



Cisco Systems Canada Co.
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Regulation 105 Withholding Tax Rules for Non-residents Providing Services in Canada

Frequently Asked Questions

Please note the following information was prepared for information purposes only and is not intended to provide and should not be relied upon for any tax or accounting advice. Cisco is not responsible for updating the information below for any subsequent changes. Non-resident suppliers should consult with their own tax and financial advisors for the subject matter covered as everyone's tax, legal, and financial situations vary.

Q: What happens if I am a Canadian resident, but I am not able to provide the requested documentation to Cisco?

A: A supplier is given a standard timeframe to provide the requested documentation to Cisco. In the absence of requested documentation, Cisco is required to withhold and remit the tax to the CRA by the 15th of the month following the month in which Cisco paid the non-resident supplier.

Q: If I have filed an application for a waiver but have not yet received the receipt, will Cisco withhold tax if I am able to provide the receipt of application for the waiver?

A: Yes, Cisco will withhold 15 percent tax (additional 9 percent for service provided in the province of Quebec). However, once a waiver is granted by the Canada Revenue Agency (CRA), Cisco will apply the waiver (e.g. exemption or reduced rate of withholding tax) on future payments.

Q: What if a service is rendered outside of Canada?

A: Services rendered outside of Canada are not subject to tax withholdings, including virtual training/classes delivered from outside of Canada.

Q: How often do I have to provide a waiver?

A: A waiver is generally required for each calendar year.



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Q: What are the Canadian withholding tax rates for services rendered in Canada by non-residents?

A: The withholdings are set at a rate of 15 percent. A further 9 percent must be withheld for services provided in the province of Quebec.

Q: What are the criteria that I need to meet to obtain a waiver?

A: There are two types of waivers: treaty-based waivers, which refer to tax treaties between Canada and other countries, and income-expense waivers, based on submission of an income and expense statement.

As individual tax situations vary, Cisco recommends that non-resident suppliers speak with their own tax/financial advisor to guide you with this process. Cisco is not able to offer tax guidance or advice.

Q: What documentation do I need to obtain a waiver?

A: To request a waiver, the CRA requires you to complete a [Regulation 105 Waiver application](#). Further resources: [How to complete Form R105, Regulation 105 Waiver Application](#)

Additional withholding of 9 percent is required by Revenue Quebec for services rendered in the province of Quebec. Please refer to the following links from Revenue Quebec for further information: [Corporations](#) | [Individuals/unincorporated business](#)

Q: Can I remit the tax myself to the Canadian government?

A: No, Cisco is required to withhold the tax and remit the amount directly to CRA. The payments are to be reported on a T4A-NR slip, which is to be completed and issued by Cisco.

Cisco will send the T4A-NR slips to the CRA by the last day of February of the year following the year in which the payment was made. Cisco will provide the non-resident suppliers with a copy of T4A-NR slip submitted to the CRA by the same date.



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Q: Where can I find more information on Regulation 105 non-resident withholding tax rules?

A: More detailed information on Regulation 105 is available on the following CRA website [here](#).

Q: How do I obtain more information on obtaining a waiver?

A: [Guidelines for Treaty-Based Waivers for Reg 105 Withholding](#)

CRA contact information for further information:

[Telephone numbers](#)

[Mailing address](#)