



Declaration of eligibility for benefits (reduced tax) under a tax treaty for a partnership with non-resident partners

Use this form if you are a partnership that is:

- subject to tax under Part XIII of the Income Tax Act

(The payer may request a completed Form NR302 if the partnership will receive a payment subject to Part XIII tax.)

Note: If the partnership is subject to tax as a corporation on its worldwide income in a treaty country, complete and submit Form NR301, Declaration of eligibility for benefits (reduced tax) under a tax treaty for a non-resident taxpayer, to claim treaty benefits that the corporation itself is entitled to, or Form NR302 to claim treaty benefits that the partners are entitled to, whichever is more beneficial.

- requesting a refund of Part XIII tax

Complete Form NR302 (or equivalent information) and include it, along with Worksheet A, with Form NR7-R, Application for refund of part XIII tax withheld. Also include Form NR302 or NR303, Declaration of eligibility for benefits (reduced tax) under a tax treaty for a hybrid entity (or equivalent information) collected from each partner eligible for a reduced tax rate, along with Worksheet A.

- submitting a waiver request for amounts required to be withheld under Regulation 105 of the Income Tax Regulations.

If you are submitting Form R105, Regulation 105 Waiver Application, complete and include Form NR302 and Worksheet B.

- filing a request for a Certificate of Compliance

If the partnership is submitting Form T2062, Request by a non-resident of Canada for a certificate of compliance related to the disposition of taxable Canadian property, or T2062A, Request by a non-resident of Canada for a certificate of compliance related to the disposition of Canadian resource or timber resource property, Canadian real property (other than capital property), or Depreciable taxable Canadian property, complete and include Form NR302 and Worksheet B if a full or partial treaty exemption is being claimed.

Part 1. Legal name of partnership

Part 2. Mailing address: P.O box, apt no, street no, street name and city

State, province, or territory | Postal or ZIP code | Country

Part 3. Foreign tax identification number

Part 4. Canadian tax number. Enter the partnership's business number, if it has one: [grid]

Table with 3 columns: Type of income, Part XIII Effective rate of withholding (Worksheet A), Treaty exemption percentage (Worksheet B)

Part 6. Certification and undertaking. I certify that the information given on this form and its attachments is correct and complete. I certify that the partnership has received a completed Form NR301, NR302, or NR303 or equivalent information, an agent or nominee certification, or a statement of Canadian residency, as appropriate, for each partner whose residency in Canada or entitlement to treaty benefits affected the calculation of the effective rate of withholding or treaty exemption percentage. I undertake to immediately notify whomever I am submitting this form to (whether it is the payer, agent or nominee, CRA, or the partnership through which the income is derived) of any changes to the information provided on this form. I agree to provide the information used to prepare Worksheet A or B, as the case may be, to whomever I am submitting this form or to the CRA, upon request.

Signature of non-resident taxpayer or authorized person | Name of authorized person (print) | Position/title of authorized person | Phone number | Year Month Day

Expiry date - For Part XIII tax withholding purposes, this declaration expires when there is a change in the effective rate of withholding or three years from the end of the calendar year in which this form is signed and dated, whichever is earlier.

Do not use this form:

- to support exemptions from tax under Article XXI of the Canada–U.S. tax treaty. You must apply to the CRA for a Letter of Exemption. Refer to Guide T4016, *Exempt U.S. Organizations – Under Article XXI of the Canada – United States Tax Convention*.
- to support the exemptions from Part XIII withholding tax that are provided for in the *Income Tax Act*, such as fully exempt interest as defined in subsection 212(3), arm's length interest payments that are not captured by paragraph 212(1)(b), and reductions of the Part XIII withholding tax on rental income when the non-resident makes an election under section 216. In these circumstances, the exemption or reduction is in the *Income Tax Act* rather than in one of Canada's tax treaties.

Business profits and disposition gains

For exemptions pertaining to services provided in Canada, including those provided by artists and athletes who are exempt from tax under a tax treaty, see Rendering services in Canada at www.cra-arc.gc.ca/tx/nnrstdnts/cmmn/rndr/menu-eng.html or Film Advisory Services at www.cra-arc.gc.ca/tx/nnrstdnts/flm/menu-eng.html. These pages contain links to information for non-residents including how to apply for a waiver of withholding tax. You may need to attach Form NR302 or NR303 to an application for a waiver to the CRA in certain circumstances, such as when the applicant for the waiver is a partnership or hybrid entity. The payer of income for services provided in Canada must withhold tax on these payments unless the non-resident provides the payer with a copy of a tax waiver or reduction issued by the CRA for those services.

For exemptions pertaining to dispositions of taxable Canadian property, see Disposing of or acquiring certain Canadian property at www.cra-arc.gc.ca/nrdpositions. Vendors and purchasers will find information on filing Forms T2062, T2062A, and T2062C on this page. Generally, the purchaser of taxable Canadian property has to withhold tax on the purchase price unless the vendor receives a certificate of compliance from the CRA or other rules apply.

Instructions for the partnership declaring benefits

Provide the partnership's foreign tax identifier, if it has one.

Provide the partnership's Canadian business number, if it has one.

Keep in your records Form NR301, NR302, or NR303, including their completed worksheets (or equivalent information), agent or nominee certificates, and certificates of Canadian residency collected from each partner eligible for a reduced tax rate. Do not submit this supporting information to the payer, unless the payer asks for it.

A foreign partnership that is treated as fiscally transparent under the laws of a foreign country, resulting in the partners paying tax on the partnership's worldwide income, should use Form NR302 to claim treaty benefits that the partners are entitled to. A foreign partnership that elects to be taxed as a corporation on its worldwide income under the laws of a foreign country completes Form NR301 to claim benefits that the corporation itself is entitled to, or Form NR302 to claim benefits that the partners are entitled to, whichever is more beneficial.

In worksheets A and B, indicate the partner's country of residence. The partner must be a resident of the country as defined in the tax treaty between Canada and that country. For more information, see the publication *Income Tax Technical News No. 35* at www.cra-arc.gc.ca/E/pub/tp/itnews-35, published February 26, 2007.

Use Worksheet A to calculate the Part XIII effective rate of withholding tax based on the percentage allocation for each partner and the corresponding rate of withholding. In general, Worksheet A will be limited to the calculation of the Part XIII withholding rate on interest, dividends, royalties, and trust income.

Use Worksheet B to calculate the total treaty exemption percentage related to business profits or disposition gains.

Use a separate worksheet for each income type when there is a difference in the effective rate of withholding or treaty exemption percentage.

During an audit or review, or while processing a related request, the CRA may ask the partnership for more information to substantiate the tax treaty benefit. This information could include, among other things, Form NR301, NR302, or NR303 (or equivalent information), agent or nominee certifications, or statements of Canadian residency, for each partner whose residency in Canada or entitlement to treaty benefits affected the calculation of the effective rate of withholding or treaty exemption percentage.

The certification area of Forms NR301, NR302, and NR303 should be completed and signed by:

- the non-resident taxpayer in the case of an individual;
- an authorized officer in the case of a corporation;
- the trustee, executor, or administrator if the person filing the form is a trust;
- an authorized partner in the case of a partnership.

Change in circumstances

If a change in circumstances makes any information on the form incorrect, notify whoever you are submitting this form to (whether it is the payer, agent or nominee, CRA, or partnership or hybrid entity through which you derive income) immediately, and complete a new form.

Canadian resident partners

You must obtain from Canadian resident partners a statement of Canadian residency that includes their name, Canadian address, and Canadian tax number (social insurance number, business number, or trust account number) as proof that they are a Canadian resident. A statement of Canadian residency is a signed and dated certification by the Canadian resident partner that they are resident in Canada for tax purposes. The statement will expire when there is a change in residency of the partner, or three years from the end of the calendar year in which the statement is signed and dated, whichever is earlier.

You must record their name, tax number, and address in Part III of the worksheet. If you do not have a statement of Canadian residency that includes all of the information indicated in the above paragraph, record them in Part II and apply a tax rate of 25% to their partnership allocation.

Canadian residents have to report their income on a Canadian tax return and pay tax accordingly. Go to www.cra-arc.gc.ca/tx/bsnss/tpcs/crprtns/rtrm/ for more information. A registered Canadian charity files Form T3010, *Registered Charity Information Return* instead.

Amounts derived through hybrid entities

A hybrid entity is, in general, a foreign entity (other than a partnership) whose income is taxed at the beneficiary, member, or participant level. For example, the United States resident members/owners of a Limited Liability Company (that is treated as a fiscally transparent entity under U.S. tax laws) may be entitled to treaty benefits if all the conditions in paragraph 6 of Article IV of the Canada – U.S. treaty are met. Under paragraph 6, an amount of income, profit, or gain is considered to be derived by a resident of the United States if:

1.) the amount is derived by that person through an entity (other than an entity that is a resident of Canada), and

2.) by reason of that entity being considered fiscally transparent under U.S. tax laws, the treatment of the amount under U.S. tax laws is the same as it would be if that amount had been derived directly by that person. Paragraph 7 of Article IV contains additional restrictions on this look-through provision.

Entities that are subject to tax, but whose tax may be relieved under an integrated system, are not considered hybrid entities.

When a partnership that derives income through a hybrid entity is asked for information by the hybrid entity so that it can complete Form NR303, the partnership must prepare a partnership statement. The statement calculates the Part XIII effective rate of withholding and the treaty exemption percentage using Worksheet A and B of Form NR302. You must calculate the rate as if all of your partners (including Canadian residents), other than those that reside in the U.S., resided in a country with which Canada does not have a tax treaty. The hybrid entity must keep a partnership statement on record for any partnership listed in Part I of Worksheet A or B of Form NR303.

Where do I send this form?

Depending on your circumstances, send this form to one of the three areas noted below.

- If you receive income subject to Part XIII tax from a Canadian payer, or from an agent, nominee, or other financial intermediary who asked you to complete this form, send this form and your completed worksheets directly to the person who requested it, to reduce the Part XIII withholding tax on income being paid to you.
- If you derive income through a partnership and that partnership asked you to complete Form NR302, send it and your completed worksheets back to that partnership. If you derive income through a hybrid entity and that entity asked you to complete Worksheet A or B as indicated under "amounts derived through hybrid entities", send the worksheet and your partnership statement to the hybrid entity.
- If you are attaching it and your worksheets to any of the following forms, send them all to the CRA according to the instructions on that form:
 - T2062, *Request by a Non-Resident of Canada for a Certificate of Compliance Related to the Disposition of Taxable Canadian Property*, or T2062A, *Request by a Non-Resident of Canada for a Certificate of Compliance Related to the Disposition of Canadian Resource or Timber Resource Property, Canadian Real Property (Other Than Capital Property), or Depreciable Taxable Canadian Property*;
 - Form R105, *Regulation 105 Waiver Application* (or similar waiver forms);
 - Form NR7-R, *Application for Refund of Part XIII Tax Withheld*. Also include Form NR301, NR302, or NR303 (or equivalent information) collected from each partner eligible for a reduced tax rate, along with worksheet A.

Agents and nominees, or financial intermediaries

If you are an agent or nominee providing financial intermediary services as a part of a business, collect Form NR301, NR302, or NR303 or equivalent information from the beneficial owner. See the instructions in Information Circular IC76-12, *Applicable rate of part XIII tax on amounts paid or credited to persons in countries with which Canada has a tax convention*, and published updates to this information on the CRA website, for the suggested format to use for submitting the information to the Canadian payer or withholding agent. If you are an agent or nominee providing financial intermediary services as part of a business and you pay another agent or nominee amounts for non-resident beneficial owners, collect an agent/nominee certification from them as described in Information Circular IC76-12 and its updates.

Instructions for payers

To determine the appropriate reduced rate of withholding, refer to the relevant Canadian tax treaty on the Department of Finance Web site at www.fin.gc.ca/treaties-conventions/treatystatus_-eng.asp, or try the non-resident tax calculator at www.cra-arc.gc.ca/partxiii-calculator. Do not apply a reduced rate of withholding in the following circumstances:

- the partnership has not provided Form NR302 (including the appropriate worksheets) or equivalent information and you are unsure that the reduced rate applies;
- the form is incomplete (see note below); or
- you have reason to believe that the information provided in this declaration is incorrect or misleading.

Note: The foreign and Canadian tax number fields may be blank because not all non-residents have these tax numbers. However, for Canadian resident partners, the Canadian tax identification number requested on Worksheets A and B is a **mandatory** field and cannot be blank.

For payments to partnerships with both resident and non-resident partners, apply the treaty exemption percentage to the full payment, as the calculation has already taken the allocation to Canadian resident partners into consideration.

If you need more information, see Part XIII Withholding Tax at www.cra-arc.gc.ca/tx/nrsdnts/pyr/prtxiii/wthldng/menu-eng.html and select Beneficial ownership or Rates for part XIII tax.

Expiry date

For Part XIII tax withholding purposes, this declaration expires when there is a change in the effective rate of withholding or three years from the end of the calendar year in which this form is signed and dated, whichever is earlier.

For clarification, since the version of form NR302 being released in 2014 requires additional information on Canadian resident partners, NR302 certifications that do not provide this additional information that were signed in 2014 or earlier remain valid for Part XIII tax purposes until there is a change in the effective rate of withholding or three years from the end of the calendar year in which that form was signed and dated, whichever is earlier.

Worksheet A – Part XIII effective rate of withholding (include a separate worksheet for each income type)

Income type:

Part I – List of non-resident partners that are entitled to Canadian tax treaty benefits in respect of the partnership's income

Name of partner deriving income through the partnership (A)	Type of partner (B) <input type="checkbox"/> Individual <input type="checkbox"/> Corporation (other than a hybrid entity) <input type="checkbox"/> Trust (other than a hybrid entity) <input type="checkbox"/> Partnership <input type="checkbox"/> Hybrid entity	Canadian tax identification number (C)	Treaty country of residence (not applicable to hybrid entities or partnerships) (D)	Percentage allocation (E)	Treaty rate (see Note) (F)	E × F (G)
Subtotal – Effective rate of withholding – total column G for part I:						

Add a row to the worksheet

Remove the last row from the worksheet

Note: For partnerships listed in column A, the treaty rate should be obtained from part 5, "Part XIII effective rate of withholding" of Form NR302 for the partnership. For hybrid entities listed in column A, the treaty rate should be obtained from part 6, "Part XIII effective rate of withholding" of Form NR303 for the hybrid entity.

Part II – Remaining non-resident partners other than those listed in part I

Name of partner deriving income through the partnership (A)	Type of partner (B) <input type="checkbox"/> Individual <input type="checkbox"/> Corporation (other than a hybrid entity) <input type="checkbox"/> Trust (other than a hybrid entity) <input type="checkbox"/> Partnership <input type="checkbox"/> Hybrid entity	Canadian tax identification number (C)	Country of residence (not applicable to hybrid entities or partnerships) (D)	Percentage allocation (E)	Income Tax Act rate (F)	E × F (G)
					25%	

Part III resident partners (Canadian resident partners are required to report their income on a Canadian income tax return and pay tax accordingly)

Name of partner deriving income through the partnership (A)	Type of partner (B) <input type="checkbox"/> Individual <input type="checkbox"/> Corporation (other than a hybrid entity) <input type="checkbox"/> Trust (other than a hybrid entity) <input type="checkbox"/> Partnership <input type="checkbox"/> Hybrid entity	Canadian tax identification number (C)	Canadian address (D)	Percentage allocation (E)	Income Tax Act rate (F)	E × F (G)
					0%	
Total columns E and G for parts I, II, and III				100%*		

**Part XIII effective rate of withholding (copy total of column G from line above)
Enter this rate in the appropriate column of part 5, "Part XIII effective rate of withholding" on page 1.**

Add a row to the worksheet

Remove the last row from the worksheet

* The percentage allocations should add up to 100%.

Worksheet B – Exempt income worksheet (include a separate worksheet for business profits and disposition gains)

Income type:		Total income or disposition gains:				
Part I – List of non-resident partners that are entitled to Canadian tax treaty benefits in respect of the partnership's income						
Name of partner deriving income through the partnership (A)	Type of partner (B)	Canadian tax identification number (C)	Treaty country of residence (not applicable to hybrid entities or partnerships) (D)	Percentage allocation (E)	Treaty exemption percentage (see Note) (F)	E × F (G)
	<input type="checkbox"/> Individual <input type="checkbox"/> Corporation (other than a hybrid entity) <input type="checkbox"/> Trust (other than a hybrid entity) <input type="checkbox"/> Partnership <input type="checkbox"/> Hybrid entity					
Subtotal – Treaty exemption percentage – total column G for part I						

Add a row to the worksheet

Remove the last row from the worksheet

Note: For partnerships listed in column A, the percent treaty exempt should be obtained from part 5, "Treaty exemption percentage" of Form NR302 for the partnership. For hybrid entities listed in column A, the percent treaty exempt should be obtained from part 6, "Treaty exemption percentage" of Form NR303 for the hybrid entity.

Part II – Remaining non-resident partners other than those listed in part I

Name of partner deriving income through the partnership (A)	Type of partner (B) <input type="checkbox"/> Individual <input type="checkbox"/> Corporation (other than a hybrid entity) <input type="checkbox"/> Trust (other than a hybrid entity) <input type="checkbox"/> Partnership <input type="checkbox"/> Hybrid entity	Canadian tax identification number (C)	Treaty country of residence (not applicable to hybrid entities or partnerships) (D)	Percentage allocation (E)	Exemption percentage (F)	E × F (G)
					0%	

Part III resident partners (Canadian resident partners are required to report their income on a Canadian income tax return and pay tax accordingly)

Name of partner deriving income through the partnership (A)	Type of partner (B) <input type="checkbox"/> Individual <input type="checkbox"/> Corporation (other than a hybrid entity) <input type="checkbox"/> Trust (other than a hybrid entity) <input type="checkbox"/> Partnership <input type="checkbox"/> Hybrid entity	Canadian tax identification number (C)	Canadian address (D)	Percentage allocation (E)	Exemption percentage (F)	E × F (G)
					100%	
Total columns E and G for part I, part II, and part III						
				100%*		

Exemption percentage (copy total of column G from line above)
Enter the total in the appropriate column of part 5, "Treaty exemption percentage" on page 1.

Add a row to the worksheet

Remove the last row from the worksheet

* The percentage allocations should add up to 100%.

Worksheet Example

Example

ABC Partnership is a non-resident partnership with the following members and allocations of income:

- Machada Corporation – a resident of the Bahamas, 15% allocation;
- Edmundo Ruiz – a resident of Spain for treaty purposes, 15% allocation;
- John Chen – a resident of Taiwan, 55% allocation; and
- Mary Smith – a resident of Canada, 15% allocation.

ABC Partnership expects to receive dividend payments from a Canadian corporation. To receive a reduced treaty rate, ABC Partnership completes Form NR302 and provides it to the Canadian corporation.

For the purposes of knowing the effective rate of withholding in respect of dividends to represent in part 5 of Form NR302, ABC Partnership completes worksheet A as shown based on the following considerations:

- Machada Corporation is not eligible for treaty benefits as no treaty exists between Canada and the Bahamas.
- Edmundo Ruiz is eligible for the reduced treaty rate of 15% as a result of Article X of the Canada–Spain tax treaty. He has provided a completed Form NR301 (or equivalent information) to ABC Partnership. The reduced treaty rate of 15% is entered into column F.
- John Chen is not eligible for a reduced rate as no treaty exists between Canada and Taiwan.
- Mary Smith is a Canadian resident. She has provided to the partnership a self-certification of Canadian residency that contains her social insurance number and a statement that she will report the dividend income on her Canadian income tax return.

Worksheet A reveals that the effective rate of Part XIII withholding on dividend payments to ABC Partnership is 19.75%. This represents the Part XIII tax rate to apply to the payment of dividends to the partnership.

Worksheet A – Part XIII effective rate of withholding worksheet (include a separate worksheet for each income type)

Income type:
Dividends

Part I – List of non-resident partners that are entitled to Canadian tax treaty benefits in respect of the partnership's income

Name of partner deriving income through the partnership (A)	Type of partner (B)	Canadian tax identification number (C)	Treaty country of residence (not applicable to hybrid entities or partnerships) (D)	Percentage allocation (E)	Treaty rate (see Note) (F)	E × F (G)
Edmundo Ruiz	<input checked="" type="checkbox"/> Individual <input type="checkbox"/> Corporation (other than a hybrid entity) <input type="checkbox"/> Trust (other than a hybrid entity) <input type="checkbox"/> Partnership <input type="checkbox"/> Hybrid entity	Not Available	Spain	15%	15%	2.25%
Subtotal – Effective rate of withholding – total column G for part I:						2.25%

Note: For partnerships listed in column A, the treaty rate should be obtained from part 5, "Part XIII effective rate of withholding" of Form NR302 for the partnership. For hybrid entities listed in column A, the treaty rate should be obtained from part 6, "Part XIII effective rate of withholding" of Form NR303 for the hybrid entity.

Part II – Remaining non-resident partners other than those listed in part I

Name of partner deriving income through the partnership (A)	Type of partner (B)	Canadian tax identification number (C)	Country of residence (not applicable to hybrid entities or partnerships) (D)	Percentage allocation (E)	Income Tax Act rate (F)	E × F (G)
John Chen	<input checked="" type="checkbox"/> Individual <input type="checkbox"/> Corporation (other than a hybrid entity) <input type="checkbox"/> Trust (other than a hybrid entity) <input type="checkbox"/> Partnership <input type="checkbox"/> Hybrid entity	Enter their social insurance number	Taiwan	55%	25%	13.75%
Machada Corporation	<input type="checkbox"/> Individual <input checked="" type="checkbox"/> Corporation (other than a hybrid entity) <input type="checkbox"/> Hybrid entity <input type="checkbox"/> Partnership <input type="checkbox"/> Trust (other than a hybrid entity)	Not available	Bahamas	15%	25%	3.75%

Part III resident partners (Canadian resident partners are required to report their income on a Canadian income tax return and pay tax accordingly)

Name of partner deriving income through the partnership (A)	Type of partner (B)	Canadian tax identification number (C)	Canadian address (D)	Percentage allocation (E)	Income Tax Rate (F)	E × F (G)
Mary Smith	<input checked="" type="checkbox"/> Individual <input type="checkbox"/> Corporation (other than a hybrid entity) <input type="checkbox"/> Trust (other than a hybrid entity) <input type="checkbox"/> Canadian partnership <input type="checkbox"/> Hybrid entity	Enter their social insurance number	123 Ontario Street, Ottawa ON Z1Z 1Z1	15%	0%	0%
Total columns E and G for part I, Part II, and part III				100%*		19.75%

Part XIII effective rate of withholding (copy total of column G from line above)
 Enter this rate in the appropriate column of part 5, "Part XIII effective rate of withholding" on page 1.

* The percentage allocations should add up to 100%.