

CRA says bare trusts won't have to file for 2025 unless legislation is 'enacted well in advance' of tax-filing deadline

Legislative changes aren't yet in a notice of ways and means motion

By Michelle Schriver | October 17, 2025 | Last updated on October 18, 2025

3 MIN READ



The Canada Revenue Agency (CRA) says it won't require bare trusts to file tax returns and Schedule 15s for the 2025 tax year if new legislation isn't "enacted well in advance" of the tax-filing deadline.

On Friday on LinkedIn, Ryan Minor, director of tax with CPA Canada, [posted a communication from the CRA](https://www.linkedin.com/posts/ryan-minor-296312_cra-will-not-require-bare-trust-filings-if-activity-7384957901196509185-xKLE/?utm_source=share&utm_medium=member_desktop&rcm=ACoAAAcFtHMBfGDgrabTZFgERvyUJXFOWW-XMqQ) (https://www.linkedin.com/posts/ryan-minor-296312_cra-will-not-require-bare-trust-filings-if-activity-7384957901196509185-xKLE/?utm_source=share&utm_medium=member_desktop&rcm=ACoAAAcFtHMBfGDgrabTZFgERvyUJXFOWW-XMqQ).

"Trust filing season is coming up soon," Minor wrote. "We reached out to the CRA for an update on whether T3 returns would be required for bare trusts for the 2025 filing season."

Expanded reporting requirements for bare trusts were supposed to kick in for the 2023 tax year. But after the new rules sparked widespread confusion, the CRA announced a filing exemption for bare trusts just days ahead of the tax filing deadline for 2023 returns.

Then in October 2024, the CRA announced a filing exemption for bare trusts for the 2024 tax year, given it was unlikely a bill with proposed amendments would receive royal assent before tax practitioners began planning for tax season.

Regarding filing for the 2025 tax year, the CRA responded to CPA Canada by noting that no notice of ways and means motion (NWMM) has been tabled in Parliament regarding bare trust legislative proposals.

As such, “the CRA is not currently administering these proposals, since changes could be made as a result of the feedback received” on the draft proposals, the CRA told CPA Canada.

“If a NWMM is tabled, the CRA will assess the content of the proposed legislation at that time to determine whether or not it can administer [the legislation] and will provide further guidance.”

The CRA also said it will “extend the bare trust administrative filing waiver if legislative changes are not enacted well in advance of the filing deadline.”

Trusts (except graduated rate estates, which aren’t subject to the expanded reporting requirements) generally are required to use a Dec. 31 tax year-end, and a T3 return must be filed no later than 90 days after that year-end.

Expanded trust reporting

The expanded trust reporting legislation, which passed in 2022, is aimed at transparency of beneficial ownership information in order to counter tax evasion.

With the rules, the majority of trusts, including bare trusts, are required to file a T3 return, along with a Schedule 15, on time or face penalties. (Under previous legislation, generally only trusts with taxes payable for the year or those that disposed of capital property needed to file an annual trust income tax return.) **The 2022 legislation exempts** (<https://www.canada.ca/en/revenue-agency/services/tax/trust-administrators/t3-return/how-file-t3-return.html#exceptions>) trusts holding less than \$50,000 in certain assets from the expanded reporting.

In a bare trust arrangement, the trustee generally holds legal title to the trust property but is unable to take any action without direction from all beneficiaries. Examples of bare trusts could include mortgages co-signed by a parent and adult child, or a joint bank account (e.g., an adult child is helping an aging parent manage the account). Many taxpayers may not know whether they have a bare trust arrangement.

Given the challenges with the expanded reporting, the CRA provided **a blanket filing exemption to bare trusts for the 2023 tax year** (<https://www.advisor.ca/news/cra-exempts-bare-trusts-from-reporting-requirements-for-2023/>) at the end of March 2024, mere days before the trust return filing deadline of April 2, 2024. The last-minute reversal led to **widespread frustration** (<https://www.advisor.ca/insight/bare-trust-debacle-makes-fools-of-the-law-abiding/>) among tax practitioners and taxpayers, prompting **a review** (<https://www.advisor.ca/news/industry->

[news/bare-trust-debacle-began-with-burdensome-legislation-taxpayers-ombudsperson/](#)) by the Taxpayers' Ombudsperson.

Technical amendments to the trust reporting legislation, in draft legislation from August 2024, effectively removed the filing requirement for bare trusts for 2024 and [exempted more bare trusts](#) (<https://www.advisor.ca/news/industry-news/bare-trusts-exempted-from-2024-filing-requirement/>) from the expanded reporting rules. In particular, a proposed exemption for bare trusts holding less than \$250,000 in certain assets would apply to many common bare trust situations. The proposed legislation also provides a filing exemption for arrangements in which a taxpayer owns a principal residence and has an adult child or parent on legal title.

Updated proposals were released this past August (<https://www.advisor.ca/news/industry-news/feds-release-draft-legislation-on-bare-trusts-expanded-cra-audit-powers-and-more/>), but haven't been in a NWMM, as noted by the CRA. The proposed rules are generally still deemed to be too complex, and determining the existence of a bare trust is likely to remain challenging.

While the Taxpayers' Ombudsperson review of how the CRA administered the 2023 filing requirements for bare trusts found that the main issue was burdensome legislation, it also outlined CRA communication failures, resulting in cost and wasted time and effort for taxpayers and tax practitioners.

This story has been updated for clarity.



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