REQUEST BY A NON-RESIDENT OF CANADA FOR A CERTIFICATE OF COMPLIANCE
RELATED TO THE DISPOSITION OF TAXABLE CANADIAN PROPERTY

INSTRUCTIONS

All legislative references are to the Income Tax Act.

Use this form if you are a non-resident of Canada to give notice of the proposed disposition of, or the completed disposition of, certain taxable Canadian property. Taxable Canadian property is property described in subsection 248(1) of the Act. A disposition of taxable Canadian property includes any interest or option for such property whether or not the property exists.

Use Form T2062A for proposed or completed dispositions of Canadian resource or timber resource property, Canadian real property (other than capital property), or depreciable taxable Canadian property. However, when disposing of depreciable taxable Canadian property, use this form to report the gain on the disposition and Form T2062A to report the recapture of capital cost allowance or terminal loss. If both forms T2062 and T2062A are required for a disposition, the forms must be filed together.

If you file a request for a proposed disposition under subsection 116(1) and the completed disposition complies with the requirements of subparagraphs 116(3)(d), (e) and (f), you do not have to file a separate request under subsection 116(3) for the completed disposition.

File a separate T2062 for each disposition or proposed disposition. However, if you are disposing of, or proposing to dispose of, several properties to the same purchaser at the same time, only one T2062 is required for all the properties. A separate T2062 must be filed by each person indicating an interest in a joint tenancy, tenancy in common, or co-ownership.

We issue a certificate of compliance after tax is paid or security acceptable to the Minister is submitted for the disposition. Final settlement of the tax liability is made when you file your Canadian income tax return. You have to file an income tax return to report the disposition of the property listed on this form.

If you are giving notice of a completed disposition under subsection 116(3), you must send this form to us by registered mail, not later than 10 days after the date of disposition. The penalty, under subsection 162(7), for failing to file or submit a notice on time is $25 a day. There is a minimum penalty of $100 and a maximum penalty of $2,500.

Send this notification along with all supporting documents (see list attached), to the tax services office for the area where the property is located. An incomplete notification will delay the issuance of a Certificate of Compliance.

Country of residence – Indicate the country where you normally, customarily, or routinely live.

Identification number – Enter the appropriate identification number. This will ensure that security or payment made for tax is credited to the correct account. Identification numbers must be used when filing your Canadian income tax return on all correspondence with us.

Social insurance number (SIN) – applies if an individual was formerly a resident or a deemed resident of Canada.
Temporary tax number (TTN) – is a number assigned to a non-resident individual who filed a Canadian income tax return in previous years.
Subsidiary ledger number – is a number assigned to a non-resident individual who has made a remittance but does not have a Canadian tax account number.
Business number (BN) – is a registration number for businesses such as corporations, partnerships, and sole proprietorships.
Trust account number – is a number assigned to a trust that filed a Canadian income tax return in previous years.

Applying for a BN
Complete Form RC1, Request for a Business Number (BN). Form RC1 and our pamphlet called, The Business Number and Your Canada Revenue Agency Accounts, are available on the Internet at: www.cra.gc.ca
Send the completed RC1 with a copy of the certification of incorporation to the tax services office where you filed the Form T2062.

Details of property – If a disposition includes more than one property, attach a piece of paper providing the details for each property. All amounts must be in Canadian dollars.

Property jurisdiction – include the municipality/city, province/territory and postal code for the street address requested below in the Description of property.

Description of property – include the following details:
Land or buildings – street address, plan number, lot number, registration number, municipal value, and use of property (e.g., personal residence, rental or business property).
Business property – identification of business assets, business name, and street address.
Shares – name and street address of corporation, number of shares, certificate numbers, and par value or stated capital.
Partnership property – name, street address, and identification number of partnership.
Trusts – name and address, if any, of trust; otherwise name(s) and street address(es) of trustee(s).
Described insurance property – identification of insurer’s business asset, business name and street address.

Exemption
If you are claiming an exemption from tax, such as under a tax convention or a principal residence exemption, enter the exempt portion in column (4). Attach a note detailing the calculation of the exempt amount.

Note: You cannot claim outlays and expenses related to the disposition of property, including real estate commissions, brokerage fees, and legal and notary fees, when you file this form. However, you can claim these amounts when you file your Canadian income tax return.

More information
You can get information about residency status in Canada from Interpretation Bulletin IT-221, Determination of an Individual’s Residence Status, or by contacting the International Tax Services Office at 952-3741 (calls from within the Ottawa area), 1-800-267-5177 (calls from other areas in Canada and the United States), or collect at (613) 952-3741 (calls from outside Canada and the United States), or visit our Web site at: www.cra.gc.ca.

You can also get information from:

Information Circular
72-17 Procedures Concerning the Disposition of Taxable Canadian Property by Non-Residents of Canada – Section 116
Interpretation bulletins:
IT 171 Non-Resident Individuals – Computation of Taxable Income Earned in Canada and Non-Refundable Tax Credits
IT 176 Taxable Canadian Property – Interests in and Options on Real Property and Shares
IT 419 Meaning of Arm’s Length
Supporting Document List

When you send us your completed Form T2062, you must attach supporting documents so we can process your request. To help you, we have provided the following reference list. You can tick (✓) the boxes that apply to you.

Transactions

Sale of land or buildings
If you sell land or buildings, include copies of:
- the offer to purchase (proposed disposition);
- the sales agreement (actual disposition);
- the purchase agreement (when property was acquired);
- the registered deeds on purchase; and
- the registered deeds on sale.

Principal residence
If the property is your principal residence, also include:
- Form T2091(IND), Designation of a Property as a Principal Residence by an Individual (Other than a Personal Trust); and
- Form T2091(IND)-WS, Principal Residence Worksheet.

Personal use property
If you sell other personal use property, include:
- a letter describing the use of the property for the ownership period; and
- a list of adjustments to the adjusted cost base.

Rental property
If you sell rental property, include:
- capital cost allowance (CCA) schedules for all years;
- copies of your Canadian income tax returns and notices of assessment for the last three years;
- documents to support the allocation of the proceeds between land and building;
- documents to support subsection 21(1) and (3) elections regarding capitalization of interest; and
- a completed form T2062A, Request by a Non-Resident of Canada for a Certificate of Compliance Related to the Disposition of Canadian Resource or Timber Resource Property, Canadian Real Property (other than Capital Property), or Depreciable Taxable Canadian Property.

Leases
If you grant an interest in property, or dispose of an interest in property, include copies of:
- the right-of-way agreement;
- the surface lease agreement; or
- the leasehold interest agreement.

Vendor takes back mortgage
If the vendor takes back the mortgage include:
- a copy of the mortgage agreement.

Mortgage foreclosures and power of sale
If the transaction is a result of a mortgage foreclosure or power of sale, include copies of:
- the power of sale or court order; and
- the mortgage agreement.

Sale of business Assets
If you sell business assets including but not limited to accounts receivables and prepaid expenses, include copies of:
- the sales agreement (actual disposition);
- the most recent financial statements; and
- if the proceeds are included in a bundled payment, ensure that the proper value has been attributed to assets; and
- the offer to purchase (proposed dispositions).

Sale of depreciable property (other than rental property)
For this type of transaction, include copies of:
- the sales agreement;
- the capital cost allowance (CCA) schedules for all years;
- documentation to support the cost amount; and
- a completed form T2062A.

Sale of shares
If you sell shares, include copies of:
- the share certificate or section of the minute book showing the number of shares owned;
- the shareholder register showing the number of shares owned;
- the original purchase agreement documenting the adjusted cost base;
- corporate resolution concerning the sale;
- the most recent financial statements of the corporation whose shares are sold;
- the most recent financial statements of any subsidiary companies;
- the sales agreement (actual disposition); and
- the offer to purchase (proposed disposition).

Sale of partnership property
If you sell partnership property, include copies of:
- the sales agreement (actual disposition);
- the listing of partners;
- the partnership agreement; and
- the offer to purchase (proposed disposition).

Partnership interest
If the property is a partnership interest, include:
- a calculation of the adjusted cost base (ACB);
- a copy of the partnership capital account balance; and
- the purchase agreement (if interest was originally acquired from another partnership).

Partnership residual interest
If the property is a partnership residual interest, include:
- a calculation of the ACB.

Partnership continuing income right
If the property is a continuing income right, include:
- a calculation of the ACB; and
- documents to support the partner's share of income.

Claims for exemptions under tax conventions
If you are claiming an exemption under a tax convention, you have to give us proof of residency.

Individuals should include:
- copies of their most recent income tax returns from the treaty country; and
- a letter from the tax authority in the treaty country confirming their residency status.
Corporations should include:
- a copy of their charter; and
- copies of their most recent income tax returns from the treaty country; and
- a letter from the tax authority in the treaty country confirming their residency status.

Trusts and estates should include:
- a copy of the trust agreement, indenture, or will; and
- copies of the most recent income tax returns from the treaty country; or
- a letter from the tax authority in the treaty country confirming the trust's residency status.

Fresh start rule
If you are claiming an exemption under the Canada-US Tax Convention, Article XIII paragraph 9 (Fresh Start Rule), include:
- proof that you were a continuous resident of the United States from September 26, 1980, to the date of sale;
- the value of the property on December 31, 1971 (for property acquired before January 1, 1972); and
- a calculation of the exempt portion of the gain accrued to December 31, 1984; or
- an appraisal report for the fair market value of the property on December 31, 1984.

Non-arm's length transactions
If the transaction is between non-arm's length parties, include:
- an appraisal report determining the fair-market value of the property at the time of disposition; or
- a letter of opinion from an appraiser or agent.

Gift of property
If the transaction is a gift of property, include:
- a copy of the transfer deed.

Section 85 elections (rollovers)
If a section 85 election is made on the transaction, include a copy of:
- Form T2057, Election on Disposition of Property by a Taxpayer to a Taxable Canadian Corporation; or
- Form T2058, Election on Disposition of Property by a Partnership to a Taxable Canadian Corporation; and
- all supporting documents including valuations, appraisals, and calculations showing how the agreed amounts were determined.

Corporate reorganization
If the transaction is a result of a corporate reorganization, include:
- copies of documents explaining the reorganization; and
- a list of steps involved in the reorganization; and
- a corporate organization chart.

Deemed dividends – section 212.1 or subsection 84(3)
If a section 212.1 or subsection 84(3) deemed dividend results from the transaction, include the calculation of the:
- deemed dividend or paid-up capital reduction; and
- tax paid-up capital.

Trusts and estates
If the vendor is a trust or estate, include the following information as well as documents related to the transaction:
- name and address of the trustee, executor, administrator, or other representative of the trust or estate;
- proof of residency of the trustee, executor, administrator, or other representative of the trust or estate;
- the trust or estate's country of residence; and
- disclosure that a trust is a party to the transaction.

Charities and non-profit organizations
If the vendor is a charity or non-profit organization, include the following information as well as specific documents related to the transaction:
- proof that the organization is registered as a charity for tax purposes in the country of residence.

Joint tenancy, tenancy in common, or co-ownership
If the vendor is a member of a joint tenancy, tenancy in common or co-ownership, include the following information as well as specific documents related to the transaction:
- a list of names and addresses of all members; and
- the percentage of ownership of each member.

Elections
If you previously made an election on the property, include a copy of the election form such as:
- Form T664 or T664 (Seniors), Election to Report a Capital Gain on Property Owned at the end of February 22, 1994; or
- Form T2061A, Election by an Emigrant to Report Deemed Dispositions of Taxable Canadian Property and Any Resulting Capital Gain or Loss.
- Election under subsection 45(2), deems the change in use from personal to income producing not to have occurred.*
- Election under subsection 45(3), deems the change in use from income producing to personal not to have occurred.*
* If there was a change in use and no election was made provide the fair market value of the property at the time the change occurred.

Payment of tax or security
If you are making a payment of tax, include:
- the trust cheque, certified cheque, bank draft, or money order;
- the bank guarantee; or
- evidence that security has been given.

For CRA use only

<table>
<thead>
<tr>
<th>Account or subsidiary ledger number</th>
<th>Amount of payment</th>
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Tick (✓) the box that applies to you
- [ ] Proposed disposition
- [ ] Completed disposition

**Vendor (non-resident)**

- [ ] Corporation
- [ ] Trust
- [ ] Partnerships
- [ ] Individual

**Business number (BN)**

**Trust account number**

**Social insurance, temporary tax, or subsidiary ledger number**

**Last name (print)**

**First name and initial (print)**

**Date of birth**

**MM DD YYYY**

**Date of departure from Canada**

**MM DD YYYY**

**Present address**

**Country of residence (refer to instructions on page 1)**

**Fax**

**Representative name** (By completing this information, you authorize the person named to act as your representative in matters concerning this request)

**Telephone**

**Representative address**

**Fax**

1. Is the disposition subject to an election under section 85 (transfer of property to a company)?
   - [ ] Yes
   - [ ] No

2. Do you hold or plan on holding a mortgage as a result of the disposition?
   - [ ] Yes
   - [ ] No

3. Have you received any income, including rent, royalties, or lease payments, from the property?
   - If **yes**, complete the following:
     - [ ] Non-resident tax was withheld. Give name and address of person who withheld the tax.
     - [ ] Non-resident tax was not withheld. State the period when income was received from the property (attach income statements that show the amount of gross income).
     - If **no**, state the use of the property during the period of ownership.

4. If you have outstanding balances for taxes, including income or excise taxes, custom duties, or the goods and services tax/harmonized sales tax (GST/HST), give the identification or account number(s) for the outstanding balances.

5. State the last tax year for which you filed a Canadian income tax return, if applicable.

6. Is the disposition of property to a person with whom you are not dealing at arm's length, or is it a gift inter-vivos?
   - If **yes**, and the disposition is at less than fair market value, enter the fair market value at the time of the disposition in column (1) below.

**Purchaser**

**Last name**

**First name and initial (print)**

**Telephone**

**Present address**

**Fax**

**Representative's name**

**Telephone**

**Representative address**

**Fax**

**Details of property** (refer to instruction on page 1 for more information)

- [ ] Land or buildings
- [ ] Business property
- [ ] Partnership property
- [ ] Shares
- [ ] Trusts
- [ ] Designated insurance property

**Date or proposed date of disposition**

** YYYY MM DD**

**Vendor's acquisition date**

** YYYY MM DD**

**Property jurisdiction**

**Municipality/city**

**Province/territory**

**Postal code**

**Description of property**

**Proceeds of disposition**

$ 

**Adjusted cost base**

$ 

**Gain or (loss) Column (1) less Column (2)**

$ 

**Exemptions**

$ 

**Net gain or (loss) Column (3) less column (4)**

$ 

**Payment of tax. Enter 25% of net gain.**

$ 

**Certification**

I, [Name], certify that the information given on this form is, to the best of my knowledge, correct and complete.

[Name]

[Authorized person's signature]

[Position or office]