

Bare Trusts – New Filing requirements

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

No penalties for 2023 filed in 2024 – CRA learning year

Examples of Bare Trusts

- Banking accounts that have **less** than **50,000** are most likely exempt from examples below
- A child is on title of a parent's home for probate, convenience, or estate planning purposes only;
- A child is on parent's bank/investment accounts (or other assets) to assist the parent, or for ease after the parent's passing;
- A parent is on title of a child's home to assist the child in obtaining a mortgage, even if registered for just one per cent;
- A parent or grandparent holds a bank account in trust for a child or grandchild;
- Only one spouse is on title to a house or asset;
- A corporate bank account opened and held by individual shareholders;
- A corporation is the registered owner of an individual's real estate, vehicle, or other asset, and vice-versa;
- Assets are registered to one corporation but beneficially owned by a related corporation;
- Using a corporation to purchase land for real estate development purposes to conceal the identity of the true owner;
- A partner of a partnership is solely listed on a bank account or asset for all partners of a partnership.

What does this mean to you:

If you have a bare trust you are required to file a T3 every year, with a filing deadline of end of March (Penalties are waived in 2024 for 2023 tax filings), we will be filing most returns in the summer/fall of 2024.

What will it cost you, besides a high level of frustration?

\$300 + gst – If filed outside of March and April

\$600 + gst - If filed in March and April (Due to busy tax season)

Eby's will only be filing for current tax clients. **We are happy to answer any questions regarding Bare Trusts after May 2.**