Canada Revenue Agency | Agence du revenu du Canada

Protected B
when completed

Notice of Disposition of a Life Insurance Policy in Canada by a Non-Resident of Canada

- To be completed by a life insurer on behalf of a non-resident policyholder.
- Use this notice to inform the Canada Revenue Agency when a life insurance policy is disposed of and the policyholder was resident in Canada at the time the policy was issued or effected.
- A separate notice is required for each disposition. However, when several policies have been disposed of at the same time to the same purchaser, only one notice is required.
- Attach the following information to the Certificate and remittance notice (T2062B – Schedule 1) and send to your tax services office or the Centre of Expertise:
  - copy 1 of this notice;
  - a letter of authorization from the non-resident policyholder; and
  - a cheque for the required payment as, or on account of tax.
- We will issue a certificate of compliance once we have completed our review.
- A final settlement of the tax liability is made when the non-resident files a Canadian income tax return.

Name of non-resident	SIN or Individual Tax Number (ITN)
Address of non-resident	Date of Birth Year Month Day
Insurance company	
Address of insurance company	
Contact person	Telephone number
Address of contact person	Fax number
Purchaser of policy (if other than insurer)	

Particulars of disposition

Date of disposition (year, month, day)	Policy number	Proceeds of disposition	Adjusted cost basis	Proceeds of disposition minus adjusted cost basis

Amount to be included in income ..... _____ A

Payment on account of tax (per the applicable federal non-resident tax rates) ..... _____ B

For CRA use only

Subsidiary ledger account	Processed by	
Amount of payment	Certificate of compliance	Date

Copy 1 – Canada Revenue Agency

Canada

Notice of Disposition of a Life Insurance Policy in Canada by a Non-Resident of Canada

- To be completed by a life insurer on behalf of a non-resident policyholder.
- Use this notice to inform the Canada Revenue Agency when a life insurance policy is disposed of and the policyholder was resident in Canada at the time the policy was issued or effected.
- A separate notice is required for each disposition. However, when several policies have been disposed of at the same time to the same purchaser, only one notice is required.
- Attach the following information to the Certificate and remittance notice (T2062B – Schedule 1) and send to your tax services office or the Centre of Expertise:
  - copy 1 of this notice;
  - a letter of authorization from the non-resident policyholder; and
  - a cheque for the required payment as, or on account of tax.
- We will issue a certificate of compliance once we have completed our review.
- A final settlement of the tax liability is made when the non-resident files a Canadian income tax return.

Name of non-resident	SIN or Individual Tax Number (ITN)
Address of non-resident	Date of Birth Year Month Day
Insurance company	
Address of insurance company	
Contact person	Telephone number
Address of contact person	Fax number
Purchaser of policy (if other than insurer)	

Particulars of disposition

Date of disposition (year, month, day)	Policy number	Proceeds of disposition	Adjusted cost basis	Proceeds of disposition minus adjusted cost basis

Amount to be included in income ..... _____ A

Payment on account of tax (per the applicable federal non-resident tax rates) ..... _____ B

Copy 2 – Policyholder

Notice of Disposition of a Life Insurance Policy in Canada by a Non-Resident of Canada

- To be completed by a life insurer on behalf of a non-resident policyholder.
- Use this notice to inform the Canada Revenue Agency when a life insurance policy is disposed of and the policyholder was resident in Canada at the time the policy was issued or effected.
- A separate notice is required for each disposition. However, when several policies have been disposed of at the same time to the same purchaser, only one notice is required.
- Attach the following information to the Certificate and remittance notice (T2062B – Schedule 1) and send to your tax services office or the Centre of Expertise:
  - copy 1 of this notice;
  - a letter of authorization from the non-resident policyholder; and
  - a cheque for the required payment as, or on account of tax.
- We will issue a certificate of compliance once we have completed our review.
- A final settlement of the tax liability is made when the non-resident files a Canadian income tax return.

Name of non-resident	SIN or Individual Tax Number (ITN)
Address of non-resident	Date of Birth Year Month Day
Insurance company	
Address of insurance company	
Contact person	Telephone number
Address of contact person	Fax number
Purchaser of policy (if other than insurer)	

Particulars of disposition

Date of disposition (year, month, day)	Policy number	Proceeds of disposition	Adjusted cost basis	Proceeds of disposition minus adjusted cost basis

Amount to be included in income . . . . . _____ **A**

Payment on account of tax (per the applicable federal non-resident tax rates) . . . . . _____ **B**

Copy 3 – Insurer

EXPLANATION

- Subsections and paragraphs referred to on this form are those of the *Income Tax Act*.
- For the purpose of subsection 116(5.2), a disposition of a life insurance policy in Canada includes certain:

  – dividends – paragraph 148(2)(a);

  – death benefits – paragraph 148(2)(b);

  – policy changes – paragraph 148(2)(d);

  – surrenders – paragraph (a) of the definition "disposition" in subsection 148(9);

  – policy loans – paragraph (b) of the definition "disposition" in subsection 148(9); and

  – maturities – paragraph (c) of the definition "disposition" in subsection 148(9).
- "Life Insurance Policy in Canada" is defined in subsection 138(12).
- The Proceeds of disposition amount is not reduced by commissions for sale or adjustments in the sale price for taxes, etc.
- For more information see the current versions of:

  Information Circular
  IC72-17 – *Procedures concerning the disposition of taxable Canadian property by non-residents of Canada – Section 116*

  Interpretation Bulletins
  IT-87 – *Policyholders' Income from Life Insurance Policies*

  IT-176 – *Taxable Canadian property – Interests in and options on real property and shares*

  Guide
  T4058 – *Non-residents and Income Tax*