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Bare Trust Filing Checklist

Definitions

Bare Trust: A bare trust is when a person(s) (trustee) holds legal title of an asset for the real owners (Beneficiaries). They do not own it for their own benefit and can only act on the real owner's instructions.

Settlor: Anyone who has contributed an asset (cash, property, etc.) to the trust at any time during the trust's life.

Trustee(s): The person or institution whose name is on the trust property and who manages it for the beneficiaries.

Beneficiaries: The real owner of the asset who receives the benefits and decides what happens to it.

Do You Have a Bare Trust Arrangement

Does one or more individuals have legal ownership of property while not also being the beneficial owner? (ex. Parents name on child's bank account). Y / N

Does the person holding legal title act only on the real owners instruction? Y / N

If you answered yes to any of the above, you likely have a bare trust arrangement and may need to file. **If you answered no**, you likely do not and will not have to file.

Do you meet any common filing exemptions

If you answer yes to all the questions listed under any of the listed exemption you are exempt from filing a trust return.

Joint Ownership:

Does everyone named on the asset own a share of it? i.e. all trustees are beneficiaries. Ex. Joint Bank Account. Y / N

Family Principal Residence:

Are all legal owners related to one another? Y / N

Could one or more of the legal owners designate the property as their principal residence at any point in the year? Y / N

Spousal Use of Principle Residence:

Is the property legally owned by one spouse or common-law partner for the use or benefit of the other? Y / N

Could the property qualify as the legal owners principle residence? Y / N

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Partnership Property

Were all legal owners a partner of the partnership?	Y / N
Was the property held solely for use and benefit of the partnership?	Y / N
Did the partnership file a partnership information return (T5013)?	Y / N

Temporary/New Trust

Has the trust existed for less than 3 months as of December 31?	Y / N

Small Value Trust

Was the fair market value of all assets held in trust less the $50,000 for the entire year?	Y / N

Small Family Trust

Are all trustees individuals?	Y / N
Are all beneficiaries related to all trustees?	Y / N
Was the fair market value of all assets held in trust less than $250,000 for the entire year?	Y / N
Are the assets limited to permitted assets such as Cash, GIC's, Public Securities or personal-use property? (This does not include precious metals such as gold and silver)	Y / N

Do you need to file a Trust Return. Reach out to us and we will assist you with your filing requirements. For more information on Bare Trust reporting please visit our website's resources page at bluenoseaccounting.com.

Disclaimer: This checklist is intended as a general guide only and should not be relied upon as tax or legal advice. Every situation is different, and you should speak with a qualified professional before making decisions regarding your filing obligations. Bluenose Accounting is not responsible for any penalties, interest, costs, or other consequences resulting from reliance on this checklist.