

For departmental use									

T106 SUMMARY FORM

- Refer to the instruction sheet before you complete the T106 Summary and Supplementary forms.
- Complete a separate T106 Supplementary form for each non-resident.
- Refer to the instruction sheet for information on the penalties applicable to each T106 Supplementary form.

Section 1 – Reporting person/partnership identification

Check (✓) the applicable box and complete the areas that apply.

<input type="checkbox"/> Corporation	Corporation name		Business Number (BN)	
<input type="checkbox"/> Partnership	Partnership name		Partnership code	Partnership identification number
<input type="checkbox"/> Trust	Trust name		Trust account number	
<input type="checkbox"/> Individual	First name	Last name	Initial	Individual code
Reporting person/partnership address:	No. Street		Province or territory	
	City		Postal code	

Section 2 – Summary information

1. For what tax year/fiscal period are you filing these T106 forms?		2. Is this the first time you have filed T106 forms?	
From	Year	Month	Day
To	Year	Month	Day
3. Enter the total number of T106 Supplementary forms attached.		4. Enter the total of all box "E" amounts from the T106 Supplementary forms attached to the nearest Canadian dollar.	
5. Enter the gross revenue of the reporting person/partnership to the nearest Canadian dollar.		7. Are any of the amounts (e.g., income, deductions, foreign tax credits) claimed by the reporting person/partnership in the current tax year/fiscal period affected by any completed, outstanding or anticipated requests for competent authority assistance?	
6. State the main business activities of the reporting person/partnership by entering the appropriate NAICS code(s) from the list in the instructions.		8. Are any of the amounts (e.g., income, deductions, foreign tax credits) claimed by the reporting person/partnership in the current tax year/fiscal period adjusted to reflect an assessment or a proposed assessment by a foreign tax administration?	
9. Are any of the transfer pricing methodologies (TPM) used by the reporting person/partnership predicated on an advanced pricing arrangement (APA) or similar arrangement between any non-resident and a foreign tax administration?		10. Does the reporting person/partnership have to file a NR4, T4, T4 or T4A-NR return(s) for the transactions reported in Part III of the T106 Supplementary forms?	

Section 3 – Non-monetary or nil consideration

1. Has the reporting person/partnership received from or provided to any non-resident any non-monetary consideration for any service, transfer of tangible or intangible property, or anything whatever, under an exchange, swap, barter, bonus, discount or other such arrangement?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Has the reporting person/partnership provided to any non-resident any service, transfer of tangible or intangible property, or anything whatever, for which there was nil consideration?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Certification

Person to contact for more information (please print)		
First name	Last name	Area code Telephone number
		()
I, _____, certify that the information given on these T106 Summary and Supplementary forms is, to the best of my knowledge, correct and complete.		
Date	Authorized signing officer's, person's, or representative's signature	Position, title, or officer's rank

Instructions

State all monetary amounts to the nearest Canadian dollar (no cents).

Section 1 – Reporting person/partnership identification

For partnership code, check (✓):

- 1 If end partners are individuals or trusts.
- 2 If end partners are corporations.
- 3 If end partners are a combination of 1 and 2 mentioned above.

An end partner is the final recipient (corporation, trust or individual) that receives an allocation of income from the partnership after the income has flowed through the various levels of a tiered partnership.

For individual code, check (✓):

- 1 If the individual or the individual's spouse is self employed.
- 2 If the individual or the individual's spouse is not self employed.

Section 2 – Summary Information

Q.1. Enter the applicable tax year/fiscal period.

Q.2. State if this is the first time that a T106 has been filed. If "no", enter the last tax year/fiscal period end for which T106 documentation was filed.

Q.5. Enter the gross revenue of the reporting person/partnership. Do not enter the net income or taxable income. When reporting non-arm's length transactions between a related party and a branch, enter the gross income attributable to the branch.

Q.6. State the main business activities of the reporting person/partnership by entering the appropriate North American Industrial Classification System (NAICS) code(s) from the list in the instructions. Main business activity means any business segment which accounts for more than 10% of the gross revenue of the reporting person/partnership or the non-resident.

Certification

An authorized officer, person, or representative has to sign this form when it is completed. The certification declaration on this form applies to the T106 Summary and Supplementary forms.

Instructions

State all monetary amounts to the nearest Canadian dollar (no cents).

Part II – Non-resident information

Q.1 and Q.2. Enter the name and address of the non-resident. Enter the appropriate country code from the list in the instructions.

Q.3. State the type of relationship that exists between the reporting person/partnership and the non-resident. Revenue Canada needs the relevant financial statements (in English or French) of the non-resident if the non-resident is controlled by the reporting person or partnership and is resident in a non-treaty country. Canada has income tax conventions (treaties) with more than 60 countries. These include the United States, the United Kingdom, France, Japan, and Australia. For information about the countries with which Canada has concluded an income tax treaty, contact your tax services office or consult the Internet at: www.fin.gc.ca.

Q.4. State the main business activities for the transactions reported in Part III by entering the appropriate North American Industrial Classification System (NAICS) codes from the list in the instructions. You can enter more than one code.

Q.5. State the main countries for the transactions reported in Part III by entering the appropriate country code from the list in the instructions. You can enter more than one code.

Q.6. Enter "yes" or "no" to the question. In general, subsection 247(4) of the *Income Tax Act* relates to the requirement to maintain and make available contemporaneous transfer pricing documentation. You can find more information on contemporaneous documentation requirements in Information Circular 87-2R, International Transfer Pricing and Other International Transactions. The circular is available at our tax services offices and on the Internet at: www.rc.gc.ca.

Part III – Transactions between reporting person/partnership and non-resident

Enter (to the nearest Canadian dollar) the monetary consideration derived or incurred for the transactions in Part III. Only record in Part III those amounts that apply to the non-resident described in Part II. Report gross amounts in the two columns.

The "Sold to non-resident" and "Revenue from non-resident" refers to gross sales and revenue received from non-arm's length transactions with non-residents. For example, this includes transactions related to exports from Canada and services provided to the non-resident.

The "Purchased from non-resident" and "Expenditure to non-resident" refers to gross purchases and expenditures made relating to non-arm's length transactions with non-residents. For example, this includes transactions related to imports into Canada and services provided by the non-resident.

Do you need more information?

For general enquiries, contact the Business Enquiries section of your tax services office. For detailed information about completing the form, contact the International Audit Division of your tax services office. The address and telephone number of the tax services office are listed under "Revenue Canada" in the Government of Canada section of your telephone book and on the Internet at: www.rc.gc.ca.

Information Return of Non-Arm's Length Transactions with Non-Residents

T106 Information and Instructions

Purpose

The T106 Summary and Supplementary forms are annual information returns used to report non-arm's length transactions between reporting persons or partnerships and non-residents under section 233.1 of the *Income Tax Act*. The T106 Summary and Supplementary forms are prescribed forms.

Definitions

For the purpose of section 233.1 of the *Income Tax Act*, the T106 Summary and Supplementary forms and the following instructions:

A "**reporting person**" for a taxation year means a person (corporation, trust or individual) who, at any time in the year,
(a) is resident in Canada; or
(b) is non-resident and carries on business (other than a business carried on as a member of a partnership) in Canada.

A "**reporting partnership**" for a fiscal period means a partnership
(a) a member of which is resident in Canada in the period; or
(b) that carries on business in Canada in the period.

A "**reportable transaction**" means

- (a) in the case of
 - (i) a reporting person for a taxation year who is not resident in Canada at any time in the year, or
 - (ii) a reporting partnership for a fiscal period no member of which is resident in Canada in the period, a transaction or a series of transactions that relate in any manner whatever to a business carried on in Canada by the reporting person or partnership in the year or period or a preceding taxation year or period; and
- (b) in any other case, a transaction or series of transactions that relate in any manner whatever to a business carried on by a reporting person (other than a business carried on by a reporting person as a member of a partnership) or partnership in a taxation year or fiscal period.

The terms **arm's length** and **non-arm's length** are discussed in Interpretation Bulletin IT 419, *Meaning of Arm's Length*. Refer also to sections 251 and 252 of the *Income Tax Act*.

Who has to file

A **reporting person** has to file T106 documentation for a tax year in respect of reportable transactions in which the reporting person and the non-arm's length non-resident person (or partnership of which that non-resident person is a member) participated in the period. The reporting person has to file the T106 documentation if the total reportable transactions for all the non-residents combined is **more than CAN \$1,000,000 (i.e. the total of all Box E amounts is more than CAN \$1,000,000)**.

A **reporting partnership** has to file T106 documentation for a fiscal period in respect of reportable transactions in which the reporting partnership and the non-arm's length non-resident person (or partnership of which the non-resident person is a member) participated in the period. The reporting partnership has to file the T106 documentation if the total reportable transactions for all the non-residents is **more than CAN \$1,000,000 (i.e. the total of all Box E amounts is more than CAN \$1,000,000)**. File T106 documentation for the partnership only and not for each partner.

Branches

A Canadian branch of a foreign-based corporation or a foreign-based branch of Canadian corporation does not have to file T106 documentation for notional transactions. However, non-arm's length transactions between a branch and a non-arm's length party have to be reported in the reporting person's/partnership's T106.

When to file

T106 documentation has to be filed on or before the following dates:

Corporations – six months after the end of the tax year.

Partnerships – the due date is the same as the due date for filing a partnership information return under section 229 of the *Income Tax Regulations*. If no partnership information return has to be filed, the reporting partnership's due date is the day by which the partnership information return would be required to be filed if section 229 did apply to the reporting partnership.

Trusts - 90 days after the end of the tax year.

Individuals - April 30 after the end of each calendar year. For individuals who are self-employed, or individuals whose spouse is self-employed, the filing due date is extended, as with their T1 individual income tax returns, to June 15 after the end of the calendar year.

For short tax years/fiscal period ends, T106 documentation is due at the same time as the filing due date of the T1, T2, and T3 income tax returns or the T5013 information return. For short tax years/fiscal periods which together do not exceed 12 month, one set of T106 documentation is enough if information for the tax years/fiscal periods is detailed in a letter that must accompany the T106 documentation.

What to file

Each reporting person or partnership has to file one T106 Summary form, as well as a separate T106 Supplementary form for each non-resident. The information reported in the T106 is filed in respect of the corporation, partnership, trust or individual and not by sub-division, cost centre or individual partner.

Where to file

T106 documentation has to be mailed to the **Ottawa Tax Centre, Employer Services Division, Other Programs Unit, 875 Heron Road, Ottawa, ON, K1A 1A2**. T106 documentation has to be filed separately from the income tax return. Do not attach T106 documentation to your income tax return.

Penalties

Late Filing – A late filing penalty, or multiple late filing penalties for more than one T106 Supplementary form, may be assessed under subsection 162(7) of the *Income Tax Act* where T106 documentation is filed after the due date. The penalty is equal to the greater of \$100 and \$25 per day, as long as the failure to file continues, to a maximum of 100 days.

Failure to file – A failure to file penalty may be assessed under subsection 162(10) of the *Income Tax Act* where reporting persons or partnerships knowingly, or under circumstances amounting to gross negligence, fail to file or fail to comply with a request by Revenue Canada for T106 documentation. The minimum penalty is \$500 per month, to a maximum of \$12,000 for each failure to comply. Where Revenue Canada has served a demand to file T106 documentation, the minimum penalty is \$1,000 per month, to a maximum of \$24,000 for each failure to comply.

False statement or omission – A false statement or omissions penalty may be assessed under subsection 163(2.4) of the *Income Tax Act* where information provided on the T106 Summary or Supplementary forms is incomplete or incorrect. The penalty is \$24,000.

North American Industrial Classification

NAICS Code		NAICS Code	
	Agriculture		Information
111	Crop Production	511	Publishing Industries
112	Animal Production	512	Motion Picture and Sound Recording Industries
113	Forestry and Logging	513	Broadcasting and Telecommunications
114	Fishing, Hunting and Trapping	514	Information Services and Data Processing Services
115	Support Activities for Agriculture and Forestry		
	Mining		Finance and Insurance
211	Oil and Gas Extraction	521	Monetary Authorities - Central Bank
212	Mining (except oil and gas)	522	Credit Intermediation and Related Activities
213	Support Activities for Mining	523	Securities, Commodity Contracts and Other Intermediation and Related Activities
	Utilities	524	Insurance Carriers and Related Activities
221	Utilities	525	Funds, Trusts and Other Financial Vehicles
	Construction		Real Estate and Rental and Leasing
233	Building, Developing and General Contracting	531	Real Estate
234	Heavy Construction	532	Rental and Leasing Services
235	Special Trade Contractors	533	Owners and Lessors of Other Non-Financial Assets
	Manufacturing		Professional, Scientific and Technical Services
311	Food Manufacturing	541	Professional, Scientific and Technical Services
312	Beverage and Tobacco Product Manufacturing		Management of Companies and Enterprises
313	Textile Mills	551	Management of Companies and Enterprises
314	Textile Product Mills		Administrative and Support, Waste Management and Remediation Services
315	Apparel Manufacturing	561	Administrative and Support Services
316	Leather and Allied Product Manufacturing	562	Waste Management and Remediation Services
321	Wood Product Manufacturing		Educational Services
322	Paper Manufacturing	611	Educational Services
323	Printing and Related Support Services		Health Care and Social Assistance
324	Petroleum and Coal Products Manufacturing	621	Ambulatory Health Care Services
325	Chemical Manufacturing	622	Hospitals
326	Plastics and Rubber Products Manufacturing	623	Nursing and Residential Care Facilities
327	Non-Metallic Mineral Product Manufacturing	624	Social Assistance
331	Primary Metal Manufacturing		Arts, Entertainment and Recreation
332	Fabricated Metal Product Manufacturing	711	Performing Arts, Spectator Sports and Related Industries
333	Machinery Manufacturing	712	Museums, Historical Sites and Similar Institutions
334	Computer and Electronic Product Manufacturing	713	Amusement, Gambling and Recreation Industries
335	Electrical Equipment, Appliance and Component Manufacturing		Accommodation and Food Services
336	Transportation Equipment Manufacturing	721	Accommodation
337	Furniture and Related Product Manufacturing	722	Food Services and Drinking Places
339	Miscellaneous Manufacturing		Other Services (except public administration)
	Wholesale Trade	811	Repair and Maintenance
421	Wholesale Trade, Durable Goods	812	Personal and Laundry Services
422	Wholesale Trade, Non-Durable Goods	813	Religious, Grant-Making, Civic, Professional and Similar Organizations
	Retail Trade	814	Private Households
441	Motor Vehicle and Parts Dealers		Public Administration
442	Furniture and Home Furnishings Stores	921	Executive, Legislative, Public Finance and General Government
443	Electronics and Appliance Stores	922	Justice, Public Order, and Safety
444	Building Materials and Garden Equipment and Supplies Dealers	923	Administration of Human Resource Programs
445	Food and Beverage Stores	924	Administration of Environmental Quality Programs
446	Health and Personal Care Stores	925	Administration of Housing Programs, Urban Planning and Community Development
447	Gasoline Stations	926	Administration of Economic Programs
448	Clothing and Clothing Accessories Stores	927	Space Research and Technology
451	Sporting Goods, Hobby, Book and Music Stores	928	National Security and International Affairs
452	General Merchandise Stores		
453	Miscellaneous Store Retailers		
454	Non-Store Retailers		
	Transportation and Warehousing		
481	Air Transportation		
482	Rail Transportation		
483	Water Transportation		
484	Truck Transportation		
485	Transit and Ground Passenger Transportation		
486	Pipeline Transportation		
487	Scenic and Sightseeing Transportation		
488	Support Activities for Transportation		
491	Postal Service		
492	Couriers and Messengers		
493	Warehousing and Storage Facilities		

Country Codes

AFG	Afghanistan	DOM	Dominican Republic	LSO	Lesotho		
ALB	Albania	TMP	East Timor	LBR	Liberia	LCA	St. Lucia
DZA	Algeria	ECU	Ecuador	LBY	Libyan Arab Jamahiriya	SPM	St. Pierre and Miquelon
ASM	American Samoa	EGY	Egypt	LIE	Liechtenstein	VCT	St. Vincent and the Grenadines
AND	Andorra	SLV	El Salvador	LTU	Lithuania		
AGO	Angola	GNQ	Equatorial Guinea	LUX	Luxembourg	SMR	San Marino
AIA	Anguilla	ERI	Eritrea	MAC	Macau	STP	Sao Tome and Principe
ATA	Antarctica	EST	Estonia	MKD	Macedonia	SAU	Saudi Arabia
ATG	Antigua and Barbuda	ETH	Ethiopia	MDG	Madagascar	SEN	Senegal
ARG	Argentina	FLK	Falkland Islands (Malvinas)	MDR	Madeira	SYC	Seychelles
ARM	Armenia	FRO	Faroe Islands	MWI	Malawi	SLE	Sierra Leone
ABW	Aruba	FJI	Fiji	MYS	Malaysia	SGP	Singapore
AUS	Australia	FIN	Finland	MDV	Maldives	SVK	Slovak Republic
AUT	Austria	FRA	France	MLI	Mali	SVN	Slovenia
AZE	Azerbaijan	GUF	French Guiana	MLT	Malta	SLB	Solomon Islands
AZO	Azores	PYF	French Polynesia	MHL	Marshall Islands	SOM	Somalia
BHS	Bahamas	ATF	French Southern Territories	MTQ	Martinique	ZAF	South Africa
BHR	Bahrain	GAB	Gabon	MRT	Mauritania	SGS	South Georgia and the South Sandwich Islands
BGD	Bangladesh	GMB	Gambia	MUS	Mauritius		
BRB	Barbados	GEO	Georgia	MYT	Mayotte	ESP	Spain
BLR	Belarus	DEU	Germany	MEX	Mexico	LKA	Sri Lanka
BEL	Belgium	GHA	Ghana	FSM	Micronesia	SDN	Sudan
BLZ	Belize	GIB	Gibraltar	MDA	Moldova	SUR	Surinam
BEN	Benin	GRC	Greece	MCO	Monaco	SJM	Svalbard and Jan Mayen
BMU	Bermuda	GRL	Greenland	MNG	Mongolia	SWZ	Swaziland
BTN	Bhutan	GRD	Grenada	MSR	Montserrat	SWE	Sweden
BOL	Bolivia	GLP	Guadeloupe	MAR	Morocco	CHE	Switzerland
BIH	Bosnia and Herzegovina	GUM	Guam	MOZ	Mozambique	SYR	Syrian Arab Republic
BWA	Botswana	GTM	Guatemala	MMR	Myanmar (Burma)	TJK	Tajikistan
BVT	Bouvet Island	GNS	Guernsey	NAM	Namibia	TWN	Taiwan
BRA	Brazil	GIN	Guinea	NRU	Nauru	TZA	Tanzania
IOT	British Indian Ocean Territory	GNB	Guinea-Bissau	NPL	Nepal	THA	Thailand
BRN	Brunei Darussalam	GUY	Guyana	NLD	Netherlands	TGO	Togo
BGR	Bulgaria	HTI	Haiti	ANT	Netherlands Antilles (Bonaire, Curaçao, St. Martin)	TKL	Tokelau
BFA	Burkina Faso (Upper Volta)	HMD	Heard Island and McDonald Islands			TON	Tonga
BDI	Burundi			NCL	New Caledonia	TTO	Trinidad and Tobago
KHM	Cambodia (Kampuchea)	HND	Honduras	NZL	New Zealand	TUN	Tunisia
CMR	Cameroon	HKG	Hong Kong	NIC	Nicaragua	TUR	Turkey
CAN	Canada	HUN	Hungary	NER	Niger	TKM	Turkmenistan
CNP	Canary Islands	ISL	Iceland	NGA	Nigeria	TCA	Turks and Caicos Islands
CPV	Cape Verde	IND	India	NIU	Niue	TUV	Tuvalu
CYM	Cayman Islands	IDN	Indonesia	NFK	Norfolk Island	UGA	Uganda
CAF	Central African Republic	IRN	Iran	MNP	Northern Mariana Islands	UKR	Ukraine
TCD	Chad	IRQ	Iraq	NOR	Norway	ARE	United Arab Emirates
CHL	Chile	IRL	Ireland	OMN	Oman	GBR	United Kingdom
CHN	China, People's Republic of (Mainland)	GBA	Isle of Man	PAK	Pakistan	USA	United States
		ISR	Israel	PLW	Palau	UMI	United States Minor Outlying Islands
CXR	Christmas Island (Australia)	ITA	Italy	PAN	Panama		
CCK	Cocos (Keeling) Islands	JAM	Jamaica	PNG	Papua New Guinea	URY	Uruguay
COL	Colombia	JPN	Japan	PRY	Paraguay	UZB	Uzbekistan
COM	Comoros	JRS	Jersey	PER	Peru	VUT	Vanuatu (New Hebrides)
COG	Congo	JOR	Jordan	PHL	Philippines	VAT	Vatican City State (Holy See)
COD	Congo, Democratic Republic of	KAZ	Kazakhstan	PCN	Pitcairn	VEN	Venezuela
COK	Cook Islands	KEN	Kenya	POL	Poland	VNM	Vietnam
CRI	Costa Rica	KIR	Kiribati	PRT	Portugal	VGB	Virgin Islands (British)
CIV	Côte d'Ivoire (Ivory Coast)	PRK	Korea, Democratic People's Republic of (North)	PRI	Puerto Rico	VIR	Virgin Islands (U.S.)
HRV	Croatia			QAT	Qatar	WLF	Wallis and Futuna Islands
CUB	Cuba	KOR	Korea, Republic of (South)	REU	Reunion	ESH	Western Sahara
CYP	Cyprus	KWT	Kuwait	ROM	Romania	WSM	Western Samoa
CZE	Czech Republic	KGZ	Kyrgyzstan	RUS	Russian Federation	YEM	Yemen
DNK	Denmark	LAO	Lao	RWA	Rwanda	YUG	Yugoslavia
DJI	Djibouti	LVA	Latvia	SHN	St. Helena	ZMB	Zambia
DMA	Dominica	LBN	Lebanon	KNA	St. Kitts and Nevis	ZWE	Zimbabwe

Transfer Pricing Methodologies (TPM)

Use the codes listed below to reflect the main transfer pricing methodology.

1	Comparable Uncontrolled Price
2	Cost-Plus
3	Resale
4	Profit Split
5	Transactional Net Margin
6	Qualified Cost Contribution Arrangement
7	Other

You can find more information on transfer pricing methods in Information Circular 87-2R, *International Transfer Pricing and Other International Transactions*. The circular is available at our tax services offices and on the Internet at: www.rc.gc.ca.