



Enhanced reporting rules for trusts and bare trusts: Frequently asked questions

Trust reporting for the 2024 tax year

As announced on October 29, 2024, bare trusts are not required to file a T3 return and Schedule 15 for the 2023 and 2024 tax years, unless the Canada Revenue Agency (CRA) makes a direct request for these filings. Find out more: [Trust reporting for the 2024 tax year](#).

For the 2024 tax year, the CRA will continue to administer the enhanced trust reporting rules as enacted for tax years ending on or after December 31, 2023. Affected trusts are required to file a T3 return, including Schedule 15, unless specific conditions are met.

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Updated: March 14, 2025 This webpage has been updated to provide additional information on the enhanced trust reporting rules.

The rules governing which trusts must file an annual [T3 Trust Income Tax and Information Return](#) (T3 return) were enhanced for taxation years ending on or after December 31, 2023.

All trusts, unless specific conditions are met, must now file a T3 return including [specified information](#) [?] about each [reportable entity](#) [?] of the trust (beneficial ownership information). Many trusts, including bare trusts, that did not previously have to file are now required to file a T3 return, annually. However, the CRA will not require bare trusts to file a T3 return, including [Schedule 15 \(Beneficial Ownership Information of a Trust\)](#), for the 2023 and 2024 taxation years, unless the CRA makes a direct request for these filings.

Changes to the trust reporting rules were made as part of Canada's ongoing efforts to ensure the effectiveness and integrity of the Canadian tax system. The changes will help the CRA verify that trusts, their trustees, beneficiaries, and related parties have met their tax and filing obligations under the *Income Tax Act*.

Unless otherwise stated, all statutory references on this webpage refer to the provisions of the [Income Tax Act R.S.C. 1985, c.1 \(5th Supp.\)](#), as amended and all references to a Regulation refer to the [Income Tax Regulations, C.R.C., c. 945](#), as amended.

The word “you” throughout this page refers to the trustee, executor, administrator, liquidator, or anyone preparing the [T3 return](#) for a trust. For tax purposes, estates and trusts are treated similarly. In calculating the income of an estate, references on this page to a “trust” or “trust property” include an “estate” or “estate property.”

This page will be updated with additional questions and answers as they become available.

Expand all

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1. Trust reporting rules for T3 returns filed for taxation years ending on or after December 31, 2023

▼ | NEW 1.1. What is a trust?

The following is a very general overview of the legal (non-tax) principles that apply to trusts in Canada. Determining whether a particular arrangement is a trust (and if so, what kind of trust) can be very complex because it usually requires an analysis of all the facts and circumstances under the relevant private law as well as a review of any trust documentation. Taxpayers may wish to consult a legal advisor for help in understanding all of the legal consequences of their trust or ownership arrangements, as the CRA does not advise taxpayers about the application of the relevant private law to their specific circumstances.

A trust is a legal relationship connected to the ownership of property. The legal principles that apply to a particular trust relationship vary depending on the private law of the relevant province or territory.

Common law jurisdictions

Separation of legal and beneficial ownership

Ordinarily, a person who has legal title to a property also has the ability to use, enjoy and “benefit from” the property. Under the law of equity in common law provinces and territories (i.e., outside the Province of Québec), a trust is a relationship in which the legal and beneficial ownership of property are separated, meaning that the person who holds legal title to the property is generally not the same person as the person who is or may be beneficially interested in it.

This separation of legal and beneficial ownership means that in an “ordinary” (non-bare) trust such as a family trust, the trustee exercises control over the trust property and is under a fiduciary duty to act for the benefit of the beneficiaries according to the terms of the trust. The beneficiaries have rights against the trustees to enforce the terms of the trust.

A trust is a relationship and not a separate legal entity. A trustee is often described as having a fiduciary relationship with the trust’s beneficiaries, meaning that the trustee has a duty of care and loyalty and must act in the beneficiaries’ best interests when making decisions in accordance with the trust terms. This power makes the beneficiary dependent on the trustee. Under a discretionary family trust, trustees have the power to make decisions about trust property and the beneficiaries’ interests. All trustees must act prudently and diligently in managing trust property. They must also follow the terms of the trust and avoid conflicts of interest.

In a bare trust, the separation of legal and beneficial ownership means that although trust property is registered under the trustee’s name, the beneficial owner has the rights or attributes of ownership in the

property: (a) possession, (b) use, (c) risk and (d) control. Not all of these attributes will be present in every case, and some factors will be given more weight in certain cases. For example, a beneficial owner may not always have possession of the property.

How is a trust established?

A trust is established when a person (the settlor) transfers property to another person (the trustee) for the benefit of others (the beneficiaries). A trustee can also declare themselves to hold property for a beneficiary. While trust terms may be written or only oral, the existence of a trust is usually supported by a trust document setting out the settlor's instructions to the trustee for carrying out the terms of the trust. The trust document usually also sets out the trustee's obligations and responsibilities and describes the nature of the beneficiaries' rights in the trust.

Whether the trust terms are written or only oral, a trust exists if legal and beneficial ownership of property are separated and the "three trust certainties" are satisfied. There must be certainty about the settlor's intention to create a trust, certainty about the trust's subject matter (property) and certainty about its objects (beneficiaries) or purposes. Other formal requirements may also be imposed depending on the circumstances. For example, trusts holding interests in real property and testamentary trusts (trusts arising on the death of the testator or settlor) usually have to be made in writing.

A settlor may create a trust without using the word "trust" and without fully understanding the concept of trusteeship. The existence of a trust relationship may also be inferred from the surrounding circumstances and from evidence about what the parties intended, what they actually agreed and how they behaved with respect to the property.

Trusts can be established for many different purposes, such as planning for the transfer of property before or after the settlor's death, providing for the care of a child or disabled person, or for charitable purposes. Trusts may also be used instead of a power of attorney to help an elderly person manage their property.

Trust vs. agency and bare trusts

Trust relationships are distinct from agency relationships, even though both trustees and agents act on behalf of other persons. While a trustee administers property on behalf a beneficiary under a trust, an agent acts on behalf of a principal under an agency agreement. An agent may manage or deal with the principal's property but does not usually acquire legal title to it. A person who is required to manage and dispose of trust property and who can exercise independent discretionary power over the property is a trustee rather than an agent. The trustee of a bare trust, in contrast, acts as an agent for the beneficiaries when dealing with trust property.

Determining whether a particular arrangement between taxpayers is a trust (and if so, a bare trust) will depend on the specific facts of the situation and on the private law of the relevant province or territory. An arrangement between taxpayers about property might, for example, be an express trust, an implied trust or a trust created by law or judgment, such as a constructive trust. In some circumstances the participants might be considered joint owners or tenants in common rather than participants in a trust arrangement.

Civil law jurisdiction (Québec)

Trusts in Québec, unlike in common law jurisdictions, do not involve any separation of legal and beneficial ownership. Under civil law, property transferred in trust constitutes the trust patrimony, which is

distinct from that of the settlor, trustee or beneficiary and on which none of them has ownership rights. A patrimony is generally defined as all of a person's rights and obligations.

Article 1260 of the Civil Code of Québec describes the essential elements of a trust as an act by which a person (the settlor) transfers property from his patrimony to a trust patrimony, and which a trustee undertakes to hold and administer. A trust can be established for the benefit of determinate or determinable persons (the beneficiaries) or for specific purposes.

Under Article 1262 of the Civil Code of Québec, a trust can be established by contract, by will or by operation of law (i.e., under a court judgment or a statute).

▼ | **NEW** 1.2. I am not sure whether I have a trust. Can the CRA provide specific guidance that will allow me to determine if my situation involves a trust?

The CRA does not provide legal advice so it is not able to advise taxpayers about the application of the private law to their specific circumstances or to interpret trust documents. It is the responsibility of the parties involved in an arrangement to determine the true nature of their legal relationships and whether they give rise to a trust.

Determining whether a particular arrangement is a trust is a question of fact and law based on an analysis of the facts specific to each situation under the applicable private law. Taxpayers may wish to consult a legal advisor for help in understanding all of the legal consequences of their trust or ownership arrangements.

See [Question 1.1](#) for a very general overview of the legal (non-tax) principles that apply to trusts in Canada.

▼ 1.3. What are the changes to the trust reporting rules for taxation years ending on or after December 31, 2023?

There are three main additions to the trust reporting rules for taxation years ending on or after December 31, 2023:

- All trusts, unless certain conditions are met, are required to file a [T3 return](#) annually. See [Question 2.1](#) for more information about the trusts that are required to file.
- Generally, all trusts that are required to file a T3 return, other than [listed trusts](#) [?], must include specified information about each reportable entity of the trust, as outlined on [Schedule 15](#), with their T3 return. See [Question 2.3](#) for the listed trusts applicable for taxation years ending on or after December 31, 2023.
- Bare trusts are subject to the trust reporting rules. However, for the 2023 and 2024 taxation years, the CRA will not require bare trusts to file a [T3 return](#), including [Schedule 15](#), unless the CRA makes a direct request for these filings

▼ 1.4. What information is requested on Schedule 15 (Beneficial Ownership Information of a Trust)?

Generally, all trusts that are required to file a T3 return, other than listed trusts, must include [specified information](#) [?] about each [reportable entity](#) [?] of the trust, as outlined on [Schedule 15](#), with their [T3 return](#).

Schedule 15 requests specified information on all trustees, settlors, beneficiaries, and controlling persons (i.e., persons who have the ability, through the terms of the trust or a related agreement, to exert influence over trustee decisions regarding the appointment of income or capital of the trust) of the trust (collectively referred to as “reportable entities”).

The following specified information is required for each reportable entity of the trust:

- Name
- Address
- Date of birth (if an individual)
- Country of residence
- Tax identification number (i.e., social insurance number, business number, trust number, or, in the case of a non-resident trust, the identification number used in a foreign jurisdiction)

Part B of Schedule 15 is to be completed separately for each reportable entity and for each entity type they hold. There should only be one tax identification number for each copy of Part B that is completed.

The following table shows the format required for the different types of tax identification numbers:

Tax identification number type:	Format to be used:	Example:
Social insurance number (SIN)	9 numerical digits	123456789

Tax identification number type:	Format to be used:	Example:
Business number (BN)	15 digits	123456789RC0001
Temporary tax number (TTN)	9 numerical digits	123456789
Trust number (TN)	1 letter followed by 8 numerical digits	T12345678
Individual tax number (ITN)	9 numerical digits	123456789
International	Enter characters with no spaces or dashes	Varies based on foreign jurisdiction

▼ 1.5. Does Schedule 15 need to be filed if the reportable entities and specified information about them has not changed since the last reporting?

When required, Schedule 15 must be filed each taxation year with the T3 return even if there are no changes in respect of the reportable entities. However, if you have provided the specified information about a reportable entity in a previous taxation year and there have been no changes, that information can be carried forward and does not need to be added to Schedule 15 again. If there has been no change in the specified information about each of the reportable entities, select “No” for the second question in Part A of Schedule 15 to allow all previously filed information to be carried forward.

Part B of Schedule 15 should include information for the following situations:

- The addition or removal of reportable entities that occurred during the taxation year
- The addition and removal of reportable entities that both became and ceased to be a reportable entity during the taxation year (for example: a temporary trustee was appointed and replaced during the same taxation year)
- The addition of reportable entities that became reportable entities in a previous taxation year and continue to be reportable entities in the current taxation year, where this has not yet been reported on a previous Schedule 15 filing
- The removal of reportable entities that ceased to be reportable entities in a previous taxation year, where this has not yet been reported on a previous Schedule 15 filing
- Specified information about reportable entities that has changed since the last time it was reported

▼ | **NEW** 1.6. Are there any specific requirements for the identification of beneficiaries on Schedule 15?

The person making the T3 return must provide the specified information  about each beneficiary of the trust whose identity is known or ascertainable with reasonable effort by the person making the return at the time of filing the return. Complete Part B of Schedule 15 for each beneficiary of the trust whose identity is known or ascertainable with reasonable effort. For their own records, the trustee should document the efforts taken to collect the information.

If the identity of a beneficiary is not known or ascertainable with reasonable effort (for example, unborn children and grandchildren, their spouses), then the person making the return is required to provide sufficiently detailed information to determine with certainty whether any particular person is a beneficiary of the trust. In this case, provide the information requested in Part C of Schedule 15. For their own records, the trustee should document the efforts taken to collect the information.

Where the beneficiaries of a trust are all of the members of an Indigenous group, community, or people that holds rights recognized and affirmed by section 35 of the *Constitution Act, 1982*, or an identifiable class of the members of such Indigenous group, community or people, the person making the T3 return should provide a sufficiently detailed description of the class of beneficiaries to determine with certainty whether any particular person is a member of that class of beneficiaries.

Where some but not all of the units of a trust are listed on a designated stock exchange, the requirement to provide information for the beneficiaries of the trust is met if the specified information is provided for the beneficiaries of those classes of units that are not listed on a designated stock exchange.

▼ | **NEW** 1.7. How should Schedule 15 be completed if the trustee does not know the identity of a reportable entity, other than a beneficiary?

Subsection 204.2(1) of the *Income Tax Regulations* requires the person making the T3 return, including Schedule 15, to report specified information [?] about all reportable entities [?] of the trust in the taxation year. The *Income Tax Regulations* do not include a

relieving provision where the person making the return does not know the identity of a particular reportable entity, other than where the reportable entity is a beneficiary, as discussed in [Question 1.6](#).

▼ 1.8. Can Schedule 15 information be submitted directly to the CRA?

Where a trust is required to provide [specified information](#) [?] about each [reportable entity](#) [?] of the trust, the information must be received with the [T3 return](#). [Schedule 15](#) should be used and filed along with the [T3 return](#).

When necessary, the fillable PDF version of [Schedule 15](#) allows the user to add additional Part B sections by selecting “Add Part B” located at the end of Part B.

▼ 1.9. What happens if a trust does not file a T3 return or provide the specified information outlined on Schedule 15?

The failure to file a [T3 return](#) or to include [specified information](#) [?] about [reportable entities](#) [?] of the trust, as outlined on [Schedule 15](#), may result in a late-filing penalty. Where a trust that has failed to file has unpaid taxes on the filing deadline date, the late-filing penalty is calculated based on the unpaid taxes of the trust on the filing deadline date. Where a trust that has failed to file has no unpaid taxes on the filing deadline date, the [subsection 162\(7\)](#) penalty is calculated based on \$25 a day, from a minimum of \$100 to a maximum of \$2,500.

If the trust is not a [listed trusts](#) [?] and a person knowingly or under circumstances amounting to gross negligence makes — or participates in, assents to or acquiesces in, the making of — a false statement or omission on a return required to be filed, or fails to file a return, a penalty may apply under [subsection 163\(5\)](#). This penalty is

calculated based on the greater of \$2,500 and 5% of the highest amount of the fair market value of all the property held by the trust at any time in the year.

Additional information on penalties can be found in the [T4013 T3 Trust Guide](#).

▼ | **NEW** 1.10. What steps should be taken to address errors or omissions in the information filed on Schedule 15?

Where you have filed [specified information](#) [?] about the [reportable entities](#) [?] of the trust, as outlined on Schedule 15, and later identify errors or discover additional information, you should file an amended [T3 return](#) or a [T3-ADJ T3 Adjustment Request](#) with the updated specified information, as requested on [Schedule 15](#), as soon as possible. See “[Reassessments](#)” in the T4013 Trust Guide for more information about changing a [T3 return](#).

Errors or omissions may be identified by the CRA based on a review of the information filed. If the trust is not a listed trust and a person knowingly or under circumstances amounting to gross negligence makes, — or participates in, assents to or acquiesces in, the making of — a false statement or omission on a return required to be filed, or fails to file a return, a penalty may apply under [subsection 163\(5\)](#). This penalty is calculated based on the greater of \$2,500 and 5% of the highest amount of the fair market value of all the property held by the trust at any time in the year.

Additional information on penalties can be found in the [T4013 T3 Trust Guide](#).

▼ 1.11. Do the trust reporting rules require information that is subject to solicitor-client privilege to be disclosed?

No. The trust reporting rules do not require the disclosure of information that is subject to solicitor-client privilege.

2. Affected trusts

▼ 2.1. Which trusts are now required to file a T3 return?

A trust that is resident in Canada, including a trust deemed resident in Canada under subsection 94(3), other than a listed trust , must file a T3 return annually, if the trust is an express trust (or the trust is, for civil law purposes, a trust other than a trust that is established by law or by judgement). This does not include bare trusts for the 2023 or 2024 taxation years, unless the CRA makes a direct request for these filings.

For all other trusts (resident and non-resident), including listed trusts, a T3 return is required to be filed for taxation years in which the trust has at least one of the following situations:

- has tax payable
- is requested to file
- is a deemed resident trust
- is resident in Canada and has either disposed of, or is deemed to have disposed of, a capital property or has a taxable capital gain (for example, a principal residence, or shares in the capital stock of a corporation)
- is a non-resident throughout the year, and has a taxable capital gain (other than from an excluded disposition described

- in subsection 150(5)) or has disposed of taxable Canadian property (other than from an excluded disposition)
- holds property that is subject to subsection 75(2).
 - has provided a benefit of more than \$100 to a beneficiary for upkeep, maintenance, or taxes for property maintained for the beneficiary's use (for more information, see "Line 24 – Upkeep, maintenance, and taxes of a property used or occupied by a beneficiary" in the T4013 T3 Trust Guide), or
 - receives from the trust property any income, gain, or profit that is allocated to one or more beneficiaries, and the trust has:
 - total income from all sources of more than \$500
 - income of more than \$100 allocated to any single beneficiary
 - made a distribution of capital to one or more beneficiaries, or
 - allocated any portion of the income to a non-resident beneficiary

▼ 2.2. Which trusts are required to include Schedule 15 with their T3 return?

Generally, all trusts that are required to file a T3 return, other than listed trusts, must include specified information about each reportable entity of the trust, as outlined on Schedule 15, with their T3 return.

▼ 2.3. What is a listed trust?

Listed trusts are only required to file a T3 return for a taxation year in which one of the situations outlined in Question 2.1 applies to the trust for the taxation year. Listed trusts are not required to include Schedule 15 when filing a T3 return.

“Listed trusts” are provided in paragraphs 150(1.2)(a) to (o), and include a trust that:

- a. had been in existence for less than three months at the end of the year;
 - see Question 2.5 for more information
- b. holds assets with a total fair market value that does not exceed \$50,000 throughout the year, if the only assets held by the trust throughout the year are one or more of the following:
 - i. money (note that money does not include collectible gold or silver coins, or gold or silver bars),
 - ii. a debt obligation described in paragraph (a) of the definition “fully exempt interest” in subsection 212(3),
 - iii. a share, debt obligation, or right listed on a designated stock exchange,
 - iv. a share of the capital stock of a mutual fund corporation,
 - v. a unit of a mutual fund trust,
 - vi. an interest in a related segregated fund (within the meaning assigned by paragraph 138.1(1)(a), and
 - vii. an interest, as a beneficiary under a trust, all of the units of which are listed on a designated stock exchange;
- c. is required under the relevant rules of professional conduct or the laws of Canada or a province to hold funds for the purposes of the activity that is regulated under those rules or laws, provided the trust is not maintained as a separate trust for a particular client or clients (this provides an exception for a

lawyer's general trust account, but not for specific client trust accounts);

- d. is a registered charity;
- e. is a club, society or association described in [paragraph 149\(1\)\(l\)](#);
- f. is a mutual fund trust;
- g. is a related segregated fund trust (within the meaning assigned by [paragraph 138.1\(1\)\(a\)](#));
- h. is a trust, all of the units of which are listed on a designated stock exchange;
- i. is a trust prescribed to be a master trust;
- j. is a graduated rate estate;
- k. is a qualified disability trust;
- l. is an employee life and health trust;
- m. is a trust described under [paragraph 81\(1\)\(g.3\)](#);
- n. is a trust under or governed by a
 - i. deferred profit sharing plan,
 - see [Deferred Profit Sharing Plans](#) for more information
 - ii. pooled registered pension plan,
 - see [Pooled Registered Pension Plans](#) for more information
 - iii. registered disability savings plan,
 - see [What is a Registered Disability Savings Plan](#) for more information
 - iv. registered education savings plan,
 - see [Registered Education Savings Plan](#) for more information
 - v. registered pension plan,
 - see [Registered Pension Plan](#) for more information
 - vi. registered retirement income fund,

- see [Registered Retirement Income Fund](#) for more information
- vii. registered retirement savings plan,
 - see [Registered Retirement Savings Plan](#) for more information
- viii. tax-free savings account,
 - see [The Tax-Free Savings Account](#) for more information
- ix. employee profit sharing plan,
 - see [Employees Profit Sharing Plan](#) for more information
- x. registered supplementary unemployment benefit plan, or
 - see [Supplementary Unemployment Benefit Plan](#) for more information
- xi. first home savings account; or
 - see [First Home Savings Account](#) for more information
- o. is a cemetery care trust or a trust governed by an eligible funeral arrangement

▼ 2.4. What is an express trust?

Generally, an express trust is a trust created with the settlor's express intent, usually set out in writing (as opposed to a resulting or constructive trust, or certain trusts deemed to arise under the provision of a statute). Many types of trusts are express trusts.

▼ | **NEW** 2.5. If my trust has been in existence for less than three months, do I still need to file?

A trust that was in existence for less than three months at the end of the taxation year is a listed trust (see [Question 2.3](#), paragraph 150(1.2)(a) for more information). As a listed trust, it would not be required to file a [T3 return](#) unless one of the situations outlined in [Question 2.1](#) applies to the trust for the taxation year. Further, a listed trust is not required to file [Schedule 15](#).

The following trusts are considered to have been in existence for less than three months at the end of the taxation year:

- Trusts that ceased to exist during the particular taxation year, at a date which is less than three months after the trust was created
- Trusts that were created less than three months before the end of the particular taxation year.

▼ 2.6. Under the trust reporting rules for taxation years ending on or after December 31, 2023, how do registered charities report an internal trust?

Internal trusts are those created when a charity receives property as a gift that is subject to certain legally enforceable terms and conditions and holds that property as trustee of the trust.

The CRA will not require registered charities to file a [T3 return](#) for internal trusts. See [Filing requirements for charities administering internal trusts](#) for more information.

▼ | **NEW** 2.7. What are some examples of trusts that need to file under

the trust reporting rules?

Several examples are provided below to assist taxpayers in determining their trust reporting obligations. Please note:

- The determination of whether a particular arrangement is a trust is a question of fact and law based on an analysis of the facts specific to each situation under the private law of the relevant jurisdiction. It is the responsibility of the parties involved in an arrangement to determine the true nature of their legal relationships and whether they give rise to a trust.
- These examples do not include bare trust filing requirements. As indicated in [Question 3.2](#), the CRA will not require bare trusts to file a [T3 return](#), including [Schedule 15](#), for the 2023 or 2024 taxation years, unless the CRA makes a direct request for these filings. More information regarding the reporting requirements for bare trusts for their 2025 and subsequent taxation years will be provided as it becomes available.
- Although the trust reporting rules are the same for the 2023 and 2024 taxation years, the examples include both taxation years to demonstrate the effect that changing circumstances could have on the reporting requirements for a particular trust.

▼ Example 1

Scenario:

The Toronto Trust, an express trust that is resident in Canada, was established in 2018. It holds assets consisting only of money and rights listed on the Canadian Securities Exchange, which is a designated stock exchange. The total fair market value (“FMV”) of the trust’s assets was consistently under \$50,000 from 2018 until early 2023. The total FMV of the trust’s

assets increased to \$55,000 in July 2023, but decreased to \$48,000 prior to December 31, 2023. The total FMV of the trust's assets did not exceed \$50,000 throughout its taxation year that ended on December 31, 2024.

2023 taxation year filing requirement: T3 return including Schedule 15

Based on the facts provided, the Toronto Trust would only be a listed trust if it held assets with a total FMV that did not exceed \$50,000 throughout the year, provided that it only held specific types of assets (see [Question 2.3](#), paragraph 150(1.2)(b) for more information). The list of specific asset types includes both money and rights listed on a designated stock exchange.

However, while the total FMV of the trust's assets was less than \$50,000 at December 31, 2023, it exceeded \$50,000 at times during the taxation year. Therefore, the Toronto Trust is not a listed trust for its taxation year that ended on December 31, 2023. As an express trust resident in Canada that is not a listed trust, it is required to file a [T3 return](#) including [Schedule 15](#).

2024 taxation year filing requirements: Possible T3 return without Schedule 15

Based on the facts provided, the Toronto Trust would only be a listed trust if it held assets with a total FMV that did not exceed \$50,000 throughout the year, provided that it only held specific types of assets (see [Question 2.3](#), paragraph 150(1.2)(b) for more information). The list of specific asset types includes both money and rights listed on a designated stock exchange. The total FMV of the trust's assets did not exceed \$50,000 throughout the year. Given that the Toronto Trust only held assets that are on the list of specific asset types and the total

FMV of the trust's assets did not exceed \$50,000 throughout the year, it is a listed trust for its taxation year that ended on December 31, 2024. Therefore, the trust would only be required to file a T3 return if one of the situations outlined in Question 2.1 applies to the trust for the taxation year. However, the trust would not be required to file Schedule 15.

▼ Example 2

Scenario:

The Montréal Trust is an express trust that is resident in Canada. Throughout its taxation year that ended on December 31, 2023, it held assets consisting only of money and shares listed on the Toronto Stock Exchange, which is a designated stock exchange. During the taxation year that ended on December 31, 2024, the trustee acquired a guaranteed investment certificate ("GIC") with some of the money held in the trust. Throughout its taxation years that ended on December 31, 2023, and December 31, 2024, no dividends were declared or paid to the trust and the total FMV of the trust's assets did not exceed \$50,000.

2023 taxation year filing requirement: Possible T3 return without Schedule 15

Based on the facts provided, the Montréal Trust would only be a listed trust if it held assets with a total FMV that did not exceed \$50,000 throughout the year, provided that it only held specific types of assets (see Question 2.3, paragraph 150(1.2)(b) for more information). The list of specific asset types includes both money and shares listed on a designated stock exchange. Given that the Montréal Trust only held assets that are on the

list of specific asset types and the total FMV of the trust's assets did not exceed \$50,000 throughout the year, it is a listed trust for its taxation year that ended on December 31, 2023.

Therefore, the trust would only be required to file a T3 return if one of the situations outlined in Question 2.1 applies to the trust for the taxation year. However, the trust would not be required to file Schedule 15.

2024 taxation year filing requirement: T3 return including Schedule 15

Based on the facts provided, the Montréal Trust would only be a listed trust if it held assets with a total FMV that did not exceed \$50,000 throughout the year, provided that it only held specific types of assets (see Question 2.3, paragraph 150(1.2)(b) for more information). GICs are not included on this list of specific asset types. Given that for a period of time in the 2024 taxation year, the Montréal Trust held one or more assets that are not on the list of specific asset types, it is not a listed trust for its taxation year that ended on December 31, 2024. As an express trust resident in Canada that is not a listed trust, it is required to file a T3 return including Schedule 15.

▼ Example 3

Scenario:

The Halifax Trust is an express trust that is resident in Canada. During its taxation year that ended on December 31, 2023, the trust held assets consisting only of money and shares listed on the New York Stock Exchange, which is a designated stock exchange. In February 2023, the trust disposed of the shares, which were capital property of the trust, realizing a capital gain

of approximately \$8,000. All of the proceeds, including the capital gain, were distributed to the sole beneficiary. No dividends were declared or paid to the trust during the taxation year that ended on December 31, 2023. Throughout its taxation year that ended on December 31, 2024, the trust held assets consisting only of money. The total FMV of trust's assets did not exceed \$50,000 throughout its taxation years that ended on December 31, 2023, and December 31, 2024.

2023 taxation year filing requirement: T3 return without Schedule 15

Based on the facts provided, the Halifax Trust would only be a listed trust if it held assets with a total FMV that did not exceed \$50,000 throughout the year, provided that it only held specific types of assets (see [Question 2.3](#), paragraph 150(1.2)(b) for more information). The list of specific asset types includes both money and shares listed on a designated stock exchange. Given that the Halifax Trust only held assets that are on the list of specific asset types and the total FMV of the trust assets did not exceed \$50,000 throughout the year, it is a listed trust for its taxation year that ended on December 31, 2023. Therefore, the trust would only be required to file a [T3 return](#) if one of the situations outlined in [Question 2.1](#) applies to the trust for the taxation year.

During its taxation year that ended on December 31, 2023, based on the disposition of the shares, the capital gain that was realized, and the distribution of the proceeds (including the capital gain) to the sole beneficiary:

- The trust was resident in Canada and disposed of capital property

- The trust was resident in Canada and had a taxable capital gain
- The trust received from the trust property a gain that was allocated to one or more beneficiaries, and the trust had total income (the capital gain) from all sources of more than \$500
- The trust received from the trust property a gain that was allocated to one or more beneficiaries, and the trust allocated income (the capital gain) of more than \$100 to any single beneficiary
- The trust received from the trust property a gain that was allocated to one or more beneficiaries, and the trust made a distribution of capital to one or more beneficiaries

Each of these are situations outlined in Question 2.1. Therefore, the Halifax Trust is required to file a T3 return for its taxation year that ended on December 31, 2023. As a listed trust, it is not required to include Schedule 15 with the T3 return.

2024 taxation year filing requirement: Possible T3 return without Schedule 15

Based on the facts provided, the Halifax Trust would only be a listed trust if it held assets with a total FMV that did not exceed \$50,000 throughout the year, provided that it only held specific types of assets (see Question 2.3, paragraph 150(1.2)(b) for more information). The list of specific asset types includes money. Given that the Halifax Trust only held assets that are on the list of specific asset types and the total FMV of the trust assets did not exceed \$50,000 throughout the year, it is a listed trust for its taxation year that ended on December 31, 2024. Therefore, the trust would only be required to file a T3 return if

one of the situations outlined in [Question 2.1](#) applies to the trust for the taxation year. However, the trust would not be required to file [Schedule 15](#).

▼ Example 4

Scenario:

The Vancouver Trust is an express trust that is resident in Canada. It holds assets consisting only of money and private corporation shares. The total FMV of trust's assets did not exceed \$50,000 throughout its taxation years that ended on December 31, 2023, and December 31, 2024.

2023 taxation year filing requirement: T3 return including Schedule 15

Based on the facts provided, the Vancouver Trust would only be a listed trust if it held assets with a total FMV that did not exceed \$50,000 throughout the year, provided that it only held specific types of assets (see [Question 2.3](#), paragraph 150(1.2)(b) for more information). Private corporation shares are not included on this list of specific asset types. Given that the Vancouver Trust held one or more assets that are not on the list of specific asset types, it is not a listed trust for its taxation year that ended on December 31, 2023. As an express trust resident in Canada that is not a listed trust, it is required to file a [T3 return](#) including [Schedule 15](#).

2024 taxation year filing requirement: T3 return including Schedule 15

Based on the facts provided, the Vancouver Trust would only be a listed trust if it held assets with a total FMV that did not exceed \$50,000 throughout the year, provided that it only held specific types of assets (see [Question 2.3](#), paragraph 150(1.2)(b) for more information). Private corporation shares are not included on this list of specific asset types. Given that the Vancouver Trust held one or more assets that are not on the list of specific asset types, it is not a listed trust for its taxation year that ended on December 31, 2024. As an express trust resident in Canada that is not a listed trust, it is required to file a [T3 return](#) including [Schedule 15](#).

▼ Example 5

Scenario:

The Winnipeg Trust is an express trust that is resident in Canada. At the beginning of its 2023 taxation year, the trust held assets consisting only of money and a cottage property. The total FMV of the trust's assets was \$325,000. In October 2023, the trust disposed of the cottage, which was capital property of the trust, realizing a taxable capital gain. A portion of the proceeds, including the capital gain, was distributed to the beneficiaries. On December 31, 2023, the total FMV of the trust's assets was \$20,000. Throughout its taxation year that ended on December 31, 2024, the trust held only money in the amount of \$20,000.

2023 taxation year filing requirement: T3 return including Schedule 15

Based on the facts provided, the Winnipeg Trust would only be a listed trust if it held assets with a total FMV that did not exceed \$50,000 throughout the year, provided that it only held specific types of assets (see [Question 2.3](#), paragraph 150(1.2)(b) for more information). Real property, such as the cottage, is not included on this list of specific asset types. Given that the Winnipeg Trust held one or more assets that are not on the list of specific asset types, it is not a listed trust for its taxation year that ended on December 31, 2023. As an express trust resident in Canada that is not a listed trust, it is required to file a [T3 return](#) including [Schedule 15](#).

2024 taxation year filing requirement: Possible T3 return without Schedule 15

Based on the facts provided, the Winnipeg Trust would only be a listed trust if it held assets with a total FMV that did not exceed \$50,000 throughout the year, provided that it only held specific types of assets (see [Question 2.3](#), paragraph 150(1.2)(b) for more information). The list of specific asset types includes money. Given that the Winnipeg Trust only held assets that are on the list of specific asset types and the total FMV of the trust's assets did not exceed \$50,000 throughout the year, it is a listed trust for its taxation year that ended on December 31, 2024. Therefore, the trust would only be required to file a [T3 return](#) if one of the situations outlined in [Question 2.1](#) applies to the trust for the taxation year. However, the trust would not be required to file [Schedule 15](#).

3. Bare trusts

▼ 3.1. What is a bare trust?

Question 1.1 provides a general overview of the legal (non-tax) principles that apply to trusts and bare trusts in Canada.

The term “bare trust” is not defined in the *Income Tax Act*. However, subsection 104(1) provides that a bare trust for income tax purposes is a trust arrangement under which the trustee can reasonably be considered to act as agent for all the beneficiaries under the trust with respect to all dealings with all of the trust's property.

A trustee can reasonably be considered to act as agent for a beneficiary when the trustee has no significant powers or responsibilities, the trustee can take no action without instructions from that beneficiary and the trustee's only function is to hold legal title to the property. In order for the trustee to be considered to be the agent for all the beneficiaries of a trust, it would generally be necessary for the trust to consult and take instructions from each and every beneficiary with respect to all dealings with all of the trust property.

A common example of a bare trust arrangement is when, for privacy reasons, a property developer establishes a bare trust to hold registered title to real property, while the developer retains beneficial ownership.

▼ 3.2. Are bare trusts now required to file an annual T3 return and Schedule 15?

2023 taxation year: As announced in the Tax Tip issued March 28, 2024, in recognition that the enhanced reporting rules for bare trusts have had an unintended impact on Canadians, the CRA will not require bare trusts to file a T3 return, including Schedule 15, for the 2023 taxation year, unless the CRA makes a direct request for these filings.

2024 taxation year: As announced in the Tax Tip issued October 29, 2024, the CRA will not require bare trusts to file a T3 return, including Schedule 15 for the 2024 taxation year, unless the CRA makes a direct request for these filings. This is a continuation of the exemption from the trust reporting rules that was issued for bare trusts for the 2023 taxation year.

▼ 3.3. If a bare trust is required to file a T3 return, does it have to include all of the information requested in the return?

Due to the nature of bare trusts, not all information requested on the T3 return may be relevant. The following guidance is provided to assist you in completing each relevant section of the T3 return:

- T3 return: Step 1 – Identification and other information
 - When using our online services, identify the type of trust as “bare trust” by selecting “code 307, Bare Trust” and provide the trust creation date in the appropriate field.
 - If this is the first year of filing a trust return, send us a copy of the trust document, unless this information or document has been previously submitted.
 - Where applicable, provide information about whether the trust is filing its final return (and if so, provide the date on

which the trust ceased to exist).

- Provide a response and information related to applicable questions on page 2.
- T3 return: Step 5 – Summary of tax and credits
 - Complete the last page including the parts “Name and address of person or company who prepared this return” and “Certification”.
- Schedule 15 – Beneficial Ownership Information of a Trust
 - Complete all parts of Schedule 15. Please refer to Question 1.4 for the information to be entered on Schedule 15.

For bare trusts, the remaining parts of the T3 return can be left blank. All income, capital gains and capital losses from the trust property should be reported on the beneficial owner’s tax return.

▼ 3.4. What name should be used for a bare trust?

Here are some guidelines for naming a bare trust that has not been named:

- If there is a written trust deed or other agreement governing the bare trust, and the document identifies a name for the bare trust, enter this in the name field.
- If there is no written trust deed or other agreement governing the bare trust, or if the document does not identify a name for the bare trust, list the legal name of the beneficial owner(s). For example:
 - If the beneficial owner is a corporation, list the full corporate name identified in the articles of incorporation with the word “Trust” at the end.

- If the beneficial owner is an individual, list the first and last names of the individual with the word “Trust” at the end (for example: Jane Smith Trust). If there is more than one beneficial owner, place the names in alphabetical order based on the beneficial owners’ last names with the word “Trust” at the end of the list (for example: Davis Johnson Miller Trust).

As the name field in our online services is limited to 60 characters, include only the first 54 characters of the name and then the word “Trust”.

▼ | **NEW** 3.5. Are bare trusts permitted to voluntarily file a T3 return for the 2023 or 2024 taxation years to report information on Schedule 15? Will the CRA accept and process these returns?

While the *Income Tax Act* requires bare trusts to file T3 returns for the 2023 and 2024 taxation years, the CRA has waived this filing requirement for all bare trusts, unless the CRA makes a direct request for these filings. Given that the Act includes the requirement for bare trusts to file, the CRA will accept and process any T3 return, including Schedule 15, that it receives.

▼ | **NEW** 3.6. What steps must be taken to close a trust account number for a bare trust?

In most cases, a final T3 return must be filed for the taxation year in which a trust ceases to exist. On page 2 of the return, indicate that the return is the final return of the trust and enter the date on which the trust ceased to exist. No further steps are required.

For bare trusts, the CRA will not require bare trusts to file a T3 return for the 2023 and 2024 taxation years, unless the CRA makes a direct request for these filings. Where a bare trust has a trust account number and ceased to exist in the 2023 or 2024 taxation year, the following steps may be taken to close the trust account number:

- the trustee of a bare trust may voluntarily choose to file a final T3 return with the date on which the bare trust ceased to exist,
- the trustee of a bare trust may send a letter to either the Sudbury Tax Centre or the Winnipeg Tax Centre that includes the trust account number, bare trust name, the fact that the bare trust has ceased to exist, and the date on which the bare trust ceased to exist.

▼ | **NEW** 3.7. The CRA has indicated that bare trusts are not required to file a T3 return, including Schedule 15, for the 2023 and 2024 taxation years, unless the CRA makes a direct request for these filings. Will the CRA be issuing filing reminder notices to bare trusts for the 2024 taxation year?

The CRA will not be issuing bare trust filing reminder notices for the 2024 taxation year.

4. Legal representatives (primary trustee)

▼ 4.1. I am the primary trustee, how do I gain authorization to contact the CRA?

As the primary trustee, you are the legal representative of the trust and are able to make changes to the account. You can call the CRA or submit documents by mail as soon as your trust account number is issued. If you want online access to the account, you will first need to register as the Primary Trustee using the Authorization Request option in Represent a Client. Once you have registered, you will have online access as a trustee and will have full access to My Trust Account, which is accessed via Represent a Client.

Once you have registered as the Primary Trustee, you can add authorized representatives to the trust in the Authorized Representatives section of the trust's Profile in My Trust Account.

5. Mandatory disclosure and underused housing rules

▼ 5.1. Are the mandatory disclosure rules for reporting transactions the same as the enhanced reporting rules for trusts identified here?

Mandatory disclosure rules are different and are based on separate provisions of the *Income Tax Act*. Trustees are one of several entities that are subject to these rules. For more information, visit [Mandatory disclosure rules – Overview](#).

▼ 5.2. If the trustee is holding legal title to residential property in Canada, and completes the UHT-2900 Underused Housing Tax Return, are they still required to file Schedule 15 with the T3 return?

Yes. The [UHT-2900 Underused Housing Tax Return](#) is separate from the enhanced trust reporting rules. The obligation to file a [T3 return](#) and [Schedule 15](#) is not satisfied by a [UHT-2900](#) filing. For information on the Underused Housing Tax, including who must file, please visit [Introduction to the Underused Housing Tax](#).

6. More information

The CRA shares the latest information and timely updates in relation to the administration of the current tax laws for the Government of Canada and for most provinces and territories on its website, Canada.ca, and via digital and social media channels.

You can find on the website [news releases](#), [tax tips](#), [technical tax information](#), [forms](#), [guides](#), policies, manuals, Questions and Answers, and other publications in HTML and/or PDF format, or where available, in printed form upon request.

You can contact us through [traditional channels](#) for your income tax questions not addressed on the website.

Related links

- [Trust income tax return](#)
- [Application for a trust account number](#)
- [Form T3RET, T3 Trust Income Tax and Information Return](#)
- [Guide T4013, T3 Trust Guide](#)

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