



Tax-Free Savings Account (TFSA) Return

Enter the TFSA tax year

Identification	
First name and initial(s)	Last name
Mailing address: Apt no. – Street no. – Street name	
PO Box	RR
City	Prov./Terr. or State
Postal or zip code	Country

Information about you	
Enter your social insurance number (SIN)	Enter your date of birth
Your language of correspondence / Votre langue de correspondance :	
English <input type="checkbox"/>	Français <input type="checkbox"/>
If this return is for a deceased person	
Enter the date of death (YYYYMMDD)	
If you became a resident of Canada	
Enter the date of entry (YYYYMMDD)	
If you ceased to be a resident of Canada	
Enter the date of departure (YYYYMMDD)	

Before completing this return, see the sections "Important information" and "Definitions" on pages 3 and 4. Complete all parts of Section 1 that apply to you as well as Section 2. Report all amounts in Canadian dollars. In all cases, you must send the documentation to support all transactions.

Section 1 – Tax calculations

Part A – Tax on excess TFSA amounts

If, at any time during the calendar year, there were excess contributions (other than a qualifying transfer or an exempt contribution) in your TFSA, complete Form RC243-SCH-A, Schedule A – Excess TFSA Amounts, to determine the total excess TFSA amounts and then enter the total on line 1 below.

Total from line 13 of Section 2 from Schedule A	\$		1
Rate	x	1%	2
Multiply line 1 by line 2	= \$		3
Tax on excess TFSA amounts (report this amount on line A of Section 2)			

Part B – Tax on non-resident contributions

If, at any time during the calendar year, your TFSA contained contributions (other than a qualifying transfer or an exempt contribution) you made while a non-resident of Canada, complete Form RC243-SCH-B, Schedule B – Non-Resident Contributions to a Tax-Free Savings Account (TFSA), and enter the total amount subject to the 1% tax on line 1 below. This tax will continue to apply until the earlier time at which either the contributions are withdrawn in full or you become a resident of Canada.

Total from line 5 of Section 2 from Schedule B	\$		1
Rate	x	1%	2
Multiply line 1 by line 2	= \$		3
Tax on non-resident contributions (report this amount on line B of Section 2)			

Part C – Tax on non-qualified investments

Complete this part if, at any time in the calendar year, your TFSA trust acquired a non-qualified investment or a previously acquired qualified investment became non-qualified. If the investment is both a non-qualified investment and a prohibited investment, complete part D only.

Date non-qualified investment was acquired or when a previously acquired qualified investment became non-qualified	Number of shares or units	Full description of investment	Fair market value (FMV) at time of acquisition or when it became non-qualified
			+
			+
Total FMV of the non-qualified investments			= \$
Rate			x
Multiply line 1 by line 2			= \$
Tax on non-qualified investments (report this amount on line C of Section 2)			

Note

If you disposed of a non-qualified investment, you may be entitled to a refund of taxes paid. For more information, see the section "Important information" on page 3.

Part D – Tax on prohibited investments

Complete this part if, at any time in the calendar year, your TFSA trust acquired a prohibited investment or a previously acquired qualified investment became prohibited.

Date prohibited investment was acquired or previously acquired qualified investment became prohibited	Number of shares or units	Full description of investment	Fair market value (FMV) at time of acquisition or when it became prohibited
			+
<u>Total FMV of the prohibited investments</u>			= \$ _____ 1
Rate			× 50% 2
<u>Multiply line 1 by line 2</u>			= \$ _____ 3
Tax on prohibited investments (report this amount on line D of Section 2)			

Note
If you disposed of a prohibited investment, you may be entitled to a refund of taxes paid. For more information, see the section "Important information" on page 3.

Part E – Tax on an advantage

Complete this part if the holder or a person not dealing at arm's length with the holder received an advantage in relation to the TFSA during the calendar year. This includes an advantage received directly into the holder's TFSA. For more information on an advantage, see the definition on page 4.

TFSA contract number – specify the advantage received	Fair market value (FMV) of the benefit or amount of loan or debt
+	
Total of all amounts. This is the tax on an advantage	
= \$ _____ 1	
Enter the portion of the amount in line 3 of Part A that relates to the advantage listed above	2
Enter the portion of the amount in line 3 of Part B that relates to the advantage listed above	+
Add lines 2 and 3 (line 4 cannot be greater than line 1 of Part E)	3
Line 1 minus line 4 (report this amount on line E of Section 2)	= _____ 4
	= \$ _____ 5

Section 2 – Summary of taxes due

Tax on excess TFSA amounts from Part A of Section 1	▶	_____	A
Tax on non-resident contributions from Part B of Section 1	▶ +	_____	B
Tax on non-qualified investments from Part C of Section 1	▶ +	_____	C
Tax on prohibited investments from Part D of Section 1	▶ +	_____	D
Tax on an advantage from Part E of Section 1	▶ +	_____	E
Add lines A to E	Subtotal	= _____	
Minus: allowable refund of tax on non-qualified and/or prohibited investments	-	_____	
Total tax payable	=	= _____	
Attach a cheque or money order payable to the Receiver General.	Amount enclosed	▶ \$ _____	
Generally, we do not charge a difference of \$2 or less.			

I certify that the information given on this return and in any attached documents is correct and complete.

Sign here _____
Signature of individual, trustee, or authorized representative
It is a serious offence to make a false return.
Telephone _____ Date (YYYYMMDD) _____

For professional tax preparers only

Name: _____
Address: _____

Telephone: _____

Personal information (including the SIN) is collected for the purposes of the administration or enforcement of the Income Tax Act and related programs and activities including administering tax, benefits, audit, compliance, and collection. The information collected may be used or disclosed for purposes of other federal acts that provide for the imposition and collection of a tax or duty. It may also be disclosed to other federal, provincial, territorial or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the Privacy Act, individuals have a right of protection, access to and correction of their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 054 on Info Source at canada.ca/cra-info-source.

Important information

Filing due date

If you are subject to TFSA tax at any time during the year, you have to file this return with a payment for any balance due no later than June 30 of the year following the end of the calendar year.

When an individual dies before the due date of a TFSA return, both the filing and the balance due dates will be the later of:

- June 30
- 6 months after the date of death

My Payment

My Payment is a self-service option that allows individuals and businesses to make payments online from an account at a participating Canadian financial institution. For more information, go to canada.ca/cra-my-payment.

Penalties

If you file your return after the due date, you will be charged a late-filing penalty. The penalty is 5% of the balance owing plus 1% of the balance owing for each full month that the return is late, to a maximum of 12 months. Your late-filing penalty may be higher if you were charged a late-filing penalty on a return for any of the three previous years.

Interest

If you have a balance owing, you will be charged compound daily interest starting July 1 of the year following the end of the calendar year. This includes any balance owing if we reassess your return. In addition, you will be charged interest on the penalties defined above, starting the day after your return is due.

More than one tax on the same amount

If, in the same calendar year, an individual has to pay tax on an advantage related to the same contributions that also results in them being liable to pay tax on excess TFSA contributions or tax on non-resident contributions, the tax payable on the advantage for the year will be reduced by the amount of these two taxes on Part E of Section 1 of this form.

Refund of taxes paid on non-qualified or prohibited investments

You may be entitled to a refund of the 50% tax on non-qualified or prohibited investments if the investment was disposed of, or ceased to be a non-qualified or prohibited investment, before the end of the calendar year after the year in which the tax arose (or such later time as is permitted by the Minister of National Revenue). However, no refund will be issued if it is reasonable to expect that the holder knew, or should have known, that the investment was or would become a non-qualified or a prohibited investment.

The refund applies to the 50% tax on non-qualified or prohibited investments but not to the 100% tax on advantages.

Note

If the 50% tax on non-qualified or prohibited investments and the entitlement to the refund of that tax arose in the same calendar year, then a remittance of the tax is not required. For example, no remittance of tax would be required if a TFSA trust acquired and disposed of a non-qualified investment in the same calendar year.

How to claim a refund

To claim a refund, you must:

- send your request in writing (you can attach it to Form RC243)
- attach the appropriate documents detailing the information relating to the acquisition and disposition of the non-qualified or prohibited property (you can attach the written request and supporting documents to Form RC243)

The documents must contain the following:

- name and description of the property
- number of shares or units
- date the property was acquired or became non-qualified or prohibited property
- date of the disposition or the date that the property became qualified or ceased to be prohibited

If the disposition took place in the same year as the acquisition, enter the refundable amount on the line in Section 2 of the TFSA return, and attach the documents to your return. If the property disposed of was acquired in a previous year, send your request and the documents to the mailing address below.

Waiver of TFSA taxes

We may waive or cancel all or part of the taxes if we determine it is fair to do so after reviewing all factors, including whether:

- the tax arose because of a reasonable error
- the extent to which the transaction or series of transactions that gave rise to the tax also gave rise to another tax under the Income Tax Act
- the extent to which payments have been made from the person's TFSA

To consider your request, we need a letter that explains why the tax liability arose, and why it would be fair to cancel or waive all or part of the tax.

Need information?

You can view your TFSA contribution room by using the MyCRA mobile app at canada.ca/cra-mobile-apps or for a list of all contributions and withdrawals made to your TFSA go to My Account at canada.ca/my-cra-account. For more information on TFSAs, go to canada.ca/tfsa, see Guide RC4466, Tax-Free Savings Account (TFSA), Guide for Individuals or call **1-800-959-8281**. To get our forms or publications, go to canada.ca/cra-forms-publications or call **1-800-959-8281**.

Mailing address

Send this return to:

Canada Revenue Agency
TFSA Processing Unit
Sudbury Tax Centre
PO Box 20000, Station A
Sudbury ON P3A 5C1

or

Canada Revenue Agency
TFSA Processing Unit
Winnipeg Tax Centre
PO Box 14000, Station Main
Winnipeg MB R3C 3M2

Definitions

Advantage – an advantage is any benefit or debt that is conditional on the existence of the TFSA, subject to certain exceptions for normal investment activities and conventional incentive programs.

An advantage also includes any benefit that is an increase in the total fair market value (FMV) of the property of the TFSA that is reasonably attributable to any one of the following:

- a transaction or event (or series) that would not have occurred in a normal commercial or investment context between arm's length parties acting prudently, knowledgeably, and willingly, and one of the main purposes of which is to benefit from the tax-exempt status of the TFSA
- a payment received in substitution for a payment for services rendered by the holder (or non arm's-length person) or for a return on investment on non-registered property
- a swap transaction
- specified non-qualified investment income that has not been paid from the TFSA within 90 days of the holder receiving a notice from CRA requiring removal

An advantage also includes any benefit that is income or a capital gain that is reasonably attributable to one of the following:

- a prohibited investment
- a deliberate over-contribution to a TFSA

For more information on advantages, see Income Tax Folio S3-F10-C3, Advantages – RRSPs, RESPs, RRIFs, RDSPs and TFSAs.

Arm's length – refers to a relationship or a transaction between persons acting in their separate interests. An arm's length transaction is generally a transaction that reflects ordinary commercial dealings between parties acting in their own interests. For more information on arm's length, see Income Tax Folio S1-F5-C1, Related Persons and Dealing at Arm's Length.

Deliberate over-contribution – a contribution that an individual makes to a TFSA that results in, or increases, an excess TFSA amount, unless it is reasonable to conclude that the individual neither knew nor ought to have known that the contribution could result in liability for a penalty or tax. Income that is reasonably attributable, directly or indirectly, to a deliberate over-contribution is an advantage subject to the special tax on advantages.

Full description of investment – the full description of investment includes the type, the name, the class of the investment, and the face value and maturity date of debt obligations.

Non-qualified investment – any property that is not a qualified investment for the trust. For more information, see Income Tax Folio S3-F10-C1, Qualified Investments - RRSPs, RESPs, RRIFs, RDSPs and TFSAs.

Prohibited investment – this is property to which the TFSA holder is closely connected, it includes any of the following:

- a debt of the holder
- a debt or share of, or an interest in, a corporation, trust or partnership in which the holder has a significant interest (generally a 10% or greater interest, taking into account non-arm's length holdings)
- a debt or share of, or an interest in, a corporation, trust or partnership with which the holder does not deal at arm's length

A prohibited investment does not include a mortgage loan that is insured by the Canada Mortgage and Housing Corporation or by an approved private insurer. It also does not include certain investment funds and certain widely held investments which reflect a low risk of self-dealing. For more information, see Income Tax Folio S3-F10-C2, Prohibited Investments - RRSPs, RESPs, RRIFs, RDSPs and TFSAs.

Qualified investment – an investment in properties, (except real property), including money, guaranteed investment certificates, government and corporate bonds, mutual funds, and securities listed on a designated stock exchange. The types of investments that qualify for TFSAs are generally similar to those that qualify for registered retirement savings plans. For more information, see Income Folio S3-F10-C1, Qualified Investments - RRSPs, RESPs, RRIFs, RDSPs and TFSAs.

Specified non-qualified investment income – income (excluding the dividend gross-up) or a capital gain that is reasonably attributable, directly or indirectly, to an amount that is taxable for any TFSA of the holder (for example, subsequent generation income earned on non-qualified investment income or on income from a business carried on by a TFSA).

Swap transaction - This is any transfer of property between the TFSA and its holder (or non-arm's length person). Exceptions are provided for contributions to and distributions from the TFSA, purchase and sale transactions between the TFSA and another TFSA of the holder, and transactions relating to insured mortgages. For more information on swap transactions, see Income Tax Folio S3-F10-C3, Advantages - RRSPs, RESPs, RRIFs, RDSPs and TFSAs.