THE BORDER GUIDE

A Guide to Living, Working, and Investing across the Border

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Self-Counsel Press
(a division of)
International Self-Counsel Press Ltd.
USA Canada

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An Introduction to Personal Cross-Border Financial Planning

After many years of providing cross-border financial planning services between Canada and the United States, I have come to the conclusion that the US is the best tax haven for Canadians and is likely to remain so for a great number of years, certainly for the foreseeable future. The same tax advantages that are available to Canadians by going to a remote island in the middle of nowhere can be had by driving across the US border. Ninety percent of Canada's population is located within 100 miles of the US border, so the United States is a very accessible tax haven. In addition, Canadians are familiar with US cities, modes of transportation, the primary language, and other cultural similarities.

The economic and tax environment of the United States and Canada has grown in breadth and complexity over the past few decades; along with it, the need for comprehensive personal cross-border financial planning analysis. The intent of such planning is to capitalize on the most satisfactory mix of savings plans, insurance coverage, investment vehicles, tax strategies, retirement plans, and estate-planning techniques available in each country. Applied to your own specific needs and goals, these cross-border planning opportunities can reap great financial rewards for you and your heirs.

Cross-border financial planning analysis encompasses all the basic individual financial planning requirements of both Canada and the United States in the areas of net worth, cash flow, risk management, retirement goals, taxation, estate planning, and investments. It analyzes each area according to your particular situation, and then weighs option against option, completes timely currency conversions, factors in your immigration status, examines applicable tax treaty rules, and develops a road map for you to follow to achieve your financial goals with maximum income, safety, and tax savings.

One of the major difficulties inherent in cross-border financial planning techniques is that the rules change depending on immigration status and on which direction the cross-border movement is going. For example, a winter visitor to the United States who marries a US resident dramatically alters his or her financial planning options, and a new cross-border financial planning analysis becomes necessary in order to take advantage of new opportunities and avoid any costly mistakes. In addition, performing a seemingly simple task (such as purchasing a home in the US) can greatly affect a person's tax status with respect to both income tax and estate tax in the United States. Figure 1.1 depicts all the major immigration status possibilities. A person who is your typical winter visitor from Canada has to follow different sets of tax and immigration rules than a person with a US visa or green card. All the important planning issues for each respective status category are discussed in detail in subsequent chapters of this book.

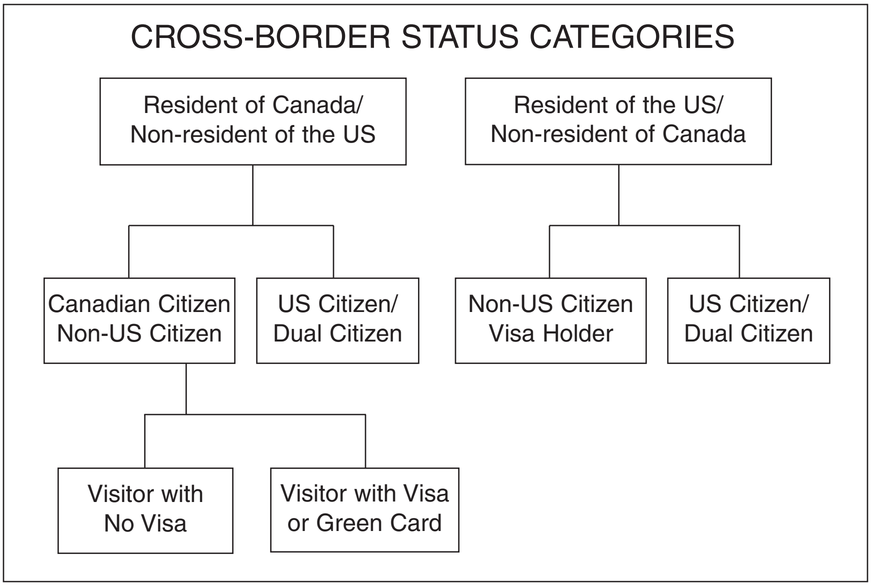

Figure 1.1

HOW LONG CAN YOU REMAIN IN THE UNITED STATES AS A VISITOR?

Few things cause more confusion and controversy among visitors to the United States than how long they can legally remain in the country without breaking any rules. (For Americans visiting or moving to Canada, see Chapter 11.) The source of this confusion is primarily the fact that there are at least four sets of rules governed by various government agencies that deal with residency. These four sets of residency rules sometimes conflict with one another and adherence to one set of rules does not automatically mean compliance with the others. The four sets of rules that tell you how much time you can legally spend in the United States as a visitor are the following:

1. **The Immigration Rules.** Canadian visitors to the United States may enter the country without any actual visa being issued. However, in the post-9/11 war-on-terrorism era, this privilege for Canadians is being changed, with current and pending rules from the new US Department of Homeland

Security. (More about these changes will be discussed later in this chapter and also in later chapters.)

Technically, Canadian visitors currently fall into the B-2 visitor category (or B-1 for those entering for business purposes), allowing them to remain in the United States legally for up to six consecutive months, without an actual paper visa that many visitors from other countries are required to obtain before entering the US. The B-1 business visitors can conduct business on behalf of their Canadian employers only and all compensation must come from the Canadian side of the border. Business visitors are likely to fall into one of the income-tax filing requirements discussed in Chapter 3, particularly if the US entity for which they are working reimburses the Canadian company for services rendered and the business visitor's expenses.

Extensions to the six-month limit, primarily for medical reasons, may be granted by applying to the US Citizenship and Immigration Service (USCIS, formerly the Immigration and Naturalization Service or INS). However, USCIS is currently taking so long to process these extensions that even if you apply for the extension the day you arrive in the United States, it will have already expired by the time it is granted. If you leave the United States and re-enter at any border crossing, including those between Mexico and the United States, the six-month clock starts over again.

This does not mean you can legally keep leaving the United States and re-entering every six months perpetually because you want to change from a casual visitor to a resident. You will be stopped from re-entering the country if it appears that you may have taken up permanent residency, and you may be asked to show proof that you have not done so. With the new rules that have been implemented at the border, all visitors entering and leaving the US will be required to show a passport or similar identification so they can be checked in and out of the country. This means that each immigration official will know the exact time, place, purpose, and mode of transportation of each and every time you have crossed the border in either direction. This information is on immigration officials' computers and is available at their fingertips. Proof that you have not become a US resident can be whatever the immigration official at the border decides, but it will likely include providing one or more of the following: your last three months' utility bills, a provincial driver's licence, a recent Canadian tax return, a property tax notice, or a lease agreement. It is also extremely important not to have anything in your possession that indicates any US residential connections such as a US driver's licence, business cards with a US address, US credit cards, and so on. As you will read in Chapter 7, it is recommended that you carry a border kit every time you enter the United States to mitigate any hassles you may have with US customs and immigration personnel.

Rules that came into effect in April 1997, and that were heightened by the 9/11 attacks, give low-level immigration officials at US borders greater powers. They have the right to act as prosecutor and judge in order to refuse entry to the

United States (for up to five years or more) to persons they feel are not telling them the truth about why they want to enter the United States. Under these new rules, hundreds of Canadians have been refused entry to the United States without the right to appeal, as US border agents, spurred by their new powers and technology, become more vigilant. Many people ask if US and Canadian customs and immigration personnel share information. The answer is a definite yes; in fact, they share exactly the same computer database. Chapter 7 provides further direction for those Canadian visitors who wish to become green card holders, technically known as legal permanent residents of the United States. It also discusses other, less permanent visas.

2. **The Income Tax Rules.** Generally speaking, a person will be classified as a US resident for tax purposes if he or she is regularly present in the country for more than four months each year under the "substantial presence test" detailed in Chapter 3. Note that the number of days present in the United States need not be consecutive. An individual can be deemed a resident of the United States for tax purposes even though he or she may not have any right to remain in the country under the immigration rules. Thus a person may become subject to income tax in the United States on his/her world income without having the right to remain legally within its borders for more than six months as a visitor. Consequently, it is much easier to become a resident of the United States for tax purposes (as noted in Chapter 3) than to become a permanent resident under immigration rules (as explained in Chapter 7). It is also possible to be deemed a resident of both countries at the same time for tax purposes, with the Canada/US Tax Treaty providing the tiebreaker rules to determine in which country you will be considered a resident. Article IV of the treaty has four separate rules or tests to determine residency. You need to pass only one of these tests, as taken in the order listed, to pass the residency test. If, after applying for the four treaty tests, it is still unclear whether you are a resident of Canada or the US, a competent authority consisting of a panel of Canadian and US tax officials makes the final determination. These treaty tiebreaker rules are outlined in detail in Chapter 3. Canada Revenue Agency (CRA) has a critical rule that states that once you are a treaty resident of the US, you are automatically considered a non-resident of Canada for tax purposes, and you could be forced to go through a Canadian tax exit — with all its consequences. (See Chapter 9 for more details.)

3. **The Estate Tax Rules.** What estate tax is and how it applies to non-residents is covered in detail in Chapter 4 and for US residents in Chapter 9. Unlike income tax and immigration, there is no clear set of rules of residency for estate taxes. Residency is based on a series of facts and circumstances. Some of the factors that determine residency or "domicile" for estate tax purposes are the relative size and nature of your permanent homes in Canada and the United States; the amount of time spent in each country; your immigration status in the United States; written declarations on such documents as wills

or tax returns; the locations of your significant assets and important papers; and your personal, family, and business connections. Generally, Canadians who are clearly visitors to the United States, who have no US green cards and whose intents are to routinely return to Canada each year, could not be considered to have given up domicile in Canada, and would not be subject to American estate tax on their worldwide assets. Court cases in which the IRS has challenged a Canadian winter visitor's estate by attempting to tax worldwide assets of the deceased have failed. The IRS has been unsuccessful in these cases, because the deceased must have shown a clear intent to give up one domicile for another. A 2003 US Internal Revenue Service (IRS) ruling stated that a Canadian living in the US on an L-1 visa (see Chapter 7 for details on how an L-1 visa works) could be considered domiciled in the US for estate-tax purposes, even though the L-1 visa would expire after a maximum of seven years and the Canadian would have had to move back to Canada. This ruling appears to be a liberal extension of these domicile rules and creates a situation similar to the income tax rules, where you may be considered a resident of the US for income tax purposes without receiving any legal immigration status to allow you to stay in the US. Visitors to the United States may still be subject to the non-resident estate tax on their assets located in the US. This will be explained in greater detail in Chapter 4.

4. **The Provincial Medicare Rules.** These sets of rules are unique because they act in direct opposition to the tax and immigration residency rules, by stipulating that you will not receive provincial medicare if you are away from your home province for longer than a specified period of time. To remain eligible, most Canadian provinces require you to be present in the province for a minimum of six months a year and to have a permanent residence available to you there. In 1999, Ontario added a 30-day grace period, allowing someone to be out of the province for 212 days or seven months a year without affecting his or her Ontario Health Insurance Plan (OHIP) coverage. Newfoundland allows its residents to stay out of province for up to eight months in twelve before they lose coverage. Your eligibility for medicare coverage depends on the amount of time you spend out of province, which often includes the time you spend in other provinces as well as out of the country. However, pressure from travelling Canadians has convinced some provinces to not count travel in other Canadian provinces. In most provinces, once you've lost provincial medicare you have to wait three months as a returning resident to reinstate your coverage. Alberta is an exception, as it has no waiting period for coverage to start for returning residents.

For those moving to the United States, your provincial medicare coverage generally ceases within 30 days of leaving Canada, and in some provinces it ceases at the end of the month in which you leave. Check with your local medicare office and plan accordingly so you don't have any gaps in your coverage.

We are often asked, "How does a particular government department responsible for enforcing any of the above rules know how much time you are spending out of your province and where you are spending your time?"

The fact of the matter is that they do not always necessarily know, or need to know. Instead, they pass the burden of proof on to you by asking you to declare, under penalty of perjury, that the facts you present regarding your travel itinerary are true. They will obviously also want proof of your travels, such as airline tickets or charge card statements. As discussed later, you should also remember that we live in a computer age in which information is easily stored and retrieved. This information is continually being shared by various government agencies and government-owned corporations.

CROSSING THE 49TH PARALLEL WILL NEVER BE THE SAME AS IT WAS

The days when Canadians and Americans could be confident crossing the Canada-US border with only a wave and a smile, or by simply showing a valid driver's licence are history. All visitors to and citizens of the US have been required to show a valid passport from their home country when traveling by air to the US since January of 2007. In February 2008, new rules were implemented at all land and sea border-entry points that require all persons entering the US, including US citizens returning to the US, to have proof of citizenship. Valid passports, the new wallet US passport cards, Nexus cards, or a biometric ID encoded driver's license will be required at all sea and land entry points into the US as of June 1, 2009.

The biometric identifiers for the ID cards (and eventually the passports) may be fingerprint scans, retina or iris scans, or even face-recognition scans. A system called US VISIT (United States Visitor and Immigration Status Indicator Technology) has been in effect since early 2005, photographing and fingerprinting almost every visitor entering the US through airports and other points of entry. Fortunately, Canadian citizens have not been required to submit to this US Visit program. (Canadian permanent residents who are not citizens of Canada or the US are subject to these requirements.) The new passport requirement are totally enforced as of June 1, 2009, for Canada and 26 other countries whose citizens did not formerly require visas when entering the United States.

Since less than 30 percent of Americans and less than 50 percent of Canadians currently have passports, this requirement to allow only visitors with passports to enter the United States is a major hurdle and may slow border traffic significantly. Because of this, the Homeland Security Administration has developed a new wallet sized passport ID card for US citizens that is much cheaper and quicker to produce than a full passport. Canada is considering similar plans to develop an ID card for Canadians that will be acceptable for cross-border Canada-US travel. Experimentation is ongoing as to which biometric identifiers on the ID cards and passports will provide the most security at the least cost without severely impeding the flow of cross-border traffic.

Considering that there are over 53 million crossings from Canada to the US every year, this program is massive, technologically complicated, and extremely expensive. However, once all travelers have the new passports or ID cards, it is expected that immigration clearance between countries will actually be much quicker and safer. These passports and ID cards will be very difficult for anybody to forge or steal and use illegally. A UN agency that sets travel standards on a worldwide basis is also working on new passport formats so that the biometric identifiers can be incorporated into them. The United States has developed a new passport with a computer chip that will carry all pertinent personal information. This new passport will replace all current passports as they come up for renewal. These new e-passports, as they are called, will be read electronically as soon as you open them. Together with a simultaneous face scan, this will enable US customs and immigration officials to identify you and assess whether you are a risk or not before you even talk to them. Canada and the US are working out programs for frequent border-crossers under similar rules to the current Nexus programs, where frequent travellers complete special forms, go through background checks, and pay an annual fee to go through "fast lanes" at the border (by swiping ID cards and doing a fingerprint or retina scan at a kiosk without even needing to talk to a border agent). The billions of dollars of imports and exports that go through the Canada-US border daily are also targeted by a program called FAST (Free and Secure Trade), which expedites the passage of precleared commercial trucks to ensure the border remains secure but open for business.

Behind the scenes of the US Patriot Act, many immigration agents with very advanced computer systems will attempt to identify every individual against known data from airline and ship manifests, to weed out potential terrorists before they arrive at a US entry point.

Visitors in general will be pre-profiled as to their potential security threat so border personnel can focus on those travelers who have a high-risk profile score. Where you might fit into this profile system will be kept secret, but you can greatly lower your risk profile and help expedite your border crossings if you do such things as join a Nexus program; travel on a recently issued passport; pay for airline tickets well in advance with a well-established credit card; travel with other people with an equally low profile; and, if traveling across the border by car, ensure your auto registration matches yourself and your place of residence. Another issue to watch for, particularly in light of Canada's much more liberal marijuana laws, is having a clean criminal record, as criminal databases are now integrated into the profiling system. Minor marijuana convictions that are misdemeanors in Canada may be considered a felony by US authorities, and could bar you from entering the US and/or obtaining a green card. Similarly, non-Canadian citizens entering Canada from the US or other countries may be refused entry if they have a "driving under the influence" offence (DUI) appearing on their record (in Canada, DUI is more commonly known as "impaired driving"). Consequently, Americans with a DUI or other offense should contact the Citizenship and Immigration Canada (CIC) office (at the point of entry into Canada that they wish to use) well in advance, to get a waiver that will enable them to enter Canada without delay. As you may recall, former President George W. Bush had a DUI in his youth; he had to get a waiver to visit Canada. Likewise, Martha Stewart, with her short stint in jail for insider trading, was also required to get a waiver when she was subsequently scheduled to speak in Halifax. She chose not to go through the waiver process and dropped her Canadian speaking engagement.

WHERE TO LIVE OR WINTER IN THE UNITED STATES

The nature of cross-border financial planning will often be determined by which US state you choose to reside or vacation in. This guide is not meant to provide you with a visitor's bureau brochure about which Sunbelt state is the best, but it examines some of the major tax implications of the most popular Sunbelt states: Arizona, California, and Florida. In Appendix B, we will provide tax rates and other technical data on these and another popular state, Hawaii. The reasons that Arizona, California, and Florida are popular with Canadians can be summarized in a collection of comments from long-time residents or visitors to one or more of these three states:

ARIZONA

- Offers the most sunshine of almost any populated area in North America. Expect clear skies nearly 85 percent of the time, and an annual rainfall of 6 inches (15 cm) in the desert southwest. Winter daytime temperatures range from 65° to 85°F (18° to 30°C) in the Phoenix and Tucson areas.
- Great for people with arthritis because of the dry climate. Not so good for allergy sufferers, since something is always in bloom.
- Golfers' paradise. There are more than 250 golf courses in the Phoenix area alone that are open 365 days a year.
- Geographically diverse state, from the Grand Canyon to high mountains to the Sonoran desert. There is decent snow skiing in northern parts of the state during winter at elevations in excess of 10,000 feet, and plenty of year-round water sports on the numerous man-made reservoirs and lakes. Arizona has the most boats per capita of any state in the US.
- Arizona has a relatively kind tax regime. In a 2005 in-depth national survey of all 50 states completed by *Bloomberg Wealth Manager* magazine (now called *Wealth Manager magazine*), Arizona scored an A- considering all forms of taxes combined, including state income, sales, and property taxes. Arizona is a very tax-friendly state to Canadians, and if you take into consideration the special tax credits for Canadian taxes paid, Arizona would likely have been rated A+ on the Bloomberg survey had the survey included Canadian issues.
- The most frequently mentioned drawback about Arizona is that if you choose to stay in the Phoenix area during the summer, you can face

average daily high temperatures of over 100°F (38°C). However, popular retirement communities such as Prescott in the central part of the state, offer peak temperatures 20° lower with four distinct seasons (although snow is rare) and an ambience not unlike that of a small town in New England.

- Arizona has one of the lowest unemployment rates in the country with plenty of opportunites for permanent or part-time employment in all areas of the economy.
- Several airlines now have non-stop flights from most major Canadian cities, particularly during the winter months when Canada's Westjet schedules numerous flights to the Sunbelt. Westjet and Southwest Airlines, and Air Canada and United Airlines have entered into joint arrangements offering many more economical flight options.

CALIFORNIA

- Plenty of sun and ocean. Temperatures vary considerably from the coast to the inland desert, with the coastal areas having less extreme temperature changes because of the moderating effect of the Pacific Ocean. The Palm Springs area has a climate almost identical to that of southern Arizona.
- Major man-made and natural tourist attractions abound, such as Disneyland, Hollywood, Yosemite, and Big Sur.
- The ocean provides plenty of opportunities for sailing, fishing, and whale watching.
- Geographically diverse state, from the miles of spectacular coastline to mountains, farmland, vineyards, and desert.
- The major drawback of this state is its population, which is greater than all of Canada's. In the past decade, it has also seen more than its fair share of earthquakes, floods, mudslides, and wildfires. California is also noted for its high cost of living and relatively high taxes.
- California scored only a D+ on the 2005 Bloomberg survey. It is also not very tax-friendly to Canadians who have assets and income from Canada. It does not offer tax credits to its residents for taxes paid to any Canadian province or federal government and also taxes Canadian RRSPs annually on any interest dividends or capital gains earned inside of the RRSP plan.
- For those seeking employment in the computer industry, Silicon Valley (near San Francisco), although greatly diminished after the dot-com bust of the early 2000s, remains an innovative computer technology centre.
- California is easy to fly to from any city in Canada and is easily accessible by car from Vancouver and Calgary.

FLORIDA

- Very mild climate with a minimal difference between winter and summer temperatures, 70° to 90°F (20° to 32°C) on average. Expect plenty of rain year-round and high humidity during summer.
- Provides two surprisingly different coasts: the Atlantic and the Gulf. Each has miles of beautiful beaches, islands, and keys, and all the year–round water sports that go with them.
- Like California, it has major man-made tourist attractions such as Disney World, Universal Studios, and Cape Kennedy.
- Florida has no personal income tax. It rates an A- on the Bloomberg survey, the same as Arizona, and is just as tax-friendly to Canadians with the exception of its property taxes as Canadians get little break and no homestead exemptions on any property they own in Florida.
- It's easy to drive to Florida from Ontario, Quebec, and the Maritimes.
- This state offers the most services for Canadians. It has several radio and TV stations broadcasting Canadian news in both French and English. In addition, it has a good distribution of Canadian daily newspapers and several of the major Canadian banks have branches throughout Florida.
- The major complaints about Florida seem to be that it is getting too crowded (particularly on the Atlantic coast) and that it has a hurricane season. With respect to the hurricanes, it is important to note that the US Federal Emergency Management Agency (FEMA) does not provide any aid to seasonal residents who are not US citizens.

Nevada, Washington, New York, and Hawaii, other popular states with Canadians, received scores of A+, A, D-, and B+ respectively on the *Wealth Manager* magazine tax survey.

POPULAR CROSS-BORDER MISCONCEPTIONS

One of the primary purposes of this book is to dispel many of the popular misconceptions Canadians have about living, visiting, and investing in the United States. Some of the more common misconceptions are:

- **You lose money changing Canadian dollars to US dollars!** No, there is no loss in exchanging one currency for another, other than the commissions you pay as a transaction cost. You don't make a profit changing US dollars to Canadian dollars either. See Chapter 2 for a more complete explanation of this popular misconception.
- **Canada has no estate or inheritance taxes!** Wrong — Canada's deemed disposition tax upon death on RRSPs or RRIFs and appreciated property can be as high as 50 percent. Many provinces also levy significant probate or estate administration fees. For a combined husband and

wife estate of less than $7 million, Canadian estate taxes are most often much higher than those in the United States. Less than 1 percent of the population in either Canada or the US would have estates greater than this amount. See Chapters 4 and 9 for further details on this tax.

- **The 1995 amendment to the Canada/US Tax Treaty eliminates the US non-resident estate taxes.** No, some Canadians are actually worse off under this new treaty, but many are unaffected by the new rules. These rules are much more complex than the old rules, so a new level of understanding is required to determine if you are any better off. See Chapter 4 for the real scoop.
- **RRSPs can be left alone if you move to the United States!** Leaving your RRSPs in Canada when you move to the United States can create many potentially costly tax problems as well as numerous complicated annual IRS tax reporting filings, and you may miss opportunities to withdraw them at no or very low tax rates. Chapter 8 will discuss how to remove your RRSPs at very low or even no net income tax, once you have taken up residence in the United States.
- **Canadian exit tax is too high for you to leave Canada.** This misconception is frequently perpetuated by Canadian accountants who emphasize this exit tax as an obstacle rather than as a great planning vehicle that could actually reduce taxes. The CRA does impose a deemed disposition tax when exiting Canada to go live in another country. However, this tax is not an additional tax; it is tax one would normally pay if the appreciated asset were sold. The CRA allows you to defer any tax that might be due upon exit to the date the asset is actually sold. The CRA may require collateral for this tax deferment, but also requires that you pay no interest on any tax due, so you get the equivalent of an interest-free loan. In addition, as noted in Chapter 9 and Chapter 10, proper planning before you leave Canada can help you avoid this tax altogether on a net basis.
- **You will earn lower rates of interest investing in the United States!** Although interest rates paid by banks in both Canada and the US vary greatly with supply and demand equations dictated by the marketplace, US banks are currently paying higher rates on most money market accounts, term deposits, and GICs. However, overall diversified investment portfolios earn about the same rate of return for a similar level of risk in both Canada and the United States. Chapters 6 and 12 provide further insight into this misconception.
- **Wills are all you need for a complete estate plan!** Wills are very necessary, but there are more effective estate-planning vehicles, such as living trusts and living wills, that may provide for lower estate settlement costs and better estate management. See Chapters 4 and 9 for further explanation.
- **Investing in the United States means you must file US tax returns!** No — there are a large number of investments you can put money into in

the United States that are exempt from taxes and any filing or reporting requirements. Chapter 6 lists the investments that are exempt from US taxes for non-residents.

- **You can't be a citizen of Canada and the United States at the same time!** Wrong — dual citizenship is possible and has been for several years. Chapter 7 explains dual citizenship status.
- **You lose your CPP/QPP and OAS by moving to the United States!** No, you keep all these benefits, and in reality you will likely keep much more of your Canada Pension Plan/Quebec Pension Plan and Old Age Security after taxes once you have become a resident taxpayer of the United States. Chapter 8 provides the calculations to show you some of the tax savings available on CPP/QPP and OAS when a Canadian moves to the United States. You will not be subject to the OAS clawback if you are a US resident, regardless of your level of income. You can also double dip and qualify to receive CPP/QPP, OAS, and US Social Security payments with good cross-border planning. See Chapter 13 for more details.
- **Medical insurance is too expensive in the United States!** Some US health insurance is expensive; however, those under 65 can obtain very good coverage with high deductibles for less than $350 per month for up to a $2-million limit of coverage, depending on an absence of pre-existing conditions, age, and other factors. Those over 65 are usually eligible for US Medicare at no cost or reasonable costs. Chapters 5 and 13 provide further details for those needing health insurance in the United States.
- **Investments in the United States are riskier than in Canada!** No, the same rules of prudent investing apply in both countries. Because there are more investment choices in the United States, there can be greater opportunity to choose an inappropriate investment. However, this greater selection also allows prudent investors to find a greater number of safe investments in the United States at lower costs, which can actually help lower risk. In addition, the US regulatory environment is much more consumer protective with stiffer fines and jail sentences for those trying to rip off the public through investment scams.

WHAT IS THE CANADA/UNITED STATES TAX TREATY?

One of the most important documents for the protection of a Canadian's financial assets in the United States is the Canada/US Tax Treaty. Most Canadians, however, are completely unaware of its existence and the benefits that it gives them. Even though tax planning is an important part of cross-border planning, it is my experience that few financial advisors on either side of the Canada-US border have ever cracked the cover of this treaty on behalf of their clients. They tend to focus instead on the tax rules of their own individual countries.