

General information

How to fill out the form

Section 1 – Identification of account holder

Use Section 1 to identify the account holder. Sometimes the address of an account holder may be different from its mailing address. If this is the case, give both addresses.

The **account holder** is the person listed or identified as the holder of the financial account by the financial institution that maintains the account. But, when a person other than a financial institution holds a financial account for the benefit of or for another person as an agent, custodian, nominee, signatory, investment advisor, or intermediary, they are not considered the account holder. In such cases, the account holder is the person for whom the account is held.

If a trust or an estate is listed as the holder of a financial account, the trust or the estate is the account holder, not the trustee or the liquidator. Similarly, if a partnership is listed as the holder of a financial account, the partnership is the account holder, not the partners in the partnership.

An account holder also includes any person who can access the cash value or designate a beneficiary under a cash value insurance contract or an annuity contract.

The **policy/account number** is the number your financial institution assigned to the entity. For example, enter the number assigned to the entity (such as a bank account number or an insurance policy number) in this box. If you do not have such a number, leave this box blank.

Section 2 – Declaration of tax residence

Use Section 2 to identify the entity's tax residence and taxpayer identification number. If the entity does not have such a number, give the reason.

Generally, an entity will be a **tax resident** of a jurisdiction if, under the laws of that jurisdiction, it pays or should be paying tax there because of its domicile, residence, place of management or incorporation, or a similar criterion. For this form:

- a) a partnership, a limited partnership, or a similar legal arrangement is considered to reside in the jurisdiction where its place of management is located;
- b) a trust is considered to reside in the jurisdiction where its place of management and control is located; and
- c) an entity that is a "United States person" is a tax resident of the United States.

Entities that are tax residents in more than one jurisdiction can rely on the tie-breaker rules in tax conventions (when they apply) to resolve cases of dual tax residence.

For more information on tax residency, talk to your tax adviser or go to oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-residency/#d.en.347760.

A **taxpayer identification number**, often referred to by its abbreviation TIN, is a unique combination of letters or numbers that a jurisdiction assigns to an individual or entity. The jurisdiction uses the TIN in administering its tax laws to identify the individual or entity. Enter the TIN in its official format. For more details about acceptable TINs, go to oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-identification-numbers/#d.en.347759.

Reasons that fall under "Reason 3: **Other reason**" for not having a TIN include not being eligible to receive one. However, if you are eligible to receive a TIN but you do not have one, you have 90 days to apply for one through your jurisdiction of residence. You have 15 days after you receive it to give it to your financial institution.

Section 3 – Entity classification

Use Section 3 to identify what type of entity the account holder is.

In Section 3.1, identify if the entity is a financial institution and whether it has a global intermediary identification number (GIIN). A GIIN is a unique identifier the Internal Revenue Service of the United States issues to financial institutions. Reasons for not having a GIIN include being a deemed compliant foreign financial institution or a non-participating foreign financial institution.

A **financial institution** is a custodial institution, a depository institution, an investment entity, or a specified insurance company. An entity that is a tax resident of Canada can classify itself as a financial institution only if it is a Canadian financial institution. However, an entity that is a prescribed non-reporting financial institution in Canada can classify itself as a financial institution even if it is not a Canadian financial institution.

Use Section 3.2 to determine whether the financial institution is a type of investment entity that needs to identify its controlling persons in the Annex. An entity has to fill out the Annex if it resides in a non-participating jurisdiction and is an entity described in paragraph b) of the definition of investment entity.

Use Sections 3.3 and 3.4 to determine if an entity, other than a financial institution, has to identify its controlling persons in the Annex.

Section 4 – Certification

Make sure you complete the Annex where applicable, and fill in and sign Section 4 before you give this form to your Canadian financial institution.

Annex – Controlling persons

Use the Annex to identify the controlling persons of the entity.

Controlling persons of an entity are the natural persons who exercise direct or indirect control over the entity. Generally, whether a person exercises control over an entity is determined in a way similar to how beneficial owners are identified for Canada's *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*.

For example, a person is generally considered to control a corporation if they directly or indirectly own or control at least 25% of the corporation. If no individual is named as controlling the corporation, the director or senior official of the corporation is considered the corporation's controlling person.

In the case of a trust, controlling persons include its settlors, trustees, protectors (if any), beneficiaries (or class of beneficiaries), and any other natural persons exercising ultimate effective control over the trust.

A settlor, trustee, protector, or beneficiary of a trust may be an entity. If so, to determine the trust's controlling persons you have to look through the entity's chain of control or ownership to identify the natural persons exercising ultimate effective control over the entity. You then have to report those you find as controlling persons of the trust. Financial institutions may apply this requirement in a way similar to how beneficial owners are identified for Canada's *Proceeds of Crime (Money Laundering) and Terrorist Financial Act*.

In the case of a legal arrangement other than a trust, controlling persons are persons in equivalent or similar positions.

Enter the description that best describes the type of controlling person:

- 1) Direct owner of a corporation or other legal person
- 2) Indirect owner of a corporation or other legal person (through an intermediary)
- 3) Director or senior official of a corporation or other legal person
- 4) Settlor of a trust
- 5) Trustee of a trust
- 6) Protector of a trust
- 7) Beneficiary of a trust
- 8) Other controlling person of a trust
- 9) Equivalent to a settlor of a legal arrangement other than a trust (e.g. partnership)
- 10) Equivalent to a trustee of a legal arrangement other than a trust (e.g. partnership)
- 11) Equivalent to a protector of a legal arrangement other than a trust (e.g. partnership)
- 12) Equivalent to a beneficiary of a legal arrangement other than a trust (e.g. partnership)
- 13) Other controlling person of a legal arrangement other than a trust (e.g. partnership)

Definitions

Active non-financial entity

An active non-financial entity is an entity other than a financial institution that meets at least one of the following criteria:

- a) Less than 50% of the entity's gross income for the preceding fiscal year is passive income and less than 50% of the assets the entity held during the preceding fiscal year are assets that produce or are held to produce passive income.
- b) The stock of the entity is regularly traded on an established securities market or the entity is related to an entity whose stock is regularly traded on an established securities market.
- c) The entity is a governmental entity, an international organization, a central bank, or an entity wholly owned by one or more of the above.
- d) Substantially all of the activities of the entity are made up of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a financial institution. But, an entity does not qualify for this status if the entity functions (or presents itself) as an investment fund. Examples of an investment fund include a private equity fund, a venture capital fund, a leveraged buyout fund, and any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes.
- e) The entity is a start-up and is not yet operating a business and has no operating history, but it is investing capital into assets with the intention of operating a business other than the business of a financial institution. This is as long as the entity does not qualify for this exception later than 24 months after the date it was first organized.
- f) The entity is in liquidation and was not a financial institution in the past five years. And, it is in the process of liquidating its assets or is reorganizing with the intention of continuing or restarting operations in a business other than the business of a financial institution.
- g) The entity mainly engages in financing and hedging transactions with, or for, related entities that are not financial institutions. It does not provide financing or hedging services to an entity that is not a related entity. This is as long as the group of any such related entities is mainly engaged in a business other than the business of a financial institution.

Active non-financial entity (continued)

- h) The entity is a non-profit entity that meets all of the following requirements:
- i) It is established and operated in its jurisdiction of residence exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes. Or, it is established and operated in its jurisdiction of residence and is a professional organization, business league, chamber of commerce, labour organization, agricultural or horticultural organization, civic league, or an organization operated exclusively to promote social welfare.
 - ii) It does not have to pay income tax in its jurisdiction of residence.
 - iii) It has no shareholders or members who have a proprietary or beneficial interest in its income or assets.
 - iv) The laws of the entity's jurisdiction of residence that apply or the entity's formation documents do not allow any of the entity's income or assets to be distributed to, or applied for the benefit of, a private person or non-charitable entity other than in line with the entity's charitable activities, as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property the entity bought.
 - v) The laws of the entity's jurisdiction of residence that apply or the entity's formation documents require that, as soon as the entity is liquidated or dissolved, all of its assets will be distributed to a governmental entity or other non-profit entity. Or, they will be handed over to the government of the entity's jurisdiction of residence or one of its political subdivisions.
- i) The entity is organized in a United States territory and all of the owners of the payee are tax residents of that United States territory.

Canadian financial institution

A Canadian financial institution is an entity that resides in Canada or a foreign entity that has a branch in Canada. The entity can be any of these:

- a) an authorized foreign bank within the meaning of section 2 of the *Bank Act* in respect of its business in Canada, or a bank that act applies to
- b) a cooperative credit society, a savings and credit union, or a caisse populaire regulated by a provincial act
- c) an association regulated by the *Cooperative Credit Associations Act*
- d) a central cooperative credit society, as defined in section 2 of the *Cooperative Credit Associations Act*, or a credit union central or a federation of credit unions or caisses populaires that is regulated by a provincial act other than one enacted by the Government of Quebec
- e) a financial services cooperative regulated by *An Act respecting financial services cooperatives, R.S.Q., c. C-67.3* or by *An Act respecting the Mouvement Desjardins, S.Q. 2000, c. 77*
- f) a life company or a foreign life company that the *Insurance Companies Act* applies to, or a life insurance company regulated by a provincial act
- g) a company the *Trust and Loan Companies Act* applies to
- h) a trust company regulated by a provincial act
- i) a loan company regulated by a provincial act
- j) an entity authorized under provincial law to deal in securities or any other financial instruments or to provide portfolio management, investment advice, fund administration, or fund management services
- k) an entity that is presented or promoted to the public as a collective investment vehicle, mutual fund, exchange traded fund, private equity fund, hedge fund, venture capital fund, leveraged buyout fund, or similar investment vehicle that is established to invest or trade in financial assets and is managed by an entity referred to in j) above
- l) an entity that is a clearing house or clearing agency
- m) a department or an agent of the Crown or of a province that accepts deposit liabilities

Investment entity

There are two types of entities that can be considered an investment entity:

- a) an entity that mainly carries on the business of one or more of the following activities or operations for a customer:
 - i) trading in money market instruments (such as cheques, bills, certificates of deposit, and derivatives); foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading;
 - ii) individual and collective portfolio management; or
 - iii) investing in, administering, or managing financial assets or money for other persons.
- b) An entity the gross income of which is mainly from investing, reinvesting, or trading in financial assets. The entity is managed by another entity that is a depository institution, a custodial institution, a specified insurance company, or the first type of investment entity described in a) above.

Passive non-financial entity

A passive non-financial entity is an entity that is:

- a) not a financial institution or an active non-financial entity;
- b) an investment entity described in paragraph b) of the definition of investment entity; or
- c) a withholding foreign partnership or withholding foreign trust under United States Treasury Regulations.

Related entity

An entity is considered to be related if one entity controls the other or if the two entities are under common control (the "related entity group"). Control means direct or indirect ownership of:

- a) in the case of a corporation, more than 50% of the votes and value;
- b) in the case of a trust, an interest as a beneficiary in the trust with a fair market value that is greater than 50% of the fair market value of all interests as a beneficiary in the trust.
- c) in the case of a partnership, interest as a member in the partnership that entitles the member to more than 50% of the income or loss of the partnership, or of the assets (after deducting any liabilities) if the partnership were to stop existing; and

In the case of two entities that are investment entities described in paragraph b) of the definition of investment entity, the two entities are considered related entities if they are under common management and such management has to meet the due diligence obligations of the investment entities.

Specified United States person

A specified United States (U.S.) person is a U.S. person, other than any of the following:

- a) a corporation the stock of which is regularly traded on one or more established securities markets
- b) a corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. *Internal Revenue Code* as a corporation described in a) above
- c) the United States or any wholly owned agency or instrumentality of the United States
- d) a state of the United States, a U.S. territory, a political subdivision of any of the foregoing, or a wholly owned agency or instrumentality of any one or more of these
- e) an organization that does not have to pay tax under section 501(a) of the U.S. *Internal Revenue Code* or an individual retirement plan as defined in section 7701(a)(37) of the U.S. *Internal Revenue Code*
- f) a bank as defined in section 581 of the U.S. *Internal Revenue Code*
- g) a real estate investment trust as defined in section 856 of the U.S. *Internal Revenue Code*
- h) a regulated investment company as defined in section 851 of the U.S. *Internal Revenue Code* or an entity registered with the U.S. Securities and Exchange Commission under the U.S. *Investment Company Act of 1940*
- i) a common trust fund as defined in section 584(a) of the U.S. *Internal Revenue Code*
- j) a trust that does not have to pay tax under section 664(c) of the U.S. *Internal Revenue Code* or that is described in section 4947(a)(1) of the U.S. *Internal Revenue Code*
- k) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or one of its states
- l) a broker as defined in section 6045(c) of the U.S. *Internal Revenue Code*
- m) a tax-exempt trust under a plan that is described in section 403(b) or section 457(b) of the U.S. *Internal Revenue Code*

United States person

A United States (U.S.) person is any of the following:

- a) a U.S. citizen or an individual who resides in the United States
- b) a partnership or corporation organized in the United States or under the laws of the United States or any State thereof
- c) a trust, if
 - i) a court in the United States would have the authority under applicable law to deliver orders or judgments about substantially all issues regarding the administration of the trust, and
 - ii) one or more U.S. persons have the authority to control all the trust's major decisions
- d) the estate of a person that is a citizen or resident of the United States