

KEEPING CURRENT

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Update: Bare Trusts No Longer Required To File T3 Returns For 2023

By Ian Spiegel and Mitchell Hajnal

Founded in the 1920s, Gardiner Roberts LLP has grown to become a strategically placed mid-sized business law firm with a diverse client base which includes several of Canada's largest banks, public companies including mining, high tech and software companies, real estate enterprises, lenders and investors.

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In our previous blog post,¹ we discussed the Canada Revenue Agency's (the "CRA") expanded trust filing and reporting requirements for trusts with tax years ending on or after December 31, 2023. These new filing requirements were implemented for all express trusts, including bare trusts.²

However, the introduction of these expanded filing requirements caused quite an uproar in the accounting and legal communities. So much so that, in a massive shift, the CRA just announced that it will no longer require a T3 filing for bare trusts with a December 31, 2023 tax year end, including the new Schedule 15 (Beneficial Ownership Information of a Trust), unless specifically requested. On March 28, 2024, the CRA announced the following:

"In recognition that the new reporting requirements

¹ <https://grllp.com/blog/Trust-Reporting-Season-is-Here-Your-Primer-on-the-New-Requirements-for-2023-616>


² Income Tax Act, ss. 150(1.3) [Act].

for bare trusts have had an unintended impact on Canadians, the Canada Revenue Agency (CRA) will not require bare trusts to file a T3 Income Tax and Information Return (T3 return), including Schedule 15 (Beneficial Ownership Information of a Trust), for the 2023 tax year, unless the CRA makes a direct request for these filings."³

The CRA clarified that, over the coming months, it will be working with the Department of Finance to clarify its guidance on the T3 filing requirements for bare trusts and will communicate with the public as more information becomes available.

While the future for T3 reporting requirements remain uncertain, the CRA's reversal is sure to bring a sigh of

³ [New – Bare trusts are exempt from trust reporting requirements for 2023 - Canada.ca.](#)



relief for many struggling with the expanded requirements in advance of the April 2, 2024 filing deadline.

If you have any questions about the above information, please contact a member of the Gardiner Roberts LLP's experienced Tax and Estates Planning Group.

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