



**Part V – Derivatives**

	Number of contracts	Notional amount	Revenue from non-resident	Expenditure to non-resident
101 Interest Rate Contracts .....		\$	\$	\$
102 Foreign Exchange Contracts .....		\$	\$	\$
103 Credit Contracts .....		\$	\$	\$
104 Equity Contracts .....		\$	\$	\$
105 Commodity Contracts .....		\$	\$	\$
106 Index Contracts .....		\$	\$	\$
107 Fees (including commissions) .....		\$	\$	\$
108 Other payments / receipts (specify) .....		\$	\$	\$

Please enter the total of all entries made in each column of Part V ..... **E=**  **F=** \$  **G=** \$  **H=** \$

Please enter in box I the total of all entries made in boxes A, B, C, D, G and H ..... **I=** \$

**Part VI – Current accounts**

	Beginning balance	Increase	Decrease	Ending balance
Amount of accounts payable .....	\$ <input type="text"/>	+ \$ <input type="text"/>	- \$ <input type="text"/>	= \$ <input type="text"/>
Amount of accounts receivable .....	\$ <input type="text"/>	+ \$ <input type="text"/>	- \$ <input type="text"/>	= \$ <input type="text"/>

**Instructions**

If an election has been made under paragraph 261(3)(b) of the *Income Tax Act* to report in a functional currency, state all monetary amounts in that functional currency, otherwise state all monetary amounts in Canadian dollars (no cents).

**Part II – Non-resident information**

**Q.1 and Q.2.** Enter the name and address of the non-resident. For the list of country codes, see the CRA publication, T4061 – NR4 – *Non-Resident Tax Withholding, Remitting and Reporting guide*, Appendix A – Country Codes, at: [cra.gc.ca/E/pub/tg/t4061/t4061-e.html](http://cra.gc.ca/E/pub/tg/t4061/t4061-e.html).

**Q.3.** State the type of relationship that exists between the reporting person/partnership and the non-resident. The Canada Revenue Agency 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: [fin.gc.ca](http://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. The current NAICS codes can be found at the Statistics Canada internet site, [www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVDPPage1&db=imdb&dis=2&adm=8&TVD=118464](http://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVDPPage1&db=imdb&dis=2&adm=8&TVD=118464). 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. You can enter more than one code. For the list of country codes, see the information provided under Q1. and Q2. above.

**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 87-2, *International Transfer Pricing*. The circular is available at our tax services offices and on the Internet at: [canada.ca/taxes](http://canada.ca/taxes).

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

Enter (to the nearest Canadian dollar/functional currency unit if applicable) 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.

For the banking industries, the line for "Stock in trade/raw materials" must be used to report bonds, debentures, loans, mortgage transactions. The normal interest income and expense on loans and advances with the non-arm's length non-resident(s) must be reported in the Financial section.

**Part V – Derivatives**

The column for Notional Amounts applies to swap transactions. The terms used in this section are described below:

**Descriptions**

- |                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>101 Interest Rate Contracts<br/>This section includes<br/>– forward rate arrangements<br/>– swaps<br/>– options purchased<br/>– options written</p>                          | <p>104 Equity Contracts<br/>– includes contracts used to transfer the economic benefits of securities and debt instruments</p>                                                                                                                                                          |
| <p>102 Foreign Exchange Contracts<br/>– forward contracts<br/>– cross currency swaps<br/>– cross currency interest rate swaps<br/>– options purchased<br/>– options written</p> | <p>105 Commodity Contracts<br/>– includes swaps, forward contracts and options</p>                                                                                                                                                                                                      |
| <p>103 Credit Contracts<br/>– risk transfer arrangements</p>                                                                                                                    | <p>106 Index Contracts<br/>– includes all contracts that derive their value from publicly traded indices</p> <p>107 Fees<br/>– any fee or commission charged on derivative transactions</p> <p>108 Other Payments / Receipts<br/>– other payments and receipts not identified above</p> |

**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 "the Canada Revenue Agency" in the Government of Canada section of your telephone book and on the Internet at: [canada.ca/taxes](http://canada.ca/taxes).