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MEMORANDUM

From: Withey Addison LLP

Re: Foreign Reporting Requirement

If you owned foreign property with a cost of more than $100,000 at any time during the year, you may be required to file a new T1135 form. Reportable foreign property includes nearly all non-Canadian property, the most common examples of which are as follows:

- bank accounts held outside Canada,
- shares of non-resident corporations (including shares held through a Canadian investment broker),
- indebtedness owed by non-residents (including bonds held through a Canadian investment broker),
- interests in certain non-resident trusts (including foreign mutual funds), and
- real property situated outside Canada (other than exclusively personal use vacation property).

Investments held in a registered account such as a RRSP, RIF or TFSA are not considered reportable property, nor are Canadian accounts denominated in foreign currency (example, US cash held by RBC).

CRA has put in place extremely punitive penalties for late filing and for errors or omissions made in the forms. For this reason, it is vital that the information provided be complete and accurate. The form is due on the filing deadline for your income tax return. Note that if you file your income tax return late on the basis that you will receive a refund, the penalty for late filing this form will still apply.

If you believe that you should file the T1135, please contact us immediately for the list of information required. If you do not let us know that this form is pertinent, we will assume that it is not applicable or that you will complete and file the form on your own.