

Purpose: This chart is intended to be a general guide in determining whether a Bare Trust exists, and if so, whether the Bare Trust meets any filing exemptions, or whether there is a T3 Trust Return or Schedule 15 filing requirement. The descriptions and titles are general references. The specific legislation should be reviewed for a complete and detailed understanding of each concept.

STEP 1A

Is there a trust or an estate?

Some potential examples include:

- An estate that was created when somebody passes away.
- A family trust that was created for tax planning.
- A situation where property is held on behalf of someone else:
 - This may have happened to avoid transferring legal title of real estate.
 - This may happen when someone is placed on a bank account to assist a parent with finances.

NO

NO T3 REQUIRED



YES

STEP 1B

Is there a Bare Trust?

A Bare Trust is where one person holds title to property (legal owner), another person enjoys all the benefits and risks of the property (beneficial owner), and the legal owner acts strictly as agent or nominee and has no independent discretion.

Yes → Step 1C

If not, was there an express intent to create a trust?

An intention to create a trust is often in writing, as an indenture or trust agreement — but the intention does not need to be in writing. Family trusts are the common express trust.

Yes → Step 2

If not, you don't have an express trust → Step 3

Trusts created through a court order, such as a constructive trust, and trusts arising when another trust or estate fails, such as a resulting trust, are **not** express trusts.

STEP 1C · BOX A · EXCLUSIONS FROM A DEEMED TRUST

Does the trust meet any listed exclusions in Box A? See Criteria Box A below

A deemed trust → Step 2

YES

NO T3 REQUIRED

Excluded from being a deemed trust



NO

STEP 2 · BOX B · LISTED TRUSTS

Does the trust meet the criteria in Box B? See Criteria Box B below

A listed trust → Step 3

NO

FILE T3 + SCHEDULE 15



YES

STEP 3 · BOX C · HISTORICAL FILING REQUIREMENTS

Does the trust meet any criteria in Box C? See Criteria Box C below

NO

NO T3 REQUIRED



YES

OUTCOMES

Bare trust	Express trust	Meets a Box A exclusion	Meets definition of a listed trust (Box B)	Meets Box C requirements	Outcome
✓		✓			NO FILING 🟢
✓		✗	✓	✓	T3 ONLY 🟡
✓		✗	✓	✗	NO FILING 🟢
✓		✗	✗		T3 & SCHEDULE 15 🟡🔴
✗	✓		✓	✓	T3 ONLY 🟡
✗	✓		✓	✗	NO FILING 🟢
✗	✓		✗		T3 & SCHEDULE 15 🟡🔴
✗	✗			✓	T3 & SCHEDULE 15 🟡🔴
✗	✗			✗	NO FILING 🟢

✓ yes · ✗ no · a blank cell means the question does not apply on that path.

APPLIES REGARDLESS OF WHERE THE FLOW LANDS

A CRA demand overrides this chart — the trust must file if CRA asks (ss. 150(2)). · **No T3 means no Schedule 15** (Reg. 204.2). · **Trust existence and express intent are legal questions** — escalate where unclear.

BOX A — EXCLUSIONS FROM DEEMED TRUST

STEP 1C

1 Co-ownership	All beneficiaries are also legal owners
2 Family-owned principal residence	All legal owners of a principal residence are related individuals — connected by blood, marriage, common-law partnership or adoption. Includes an aunt, uncle, niece or nephew, but not cousins or corporations. The property must be eligible to be designated a principal residence, but the designation does not have to be claimed.
3 Spousal use of principal residence	Spouse uses principal residence
4 Partnership property	All partners are legal owners, solely for partnership use, T5013 required
5 Court-ordered	Property held by court order
6 Canadian resource property	Resource property for public corporations or certain affiliated corporations/partnerships
7 Trusts funded by the Crown	Crown-funded where each legal owner is a tax-exempt person
8 Registered dealers and trust companies	Dealer or trust company trustee; all income & capital gains T-slipped to all beneficiaries

Meets **any** one → not a deemed trust → no T3. A non-express Bare Trust is never a deemed trust.

BOX B — LISTED TRUSTS

STEP 2

1 Temporary trusts	Existed less than three months
2 De minimis trusts	Total fair market value of all trust property never exceeds \$50,000 at any point throughout the year, regardless of property type
3 Small family trusts	Every legal owner and beneficiary is a related individual; total fair market value never exceeds \$250,000 at any point throughout the year; and the trust holds only cash, GICs, public securities, mutual funds and personal-use property. Ineligible assets include precious metals, private company shares, partnership or trust units (including Brookfield LPs) and crypto — one ineligible holding makes the whole trust ineligible
4 Regulatory trusts	Client funds under professional rules; either not client-specific, or only Canadian bank, trust company or credit union deposits and GICs under \$250,000 in total
5 Charities and non-profit clubs	Registered charities, clubs, societies
6 Mutual fund and similar trusts	Mutual, related and segregated, publicly listed, prescribed master
7 Graduated rate estates	Elected trust within 36 months of death
8 Qualified disability trusts	Elected trust for disabled beneficiary
9 Employee life and health trusts	Trust funding employee benefits
10 Registered trust accounts	RDSPs, RESPs, RRSPs, RRIFs, TFSA's, EPSPs, FHSAs
11 Employee ownership trusts	Trust holding business for employees
12 Certain Indigenous trusts	Prescribed Indigenous trusts
13 Statutory purpose trusts	Trusts required by legislation
14 Farmers equity trusts	Prescribed farmers equity trusts
15 Funeral and cemetery trusts	Prepaid funeral and cemetery funds

Meets **any** one → listed trust → Step 3. Meets **none** → file T3 including Schedule 15.

BOX C — HISTORICAL FILING REQUIREMENTS

STEP 3

1 Tax payable	Tax owing for the year
2 Resident disposition	Resident disposed of capital property, or had a taxable gain
3 Non-resident gain	Non-resident taxable gain, or sold taxable Canadian property
4 Deemed resident trust	Deemed resident for the year
5 Reversionary trust property	Property subject to the reversionary trust rules
6 Benefit for upkeep	Upkeep, maintenance or taxes on a beneficiary's property
7 Income allocated to beneficiaries	Over \$500 income, over \$100 to one beneficiary, capital distributed, or allocation to a non-resident

Outcome depends on which path reached Step 3 — see the outcomes box at the foot of the flow.