securities have been held, the intention to purchase securities for short-term profit, the speculative nature and quantity of securities traded, the knowledge of the securities markets, and the amount of time spent by the holder studying those markets. None of these factors is determinative and they are all considered in concluding that a person is carrying on a business.

A key trigger for the CRA appears to be where the FMV of the account is significantly greater than the total maximum TFSA contributions that can be made to date.

For example, if a TFSA has an abnormally high FMV and there have been several trades with a short holding period ("day trading"), the CRA may consider that the increase in value of the TFSA indicates it is held by a holder with special knowledge of securities who is engaged in market speculation. Therefore, business income is present.

If the CRA determines the TFSA holder has carried on a business in their TFSA trust, any gains/income (net of losses) related to that business activity realized by the TFSA trust will be taxed as business income. Such income will be taxed via a Trust Income Tax and Information Return at the highest rate applicable to individuals (approximately 50% depending on the holder's province of residence). Income that is subject to tax in the TFSA trust includes dividends and interest, as well as the full amount of gains net of realized losses. Gains and losses do not benefit from the 50% tax rate because the TFSA trust is considered to be carrying on a securities trading business.

The TFSA holder is jointly and severally liable with the trustee of the TFSA trust for any tax payable on income earned from carrying on a business in the TFSA trust, such that the CRA will be able to look directly to the holder to collect it if there are insufficient assets in the TFSA to pay it.

14. Miscellaneous

14.1. Real Return Bonds (RRBs) in Non-Registered Accounts

If you hold this type of bond and require further information, please visit nbfwm.ca

14.2. NR4 Slip (Federal) – Statement of Amounts Paid or Credited to Non-Residents of Canada

Non-residents of Canada will receive a NR4 stating the gross investment income, the tax withheld (if applicable), as well as withdrawals from registered accounts. Usually, the withholding tax will be considered a final tax and the non-resident should not be required to file a Canadian income tax return unless the non-resident is in a special situation.

Canada Revenue Agency		Agence du revenu du Canada		NR4		STATEMENT OF AMOUNTS PAID OR CREDITED TO NON-RESIDENTS OF CANADA		ÉTAT DES SOMMES PAYÉES OU CRÉDITÉES À DES NON-RÉSIDENTS DU CANADA			
10	Year Année	11	Recipient code Code du bénéficiaire	12	Country code Code pays	Payer or agent identification number Numéro d'identification du payeur ou de l'agent		13 Foreign or Canadian tax identification number Numéro d'identification étranger ou canadien aux fins de l'impôt			
	20XX		1		F R A	XXXXXX		000 000 000			
Line Ligne	1	18	Income code Code de revenu	19	Currency code Code de devise	20	Gross income Revenu brut	21	Non-resident tax withheld Impôt des non-résidents retenu	22	Exemption code Code d'exemption
Line Ligne	2	23	6 1	24	C A D	25	9814 93	26	0 00	27	S
Non-resident recipient's name and address – Nom et adresse du bénéficiaire non-résident Individual's surname, first name and initial / Corporation, organization, association, trust, or institution name Nom, prénom et initiale du particulier / Nom de la société, de l'organisme, de l'association, de la fiducie ou de l'établissement Second individual's surname, first name and initial / Nom, prénom et initiale du deuxième particulier Address / Adresse FIRST NAME SURNAME PRÉNOM NOM ADDRESS ADRESSE											
Name and address of payer or agent Nom et adresse du payeur ou de l'agent FINANCIERE BANQUE NATIONALE 1155 RUE METCALFE MONTREAL QC H3B 4S9											
Non-resident account number Numéro de compte non-résident XXXXXXXXXXXX											
Country code Code pays F R A											

Protected B when completed / Protégé B une fois rempli

Privacy Act, Personal Information Bank numbers CRA PPU 005 and CRA PPU 047.
Loi sur la protection des renseignements personnels, Fichiers de renseignements personnels numéros ARC PPU 005 et ARC PPU 047.

NR4 (XX)

RC-XX-XXX **Canada**

In addition, non-residents of Canada holding units of a limited partnership (or units of a partnership) may also receive a T5013 slip. For more information on the T5013 slip, please refer to the relevant section above.

14.3. Stripped Coupons and Residual Bonds

Essentially, it is a bond with interest coupons which are separate from the principal. Each coupon can then be sold separately at a price representing the present value of the cash to be received. Both the residual bond and interest coupons that have been separated from the principal amount constitute debt obligations that, for tax purposes, are governed by the rules applicable and prescribed by regulation. Thus, "notional" interest must be included annually in the investor's income although no interest will be paid or received during the year.

In general, the amount of notional interest deemed to accrue each year is determined using the "actual annual return" calculation based on the purchase price and maturity value, and this interest is considered to be compounded annually. Once the "actual annual return" is determined, the following formula is applied for each year:

$$(\text{Purchase price plus interest from previous years}) \times \text{real interest rate} \times \text{number of days the warrant is held} \div \text{number of days in the year of sale} = \text{interest to be included in income}$$

The imputed interest accrued during each fiscal year is calculated based on the anniversary date of the issuance of the underlying bond. For example, if a stripped coupon or residual bond was purchased on February 1 of a year and the anniversary date of its issuance was June 30, notional interest would only need to be accrued for five months in the year of purchase. However, for each subsequent year, notional interest would have to be earned from the preceding July 1 to June 30 of the subsequent year.

- > Example: A residual bond of \$5,000 is acquired on February 2, 2018, for a price of \$3745. The anniversary date of the underlying bond is June 30. The bond will mature on June 30, 2023. Therefore, there is a real annual yield of 5.5%.
- >

Actual Output 5.5%	Underlying Bond Anniversary Date Date of Bond Acquisition	June 30 February 2, 2018	# of Days Held
YEAR	Basis for Interest Calculation	Notional Interest	DAYS
2018	\$3,745.00	\$84.05	149
2019	\$3,829.05	\$210.52	
2020	\$4,039.57	\$222.09	
2021	\$4,261.67	\$234.31	
2022	\$4,495.97	\$247.19	
2023	\$4,743.16	\$260.78	
		\$1,258.94	

To help you prepare your income tax return, you will receive an annual Interest Accrued report indicating the amount to be added to your return.

If you have disposed of stripped coupons or residual bonds and you have received a Realized Capital Gains and Losses Report (See example in section 7.2.) please note that the amount indicated under Portion of interest corresponds to the cumulative amount of interest **since the acquisition of the security**

15. U.S. Tax Slips

15.1. Form 1042-S (Foreign Person's U.S. Source Income Subject to Withholding)

If you are not a U.S. citizen and you have received U.S. source income from an indirect account (i.e., a non-registered account for which the beneficiary is a limited partnership, an investment club or association that is not incorporated, a unique shareholder, a transferor trust, or a simple trust), you will receive Form 1042-S. This slip will show the income generated by your account, as well as withholdings remitted to the U.S. Internal Revenue Service (IRS).

RESP and TFSA accounts are treated as individual accounts. Due to its QI (Qualified Intermediary) status, the Bank is therefore not obligated to produce individual 1042-S slips to RESP and TFSA account holders who have had income from U.S. sources during the year. A joint statement will be sent to the IRS according to QI obligations (pooled reporting).

Form 1042-S		Foreign Person's U.S. Source Income Subject to Withholding		20XX		OMB No. 1545-0096	
Department of the Treasury Internal Revenue Service		Information about Form 1042-S and its separate instructions is at www.irs.gov/form1042.		Copy B for Recipient			
AMENDED		PRO-RATA BASIS REPORTING					
1 Income code 06	2 Gross income 357.58	3 Chap. 3 3a Exemption code: 00 3b Tax rate: 15.00	4 Chap. 4 4a Exemption code: 15 4b Tax rate: 60.00	5 Withholding allowance	6 Net income	7 Federal tax withheld 0.00	
8 Tax withheld by other agents 53.64		9 Tax assumed by withholding agent 53.64		10 Total withholding credit 53.64			
11 Amount repaid to recipient		12a Withholding agent's EIN 00000000		12b Ch. 3 status code 12		12c Ch. 4 status code	
13a Withholding agent's name FINANCIERE BANQUE NATIONALE		13b Withholding agent's Global Intermediary Identification Number (GIIN) XXXXXXXXXXXXXX		13c Country code CA		13d Foreign taxpayer identification number, if any	
13e Address (number and street) 1155 RUE METCALFE		13f City or town, state or province, country, ZIP or foreign postal code MONTREAL QC H3B 4S9		13g Recipient's U.S. TIN, if any		13h Ch. 3 status code 19	
13i Ch. 4 status code		14a Recipient's name		14b Recipient's country code		14c Recipient's address (number and street) City or town, state or province, country, ZIP or foreign postal code	
14d City or town, state or province, country, ZIP or foreign postal code		14e Recipient's account number XXXXXX		14f Recipient's date of birth		14g Recipient's foreign tax identification number, if any	
14h City or town, state or province, country, ZIP or foreign postal code		14i Payer's name		14j Payer's TIN		14k Payer's GIIN	
14l State income tax withheld		14m Payer's state tax no.		14n Name of state			

Date	Quantity	Description	Entry Type	Account Currency	Amount	Conv. Rate	USD
YOUR CANADIAN ACCOUNT							
XX-XXXX-X							
01-08	400	GLOBAL X SUPEROVISIMO ETF	DIV	24.65	0.9247		24.69
01-08	400	GLOBAL X SUPEROVISIMO ETF	WTRX2	4.00	0.9247		3.70
02-12	400	GLOBAL X SUPEROVISIMO ETF	DIV	26.47	0.9103		26.10
02-12	400	GLOBAL X SUPEROVISIMO ETF	WTRX2	3.97	0.9103		3.61
03-12	400	GLOBAL X SUPEROVISIMO ETF	DIV	26.82	0.8984		26.10
03-12	400	GLOBAL X SUPEROVISIMO ETF	WTRX2	4.02	0.8984		3.61
04-10	400	GLOBAL X SUPEROVISIMO ETF	DIV	26.29	0.9165		26.10
04-10	400	GLOBAL X SUPEROVISIMO ETF	WTRX2	3.94	0.9165		3.61
05-12	400	GLOBAL X SUPEROVISIMO ETF	DIV	26.22	0.9181		26.10
05-12	400	GLOBAL X SUPEROVISIMO ETF	WTRX2	3.93	0.9181		3.61
06-11	400	GLOBAL X SUPEROVISIMO ETF	DIV	26.20	0.9189		26.10
06-11	400	GLOBAL X SUPEROVISIMO ETF	WTRX2	3.93	0.9189		3.61
07-11	400	GLOBAL X SUPEROVISIMO ETF	DIV	25.75	0.9258		26.09
07-11	400	GLOBAL X SUPEROVISIMO ETF	WTRX2	3.86	0.9258		3.61
08-12	400	GLOBAL X SUPEROVISIMO ETF	DIV	26.24	0.9168		26.10
08-12	400	GLOBAL X SUPEROVISIMO ETF	WTRX2	3.93	0.9168		3.61
09-11	400	GLOBAL X SUPEROVISIMO ETF	DIV	26.51	0.9090		26.10
09-11	400	GLOBAL X SUPEROVISIMO ETF	WTRX2	3.97	0.9090		3.61
10-10	400	GLOBAL X SUPEROVISIMO ETF	DIV	26.96	0.8938		26.09
10-10	400	GLOBAL X SUPEROVISIMO ETF	WTRX2	4.04	0.8938		3.61
11-12	400	GLOBAL X SUPEROVISIMO ETF	DIV	27.05	0.8841		26.09
11-12	400	GLOBAL X SUPEROVISIMO ETF	WTRX2	4.09	0.8841		3.61
12-10	400	GLOBAL X SUPEROVISIMO ETF	DIV	27.63	0.8722		26.10
12-10	400	GLOBAL X SUPEROVISIMO ETF	WTRX2	4.14	0.8722		3.61

15.2. Form 1099 – DIV (Dividend and Distributions) and Form 1099-INT (Interest Income)

If you are a “documented” U.S. investor, whether residing in the United States or not, you will receive Form 1099-DIV and/or Form 1099-INT corresponding to your U.S. source dividend income and/or interest income, respectively, generated by your investments in your RESP, RDSP and TFSA accounts.

If you are an “undocumented” U.S. investor, you will receive Form 1099-DIV and/or Form 1099-INT for U.S. source income from your non-registered accounts in addition to those from your RESP, RDSP, and TFSA accounts.

In this context, “documented” refers to the supporting documents establishing U.S. residency and/or citizenship of the client which can be established by completing the IRS Form W-9.

Date	Quantity	Description	Entry Type	Account Currency	Amount	Conv. Rate	USD
2018-01-01	200	MONTARIO CO	DEF				84.00
2018-02-01	400	FREEDPORT-MCNORAN COPPAGLD	DEF				125.00
2018-03-01	300	CLIFFS NATURAL RES INC	DEF				45.00
2018-04-01	350	MOHAC CO-NEW	DEF				87.50
2018-05-01	200	MONTARIO CO	DEF				84.00
2018-06-01	400	FREEDPORT-MCNORAN COPPAGLD	DEF				125.00
2018-07-01	300	CLIFFS NATURAL RES INC	DEF				45.00
2018-08-01	350	MOHAC CO-NEW	DEF				87.50

CORRECTED (if checked)

PAYER'S name, street address, city or town, province or state, country, ZIP or foreign postal code, and telephone no.
FINANCIERE BANQUE NATIONALE
 1155 RUE METCALFE
 MONTREAL, QC
 H3B 4S9

1a Total ordinary dividends
\$ 20.00

1b Qualified dividends
\$ 20.00

2a Total capital gain dist
\$

2b Unrecap. Sec. 1250 gain
\$

2c Section 1202 gain
\$

2d Collectibles (28%) gain
\$

3 Nondividend distributions
\$

4 Federal income tax withheld
\$

5 Investment expenses
\$

6 Foreign tax paid
\$ 3.00

7 Foreign duty or U.S. postage
\$

8 Cash liquidation distributions
\$

9 Noncash liquidation distributions
\$

10 Exempt interest dividends
\$

11 Specified private activity bond interest dividends
\$

12 State
\$

13 State distribution to
\$

14 State tax withheld
\$

VOID CORRECTED

PAYER'S name, street address, city or town, province or state, country, ZIP or foreign postal code, and telephone no.
FINANCIERE BANQUE NATIONALE
 1155 RUE METCALFE
 MONTREAL, QC
 H3B 4S9

1a Total ordinary dividends
\$ 20.00

1b Qualified dividends
\$ 20.00

2a Total capital gain dist
\$

2b Unrecap. Sec. 1250 gain
\$

2c Section 1202 gain
\$

2d Collectibles (28%) gain
\$

3 Nondividend distributions
\$

4 Federal income tax withheld
\$

5 Investment expenses
\$

6 Foreign tax paid
\$ 3.00

7 Foreign duty or U.S. postage
\$

8 Cash liquidation distributions
\$

9 Noncash liquidation distributions
\$

10 Exempt interest dividends
\$

11 Specified private activity bond interest dividends
\$

12 State
\$

13 State distribution to
\$

14 State tax withheld
\$

Instructions for Recipient

Recipient's identification number. For your protection, this form may show only the last four digits of your social security number (SSN), individual taxpayer identification number (ITIN), or adoption taxpayer identification number (ATIN). However, the issuer has reported your complete identification number to the IRS and, where applicable, to state and/or local governments.

Account number. May show an account or other unique number the payer assigned to distinguish your account.

Box 1a. Shows total ordinary dividends that are taxable. Include this amount on line 6a of Form 1040 or 1040A. Also, report it on Schedule B (1040A or 1040), if required.

Box 1b. Shows the portion of the amount in box 1a that may be eligible for reduced capital gains rates. See Form 1040/1040A instructions for how to determine this amount. Report the eligible amount on line 6b, Form 1040 or 1040A.

The amount shown may be dividends a corporation paid directly to you as a participant (or beneficiary of a participant) in an employee stock ownership plan (ESOP). Report it as a dividend on your Form 1040/1040A but treat it as a gain distribution, not as investment income, for any other purpose.

Box 2a. Shows total capital gain distributions from a regulated investment company or real estate investment trust. Report the amounts shown in box 2a on Schedule D (Form 1040), line 13. But, if no amount is shown in boxes 2a-2c and your only capital gains and losses are capital gain distributions, you may be able to report the amounts shown in box 2a on line 13 of Form 1040 (line 10 of Form 1040A) rather than Schedule D. See the Form 1040/1040A instructions.

Box 2b. Shows the portion of the amount in box 2a that is unrecaptured section 1250 gain from certain depreciable real property. Report this amount on the Unrecaptured Section 1250 Gain Worksheet, line 18 in the Schedule D instructions (Form 1040).

Box 2c. Shows the portion of the amount in box 2a that is section 1202 gain from certain small business stock that may be subject to an exclusion. See the Schedule D (Form 1040) instructions.

Box 2d. Shows 28% rate gain from sales or exchanges of collectibles. If required, use the amount when completing the 28% Rate Gain Worksheet, Line 18 in the instructions for Schedule D (Form 1040).

Box 3. Shows the part of the distribution that is nontaxable because it is a return of your cost (or other basis). You must reduce your cost (or other basis) by this amount for figuring gain or loss when you sell your stock. But if you get back all your cost (or other basis), report future distributions as capital gains. See Pub. 550, Investment Income and Expenses.

Box 4. Shows backup withholding. A payer must backup withhold on certain payments if you did not give your taxpayer identification number to the payer. See Form W-9, Required for Taxpayer Identification Number and Certification, for information on backup withholding. Include this amount on your income tax return as tax withheld.

Box 5. Shows your share of expenses of a nonpublicly offered regulated investment company, generally a nonpublicly offered mutual fund. If you file Form 1040, you may deduct these expenses on the "Other expenses" line on Schedule A (Form 1040) subject to the 2% limit. This amount is included in box 1a.

Box 6. Shows the foreign tax you may be able to claim as a deduction or a credit on Form 1040. See the Form 1040 instructions.

Box 7. This box should be left blank if a regulated investment company reported the foreign tax shown in box 6.

Boxes 8 and 9. Shows cash and noncash liquidation distributions.

Box 10. Shows exempt-interest dividends from a mutual fund or other regulated investment company paid to you during the calendar year. Include this amount on line 8b of Form 1040 or 1040A as tax-exempt interest. This amount may be subject to backup withholding. See box 4.

Box 11. Shows exempt-interest dividends subject to the alternative minimum tax. This amount is included in box 10. See the instructions for Form 6251.

Box 12-14. State income tax withheld reporting boxes. Nonetheless, if this form includes amounts belonging to another person, you are considered a nominee recipient. You must file Form 1099-DIV (with a Form 1099) with the IRS for each of the other owners to show their share of the income, and you must furnish a Form 1099-DIV to each. A spouse is not required to file a nominee return to show amounts owned by the other spouse. See the 2014 General Instructions to Certain Information Returns.

Future developments. For the latest information about the developments related to Form 1099-DIV and its instructions, such as legislation enacted after they were published, go to www.irs.gov/form1099div.

15.3. Form 1099-B (Proceeds from Broker and Barter Exchange Transactions)

If you are a “documented” U.S. investor residing in the United States, you will receive Form 1099-B reporting the dispositions of all securities from your RESP, RDSP, and TFSA accounts (e.g., U.S., Canadian, and other sources).

If you are an “undocumented” U.S. investor residing in the United States, you will receive Form 1099-B reporting the dispositions of all the securities from your non-registered accounts in addition to those from your RESP, RDSP, and TFSA accounts.

There is no Form 1099-B generated for U.S. investors not residing in the United States.

In this context, “documented” refers to the supporting documents establishing U.S. residency and/or citizenship of the client, which can be established by completing the IRS Form W-9.

You must use these tax slips to file your U.S. tax return (Form 1040).

NATIONAL BANK FINANCIAL 130 KING STREET WEST SUITE 3200 TORONTO, ONTARIO M5X 1Z9										IRS TRADING SUMMARY - 20XX			
										RECIPIENT ID	000000000		
FIRST NAME SURNAME ADDRESS ADDRESS ADDRESS													
DATE	QUANTITY	SECURITY DESCRIPTION	PRICE	PROCEEDS (COSTS)	COMM	CONV RATE	PROCEEDS (COSTS) US\$	COMM US\$ (F%)	UNCOVERED (F%)	WASH SALE US\$	LONG/SHORT TERM L/G (L/R)		
YOUR CANADIAN ACCOUNT X-XXXX-X													
11.14	250	ALTER MFG CORP-NW	2.71	699.75		0.8926	528.17		Y	0.00	0.00		
Total Proceeds							528.17						
11.14	128,972	ML1 GRW OFF CL /W	27.398	3,533.57		0.8926	3,118.73		Y	0.00	0.00		

FINANCIERE BANQUE NATIONALE 1155 RUE METCALFE MONTREAL QC H3B 4S9										OMB - No. 1545-0715			
Investment Advisor: PRÉNON NOM Phone Number:										1099B - Substitute Statement - 20XX Proceeds From Broker & Barter Exchange Transactions			
										RECIPIENT ID	000000000		
										PAYER'S FED. ID. No.	000000000		
Date Sold or Disposed (Box 1c)	CUSIP Number	Qty Sold	Proceeds (Box 1d)	Fed Inc Tax Withd (Box 4)	Description (Box 1a)	Date of Acq (Box 1b)	Cost or Other Basis (Box 1e)	Code (Box 1f)	Adjustments (Box 1g)	Loss Not Allowed (Box 7)	Uncovered Security (Box 5)	Basis Reported to IRS (Box 3)	Long/Short Term L/G (Box 2)
YOUR CANADIAN ACCOUNT X-XXXX-X													
02.18	122902G05	10,000	9,123.00		BDC CIBLE S1 T/V 18FV14		0.00		0.00		Y		
Reported to IRS: () Sales Price (X) Sales Price Less Commissions and Option Premiums													

FAQ – Tax Slips and Miscellaneous

Q.1.: What is a 1042-S?

A.1.: 1042-S is a form produced by the U.S. Internal Revenue Service (IRS). It provides information on U.S. source income and withholdings associated with this income.

Q.2.: Why did I receive Form 1042-S?

A.2.: According to the information documented in your account, you are not considered a U.S. person, and U.S. source income has been paid to your account.

Q.3.: Why were there withholdings on my registered account when income paid into this account is not taxable?

A.3.: It is true that income is not taxed in a registered account for Canadian tax purposes. There are, however, withholdings on U.S. source income paid into a TFSA, RESP, or registered disability savings plan (RDSP). These are considered "non-registered vehicles," and, therefore, taxable by U.S. tax authorities. The withholdings associated with these accounts cannot be recovered through the Canadian foreign tax credit mechanism. Note that the treatment is different for RRSP/RRIF accounts; no withholding tax will be levied for these since the United States recognizes Canadian RRSPs and RRIFs as having non-taxable "registered plan" status. Thus, in accordance with the Tax Treaty between Canada and the United States, money or investments held in an RRSP/RRIF continue to grow tax-free as long as no amounts are withdrawn.

The withholding rate may differ according to the documentation that you provide at account opening, as well as your country of residence. The Tax Treaty between the United States and certain countries, including Canada, provides the right to a reduced withholding rate. To be eligible for the Treaty's preferential tax rate, you must provide documentation establishing your place of residence, i.e., the IRS Form "W-8BEN" or any other acceptable document. We strongly recommend that you contact a representative to determine the forms required for your specific situation. If you do not fill in the required documentation, the maximum withholding rate of 30% will be applied to all U.S. source income paid into your non-registered accounts, TFSAs, RESPs, and RDSPs. This withholding is remitted to the U.S. tax authorities and is, generally, considered a final tax. Therefore, you do not need to file a U.S. tax return (Form 1040NR or Form 1040) unless you need to file one for another reason, or if there is reason to believe that you will be able to recover a withheld amount from the U.S. tax authorities.

Q.4.: Do I have to file the Form 1042-S with my Canadian tax report?

A.4.: No, because it is a U.S. form.

Deduction for carrying charges and interest expenses

Carrying charges and interest expenses are deductible within certain limitations. Here is a brief summary of these:

A) Federal

As outlined by CRA on their website – [Line 22100](#)

Line 22100 – Carrying charges and interest expenses

Note: Line 22100 was Line 221 before tax year 2019.

Claim the following carrying charges and interest you paid to earn income from investments:

- > most interest you pay on money you borrowed for investment purposes, but generally only if you use it to try to earn investment income including interest and dividends. However, you cannot deduct these fees if the only income your investment can produce is capital gain.

T1135 - GUIDE

1. Foreign Income Verification Statement

Foreign Properties Report

The Foreign Properties Report is a tool (available on request, for a fee) that will help you gather the necessary data to complete your personal tax return and, more specifically, if you need to complete Form T1135 – “Foreign Income Verification Statement,” issued by the Canada Revenue Agency (CRA). Please note that the *Foreign Properties* Report is not a form prescribed by the *Income Tax Act* (ITA). Therefore, it cannot replace the T1135 required by the CRA. This report contains data obtained from a number of sources we believe to be reliable. However, we cannot attest to the accuracy, quality, or the completeness of this information. Consequently, you (and/or your tax specialist) must analyze the content and determine what is relevant to properly complete Form T1135.

For information purposes only, you shall find hereinafter information on Form T1135 including a description of our *Foreign Properties* Report to help you complete Form T1135.

What is Form T1135 - "Foreign Income Verification Statement?"

Any taxpayer (individual, corporation, trust) who resides in Canada must complete and file Form T1135 if he held specified foreign property (see description below) whose "cost amount" (generally referring to the cost of acquisition of the property, according to ITA) at any time during the year, was greater than \$100,000 in Canadian currency. **At any time, this implies that even if some or all of these properties have been sold before the end of the year, they must be declared.**

This form, prescribed by the ITA, helps tax authorities ensure that Canadian taxpayers disclose revenues derived from their foreign property. Since 1998, this form must be completed and filed annually to avoid onerous penalties for non-filing. For any previous years, if you omitted filing Form T1135, it is recommended that you contact your accountant or tax advisor prior to taking any action.

Specified Foreign Property – CRA Website : [Questions and answers about Form T1135](#)

“Specified foreign property” is defined in Subsection 233.3(1) of the ITA. Generally speaking, it includes:

- > Funds, including intangible property (patents, copyrights, etc.) situated, deposited, or held outside Canada
- > foreign property that does not produce income such as land
- > tangible property situated outside Canada
- > a share of the capital stock of a non-resident corporation
- > a share of a corporation resident in Canada but held outside Canada
- > an interest in a non-resident trust that was acquired for consideration
- > an interest in a partnership that holds a specified foreign property unless that partnership is required to file Form T1135
- > a property that is convertible into, exchangeable for, or confers a right to acquire a property that is specified foreign property
- > a debt owed by a non-resident, including government or corporate bonds, debentures, mortgages, and notes receivable
- > an interest in a foreign insurance policy
- > precious metals, gold certificates, and futures contracts held outside Canada.

Please note: a building for personal use is not covered by the Form T1135 or listed personal property (such as works of art).

Summary table concerning shares of companies listed on a foreign stock exchange according to the type of holding account:

	T1135?
RRSP-TFSA-RESP	NO
Non Registered personal and Corporate account	YES If direct holding of a foreign security (including an ADR "American Deposit Receipt") For funds validate the legal aspect. Is the trust foreign (ex USA)?

“Specified foreign property” does not include personal use property or shares of the capital stock of corporations not resident in Canada held in a registered account (RRSP, TFSA, RESP, etc.) or held in a Canadian mutual fund/corporation.

For further detail, please refer to the CRA's website.

- > [General Information](#)
- > [Questions and Answers about T1135 Form \(Q19-47\)](#)

2. Simplified Reporting Method

Since 2015, taxpayers who hold "specified foreign property" whose total acquisition cost (i.e., all their specified foreign property) is less than \$250,000 throughout the year may disclose such property under a Simplified reporting method by identifying asset types only rather than providing the required details either for each asset or by account and country.

Part A: Simplified reporting method

For each type of property that applies to you, tick the appropriate box.

Type of property:

Funds held outside Canada

Shares of non-resident corporations (other than foreign affiliates)

Indebtedness owed by non-resident

Interests in non-resident trusts

Real property outside Canada (other than personal use and real estate used in an active business)

Other property outside Canada

Property held in an account with a Canadian registered securities dealer or a Canadian trust company

Country code:

Select the top three countries based on the maximum cost amount of specified foreign property held during the year. Enter the country codes in the boxes below:

Gross income from all specified foreign property \$ _____

Gain(loss) from the disposition from all specified foreign property \$ _____

Privacy Act, personal information bank number CRA PPU 035

Your tax slips and our *Foreign Properties* Reports contain all the necessary information required to complete Form T1135 - Part A, referred to as the "Simplified reporting method."

3. Reminder of the Detailed Reporting Method

If you hold "specified foreign property" held through a registered securities dealer or a Canadian trust company, you have two options available regarding [Form T1135](#):

1- "Report by Account and by Country" — Category 7 of Form T1135.

This section applies only to foreign properties held with a Canadian registered securities dealer or a Canadian trust company. In this category, for each account held at a securities dealer or trust company, you must identify the aggregate amount by country and indicate:

- > the maximum fair market value during the year (which may be based on the maximum month-end fair market value)
- > the fair market value at the end of the year
- > the income (losses) generated by the asset, and
- > the gains (losses) resulting from disposition of the asset

7. Property held in an account with a Canadian registered securities dealer or a Canadian trust company					
Name of registered security dealer/Canadian trust company	Country code	Maximum fair market value during the year	Fair market value at year-end	Income	Gain (loss) on disposition
Total					

2- "Asset by Asset Report:" this section requests, for each of the specified foreign properties, the following information:

- > the name of the foreign corporation or foreign entity
- > the country to which the asset belongs
- > the maximum cost amount during the year
- > the cost amount at the end of the year
- > the gross income (losses) generated by the asset; and
- > the gain (losses) resulting from disposition of the asset.

Protected B when completed

Part B: Detailed reporting method

Categories of specified foreign property

In each of the tables below, provide the required details of each specified foreign property held at any time during the particular tax year. If you need additional space, please attach a separate sheet of paper using the same format as the tables.

A taxpayer who held specified foreign property with a Canadian registered securities dealer or a Canadian trust company is permitted to report the aggregate amount, on a country-by-country basis, of all such property in Category 7, Property held in an account with a Canadian registered securities dealer or a Canadian trust company. See attached instructions for Category 7 for details as to how to report under this method.

1. Funds held outside Canada

Name of bank/other entity holding the funds	Country code	Maximum funds held during the year	Funds held at year-end	Gross income
Total				

2. Shares of non-resident corporations (other than foreign affiliates)

Name of corporation	Country code	Maximum cost amount during the year	Cost amount at year-end	Gross Income	Gain (loss) on disposition
Total					

3. Indebtedness owed by non-resident

Description of indebtedness	Country code	Maximum cost amount during the year	Cost amount at year-end	Gross Income	Gain (loss) on disposition
Total					

4. Interests in non-resident trusts

Name of Trust	Country code	Maximum cost amount during the year	Cost amount at year-end	Income received	Capital received	Gain (loss) on disposition
Total						

5. Real property outside Canada (other than personal use and real estate used in an active business)

Description of property	Country code	Maximum cost amount during the year	Cost amount at year-end	Gross income	Gain (loss) on disposition
Total					

6. Other property outside Canada

Description of property	Country code	Maximum cost amount during the year	Cost amount at year-end	Gross income	Gain (loss) on disposition
Total					

4. Other Relevant Information to Complete Form T1135

In the *Country codes* section in the "Instructions" portion of Form T1135, the CRA states that if there is uncertainty regarding the country code, "OTH" should be selected for "Other."

Excerpt from the CRA's Guide:

Country codes

For the list of country codes for tax purposes, see country codes or CRA publication T4061 of CRA entitled NR4 – Non-Resident Tax Withholding, Remitting and Reporting, Appendix A.

The country code for each category should identify the following:

- > Category 1 – the country where the funds are located;
- > Category 2 – the country of residence of the non-resident corporation;
- > Category 3 – the country of residence of the non-resident issuer;
- > Category 4 – the country of residence of the trust;
- > Category 5 – the country where property is located;
- > Category 6 – the country where property is located;
- > Category 7 – depending on the type of property, use the instructions above for categories 1 to 6.

If you are uncertain of the appropriate country code for a particular specified foreign property, select "OTH" for "Other."

5. The Client's Responsibility

It is your responsibility to adequately complete Form T1135. You can mandate an external expert to help you with the foregoing. National Bank of Canada, its subsidiaries, and their Advisors do not offer this service. NBDB can provide certain information regarding your foreign securities held at NBDB, which should help you complete Form T1135.



You agree to release NBDB, its employees, agents, representatives and officers, even in the case of gross negligence or misconduct on the part of NBDB or the latter, from and against all liabilities, claims, losses and/or damages (including legal fees and expenses) and from all proceedings, claims or any other cause of action as to the accuracy of the information herein (as well as in the mentioned documents and statements) and the fiscal impacts resulting from their use.

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