



# Federal Foreign Tax Credits

Use this form to calculate the amount you can deduct from your federal tax for 2018 or later tax years. If this claim is for a year before 2018, go to [canada.ca/cra-forms](https://canada.ca/cra-forms) to get a previous version of this form.

You can claim this credit if you were resident in Canada at any time in the tax year and you had to include, on your Canadian return, income that came from a foreign country for which you paid non-business or business taxes to that foreign country.

Only submit one Form T2209. If your total foreign taxes paid to **all foreign countries was more than \$200**, calculate the total foreign taxes paid for each foreign country on a separate sheet and enter the total on this form.

For more information, see Income Tax Folio S5-F2-C1, Foreign Tax Credit.

Country or countries for which you are making this claim:

## Federal non-business foreign tax credit

|   |     |   |     |
|---|-----|---|-----|
| Non-business income tax paid to a foreign country (a)                                   | 431 |   | • 1 |
| Net foreign non-business income (b)   | 433 | × Basic federal tax (d)                 | 2   |
| Divided by: net income (c)  |     | =                                       |     |
| Enter the amount from line 1 or line 2, whichever is less.                              |     | Federal non-business foreign tax credit | 3   |
| The amount on line 3 should not be more than the amount on line 429 of your Schedule 1. |     |   |     |

## Federal business foreign tax credit

|  |     |                                     |     |
|--|-----|-------------------------------------|-----|
| Business income tax paid to a foreign country (e) for the year, plus any unused foreign tax credits for that country for the 10 (f) years before, and the 3 years after this year  | 434 |                                     | • 4 |
| Net foreign business income (g)  | 439 | × Basic federal tax (h)             | 5   |
| Divided by: net income (c)   |     | =                                   |     |
| Federal surtax on income you earned outside Canada: amount from line 10 of Part 2 of Form T2203, Provincial and Territorial Taxes for 2018 – Multiple Jurisdictions, or 48% of the amount from line 429 of Schedule 1. Enter the amount that applies to the country or countries that you have identified at the top of this page. |     | +                                   | 6   |
| Add lines 5 and 6  |     | =                                   | 7   |
| Add basic federal tax (h) and the amount from line 6   |     |                                     | 8   |
| Enter the amount from line 3, if any   |     | -                                   | 9   |
| Line 8 minus line 9  |     | =                                   | 10  |
| Enter the amount from line 4, 7, or 10, whichever is less.   |     | Federal business foreign tax credit | 11  |

## Federal foreign tax credit

|  |                            |  |    |
|--|----------------------------|--|----|
| Add lines 3 and 11.  | Federal foreign tax credit |  | 12 |
| The amount on line 12 should not be more than the amount on line 429 of your Schedule 1. |                            |  |    |
| Enter the amount from line 12 on line 405 of your Schedule 1.                            |                            |  |    |

See the privacy notice on your return.

### (a) Non-business income tax paid to a foreign country (see note below)

Total of non-business income or profits tax you paid to that country or to a political subdivision of that country for the year, minus any part of this tax that is deductible under subsection 20(11) or deducted under subsection 20(12) of the Canadian Income Tax Act. Non-business income tax paid to a foreign country does not include tax that can reasonably be attributed to an amount that:

- any other person or partnership has received, or is entitled to receive from the foreign country
- relates to taxable capital gains from that country, and you or your spouse or common-law partner claimed a capital gains deduction for that income
- was deductible as income exempt from tax under a tax treaty between Canada and that country
- was taxable in the foreign country because you were a citizen of that country, and relates to income from a source within Canada

#### Note

Any amount of tax you paid to a foreign government in excess of the amount you had to pay according to a tax treaty is considered a voluntary contribution and does not qualify as foreign taxes paid.



# Provincial or Territorial Foreign Tax Credit

Use this form to calculate the **non-business** foreign tax credit for 2018 that you can deduct from the income tax payable to the province or territory you resided in at the end of the tax year.

This form does not apply to residents of Quebec. If you are a resident of Manitoba and subject to minimum tax, you cannot claim a provincial foreign tax credit.

Before you complete this form, calculate your federal foreign tax credit by using Form T2209, Federal Foreign Tax Credits. If the amount of the federal non-business foreign tax credit you are entitled to deduct is equal to the foreign non-business tax you paid, your provincial or territorial foreign tax credit would be zero. As a result, you do not have to complete this form.

If the non-business income taxes you paid to all foreign countries was more than \$200, calculate the total non-business foreign taxes paid for each foreign country on a separate sheet and enter the total on this form. **Attach** one completed copy of this form to your return.

**Country or countries for which you are making this claim:**

Enter the amount from line 1 of Form T2209.

**1**

Enter the amount from line 3 of Form T2209.

If you are subject to minimum tax for 2018, see the note below.

**2**

Line 1 minus line 2

**3**

Net foreign non-business income\*

**Divided by:** Net income\*\*

× Provincial or territorial tax  
otherwise payable\*\*\*

**4**

Enter the amount from line 3 or 4, whichever is **less**. The amount on line 5 should not be more than the amount entered on the line for provincial or territorial tax otherwise payable.

**Provincial or territorial  
foreign tax credit**

**5**

Enter the amount from line 5 on the line for the provincial or territorial foreign tax credit of Form 428. If you have to pay tax to more than one jurisdiction, enter the amount from line 5 on the applicable line in Part 4, Section 428MJ of Form T2203, Provincial and Territorial Taxes for 2018 – Multiple Jurisdictions, only for the province or territory you resided in on the last day of the tax year.

**Note**

If you were a resident of **British Columbia** and subject to minimum tax for 2018, follow the instruction for line 2 as if you were not subject to minimum tax.

If you were a resident of **Ontario** and subject to minimum tax for 2018, follow the instruction that applies to your situation:

- If the total non-business income taxes you paid to all foreign countries is **\$200 or less**, calculate the ratio of the amount from line 1 over the sum of the amount on line 1 of this form and the amount on line 85 of Form T691, Alternative Minimum Tax, and enter the product of this ratio and the special foreign tax credit (line 88 of Form T691) on line 2; otherwise
- For each country, calculate the ratio of the amount from line 1 for that country over your total foreign taxes paid for 2018 (for example, the sum of (i) the amount on line 84 of Form T691 divided by 66.6666% and (ii) the amount on line 85 of Form T691), and enter the product of this ratio and the special foreign tax credit (line 88 of Form T691) on line 2 of the sheet for that country.

If you were a resident of **another province or territory**, and are subject to minimum tax for 2018, enter on line 2 the part of the special foreign tax credit (line 88 of Form T691) that relates to non-business income taxes you paid to a foreign country for 2018.

**\* Net foreign non-business income**

Enter the amount reported as net foreign non-business income in the calculation of line 2 on Form T2209.

**\*\* Net income**

Enter the amount reported as net income in the calculation of line 2 on Form T2209.

If you were a resident of Canada for part of the year, include the income for the part of the year you were a resident of Canada plus any income and losses referred to in paragraphs 115(1)(a) to (c) of the federal Income Tax Act as reported on your Canadian tax return, for the part of the year you were not a resident of Canada.

If you paid tax to more than one jurisdiction in 2018, calculate this amount according to note (c) of Form T2209, using the amount allocated to your province or territory of residence in column 4, Part 1 of Form T2203 **instead** of "line 236 of your return plus the amount on line 4 of Form T1206" in that note.

**\*\*\* Provincial or territorial tax otherwise payable**

If you were a resident of a province or territory other than **Ontario, Alberta, or British Columbia**, enter the amount of tax calculated **before** determining the provincial or territorial foreign tax credit from the appropriate Form 428 or, if you have to pay tax to more than one jurisdiction, from the applicable part of Section 428MJ of Form T2203 for the province or territory in which you resided at the end of the tax year.

If you were a resident of **Ontario**, calculate this amount by entering "0" on lines 55 and 57 of Form ON428 and continuing the calculation. The result from line 67 is your "provincial or territorial tax otherwise payable." If you paid tax to more than one jurisdiction in 2018, calculate this amount by entering "0" on lines 33 and 35 in Section ON428MJ in Part 4 of Form T2203 and continuing the calculation. The amount from line 44 is your "provincial or territorial tax otherwise payable."

If you were a resident of **Alberta**, calculate your "provincial or territorial tax otherwise payable" by adding the amount from line 43 to the amount from line 48 of Form AB428 or by adding the amount from line 13 to the amount from line 30 in Section AB428MJ of Form T2203.

If you were a resident of **British Columbia**, your "provincial or territorial tax otherwise payable" is the amount of tax calculated **before** determining the provincial and territorial foreign tax credit minus any British Columbia additional tax for minimum tax purposes from Form BC428 or Section BC428MJ of Form T2203.

See the privacy notice on your return.