



2727 COWORKING / RESEARCH & PRACTICAL GUIDANCE

W-8BEN for Montreal Freelancers With US Clients

Find a practical home for your work at 2727 Coworking in Montreal. Explore private offices, day workspaces and meeting rooms, plus business-address and virtual-mailbox services for your company.

Published by 2727 Coworking · 2026-10-29 · w-8ben canada freelancer · us client withholding tax canadian contractor · w8ben quebec

Original article: <https://2727coworking.com/articles/w-8ben-us-clients-canadian-freelancers-withholding-tax-treaty>



In this article

1. What a W-8BEN is and who asks for it
2. When you need one and when you do not
3. Why services performed in Canada are generally not US-source
4. Line by line: filling the form
5. The Canada-US treaty in plain terms
6. When the 183-day services rule matters
7. Validity and renewal
8. What if the client withholds 30% anyway
9. Reporting the income in Canada
10. Records and client conversation checklist

What a W-8BEN is and who asks for it

If you invoice a US company from Montreal, sooner or later its accounts-payable team, or a platform such as a freelance marketplace or payment provider, will ask you for a **Form W-8BEN**, *Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals)*.

The form does two things:

1. It certifies that you are **not a US person**, so the payer does not treat you as a US contractor (no Form W-9, no backup withholding on reportable payments).
2. Where relevant, it lets you **claim benefits under the Canada-US tax treaty** to reduce or eliminate US withholding.

Three facts from the IRS instructions to keep in mind ([IRS, Instructions for Form W-8BEN](#)):

- **You do not send it to the IRS.** You give it to the person who requests it, generally the person paying you.
- **Give it before you are paid.** Failure to provide it when requested may lead to withholding at the 30% foreign-person rate or at the backup withholding rate.
- **It is for individuals.** A company (for example, your Quebec corporation) uses Form W-8BEN-E instead.

This article is general information for Montreal freelancers and sole proprietors. If you work physically in the United States for long periods, your own facts need cross-border advice.

When you need one and when you do not

Your situation	Form to give the US payer
Canadian resident individual, not a US citizen or resident, invoicing in your own name	W-8BEN
Your Quebec or federal corporation invoices the client	W-8BEN-E (entity form)

Your situation	Form to give the US payer
You are a US citizen or green-card holder living in Montreal	W-9 (you are a US person even when living abroad)
You perform services physically in the United States and claim a treaty exemption on that pay	Form 8233 or W-4, not W-8BEN

Sources: [IRS](#), [Instructions for Form W-8BEN](#), "Who must provide" and "Do not use this form if" sections.

The US-citizen row catches people. A dual Canadian-US citizen in Montreal must use the W-9, whatever the client asks for.

Why services performed in Canada are generally not US-source

The IRS taxes foreign persons at 30% on certain **US-source** income, including compensation for services performed, collected by withholding ([IRS](#), [Instructions for Form W-8BEN](#)). The key word is *source*.

IRS Publication 515 states the rule plainly: if the income is for personal services performed in the United States, it is from US sources, and **the place where the services are performed determines the source**, regardless of where the contract was made, the place of payment or the residence of the payer ([IRS](#), [Publication 515 \(2026\)](#)).

So, for a Montreal freelancer:

Scenario	Source of the fee
You design a website at your desk in Montreal for a client in Austin	Foreign (non-US) source
You fly to New York for a three-day workshop for the same client	US source for the work done in New York
Mixed year: 95% of hours in Montreal, 5% on site in the US	Allocate; Pub 515 says this is usually done on a time basis

When all your work is performed in Canada, the fee is not US-source income, and the 30% withholding on US-source compensation does not apply to it. The W-8BEN then mainly documents your foreign status. Where some work is done in the US, the treaty claim on the form becomes relevant.

Line by line: filling the form

Based on the [IRS instructions](#). Use the current revision of the form, available from the IRS.

Part I: Identification of beneficial owner

Line	What to enter (typical Montreal freelancer)
1	Your full legal name. If you operate a sole proprietorship under a trade name, the beneficial owner is still you.
2	Country of citizenship. Dual citizens enter the country where they are both a citizen and a resident.

Line	What to enter (typical Montreal freelancer)
3	Your permanent residence address in Canada. The IRS says not to use a financial institution's address, a post office box or an address used solely for mailing.
4	Mailing address, only if different from line 3.
5	US taxpayer identification number (SSN or ITIN), if you have one. Most Canadian freelancers do not.
6a	Foreign tax identifying number (FTIN). For a Canadian resident individual this is your nine-digit Social Insurance Number (SIN) : Canada's TIN sheet on the OECD portal names the SIN as the tax identification number of individuals resident in Canada (the nine-digit Business Number is the TIN of corporations and partnerships, which use the W-8BEN-E). Send the form only through a secure channel.
6b	"FTIN not legally required" checkbox. It is for account holders whose jurisdiction does not require them to obtain an FTIN; a Canadian resident with a SIN does not check it.
7	Reference number, optional, often used by the payer.
8	Date of birth (MM-DD-YYYY).

Part II: Claim of tax treaty benefits

Line	What to enter
9	"Canada", the country where you are resident for treaty purposes.
10	Needed when you claim treaty benefits on business profits not attributable to a permanent establishment : state that you derive business profits not attributable to a permanent establishment in the US and cite the treaty article. For the Canada-US treaty, business profits are Article VII.

When is line 6a mandatory? The IRS instructions require the FTIN when the form documents a **financial account** you hold at a US office of a financial institution and you receive US-source income reported on Form 1042-S. Otherwise it is optional, except that a **treaty claim** needs either a US TIN on line 5 or your FTIN on line 6a; the instructions let you use the FTIN instead of an ITIN for that purpose ([IRS](#), lines 5 and 6a). Client and platform portals often ask for it anyway; the SIN is the number to give ([OECD, Canada TIN information](#)).

The 2021 revision of the instructions also added the representations required on line 10 for business profits not attributable to a permanent establishment ([IRS](#)).

Part III: Certification. Sign, date, and print your name, following the payer's process for submitting the form.

Address note. Line 3 must be where you actually live for tax purposes. A business mailing address or virtual mailbox belongs, at most, on line 4.

The Canada-US treaty in plain terms

Under the treaty, a Canadian resident's business profits are taxable in the US only if they are attributable to a **permanent establishment (PE)** there ([Art. VII\(1\)](#)). Freelance services used to have a separate article, Article XIV (Independent Personal Services). Its deletion, explained in an annex to the 2007 protocol, confirms the

negotiators' shared understanding that "no practical distinction can be made between a 'fixed base' and a 'permanent establishment'", so independent services now fall under the PE and business-profits rules ([Department of Finance Canada, Canada-US Convention, Protocol Annex B](#)).

A freelancer working from Montreal, with no office, staff or long presence in the US, normally has no US PE. The treaty is why line 10 refers to profits "not attributable to a permanent establishment".

When the 183-day services rule matters

Paragraph 9 of Article V, added by the Fifth Protocol (2007), can create a "services PE" even without an office. It applies in both directions: where an enterprise of one country provides services in the other and has no PE there under the other paragraphs, it is deemed to have one only if ([Canada-US Convention, consolidated, Art. V\(9\)](#)):

- (a) the services are performed there by an individual present there for a period or periods aggregating **183 days or more in any twelve-month period** and, during that period, **more than 50% of the enterprise's gross active business revenues** come from services that individual performs there; **or**
- (b) the services are provided there for an aggregate of **183 days or more in any twelve-month period** for the same or a connected project, for customers who are residents of that country or have a PE there (services provided in respect of that PE).

For a Montreal freelancer who visits US clients a few days a year, neither test is close. The rule matters for someone who spends a long contract on site in the US. That person also has US-source income for the days worked there, possible US filing obligations and immigration questions (work authorization), which are outside this article. Our guide to [US-Canada remote work taxes](#) covers the cross-border employee side.

Validity and renewal

A W-8BEN generally remains in effect from the date signed until **the last day of the third succeeding calendar year**. The IRS example: a form signed on September 30, 2015 remains valid through December 31, 2018 (IRS).

Signed in	Valid through
2026 (any date)	December 31, 2029
2027	December 31, 2030

If a **change in circumstances** makes information on the form incorrect, you must notify the payer **within 30 days** and provide a new form. A move to a US address is a change in circumstances. A move within Canada generally is not; but if you used the form to claim treaty benefits, a move to the US or out of Canada is (IRS). Becoming a US citizen or resident also ends the form's use.

Keep a calendar reminder for each client so a fresh form is ready before the old one expires.

What if the client withholds 30% anyway

It happens, usually because the payer's system treats every foreign payee as receiving US-source income, or because the form was missing or incomplete when the payment was processed.

1. **Check the form** you provided: lines 1, 3, 9 and 10 and the signature are the usual problems.
2. **Explain the source rule** in writing: the services were performed in Canada (Pub 515), so the payment is not US-source compensation. Attach a corrected W-8BEN.
3. **Ask the payer to correct** the withholding before it is remitted to the IRS, if it still can.
4. **If tax was already deposited**, the payer can still repay you through the IRS reimbursement or set-off procedures if the overwithholding is found by March 15 of the following year (IRS, [Publication 515](#), "Adjustment for Overwithholding"). After that, you recover it yourself by filing **Form 1040-NR**, the nonresident return Pub 515 names for recovering overwithheld tax, which requires an ITIN (Form W-7) if you have no SSN (IRS, [Instructions for Form W-8BEN](#), line 5).

On the Canadian side, the federal foreign tax credit is for foreign income or profit taxes paid on **income earned outside Canada** (CRA, [line 40500](#)). If the work was performed in Canada, the fee is Canadian-source income, so US tax withheld in error on it does not qualify for the credit; the only way to get it back is from the payer or the IRS, which is why fixing the withholding at the source matters. Quebec has its own calculation on the provincial return.

Reporting the income in Canada

As a Canadian resident you report **worldwide income** on your federal and Quebec returns, including US-dollar fees.

Currency conversion. The CRA's position ([Income Tax Folio S5-F4-C1](#)):

- the relevant rate for a particular day is the rate quoted by the **Bank of Canada** on that day, or the closest preceding day with a rate ([¶1.4](#));
- the CRA may accept an **average rate** over a period for certain income items, but generally not if rates fluctuate significantly ([¶1.6.1](#)).

For foreign taxes, the CRA says to use the Bank of Canada rate in effect on the day the amounts arose, or the average annual rate for multiple payments during the year (CRA, [line 40500](#)).

Illustrative example. You invoice US\$4,000 on March 10 and the client pays on March 25. Amounts are converted at the rate "for the particular day on which the amounts arise" (Folio [¶1.8](#)); for a business reporting on the accrual basis, the fee arises when you invoice, so use the March 10 Bank of Canada rate. If the rate has moved by March 25, the difference on collection is a foreign exchange gain or loss on the receivable, reported separately from the fee. Use the actual Bank of Canada rates for your dates.

GST/QST. Whether you charge GST and QST to a US business client is a separate question; see our guide to [charging GST/QST to clients outside Quebec](#).

Records and client conversation checklist

Keep on file

- ☐ A copy of every W-8BEN you signed, with the date and recipient.
- ☐ Contracts and statements of work showing where the services are performed.
- ☐ Time records or a calendar showing any days worked in the US.
- ☐ Invoices in USD with the Bank of Canada conversion used.
- ☐ Any payment statement showing US tax withheld.

What to send the client

- ☐ W-8BEN (or W-8BEN-E if your corporation is the vendor).
- ☐ An invoice with your legal name, address and the place of performance; our [Quebec freelancer invoice checklist](#) lists the other mentions.

Sample wording for the client

"All services under this agreement are performed in Montreal, Canada. I am a Canadian tax resident and not a US person. Please find attached my Form W-8BEN. As the services are performed outside the United States, I understand no US withholding applies to these payments; please let me know if your system requires anything else."

If you want contracts and invoices to carry a Montreal business address separate from your home, 2727 Coworking offers [virtual mailbox plans](#) in Griffintown, keeping in mind that line 3 of the W-8BEN must still be your residence.

Source links

Links cited in this article, in order of first appearance. Full addresses are provided for readers using extracted text.

1. <https://www.irs.gov/instructions/iw8ben>
2. <https://www.irs.gov/publications/p515>
3. <https://www.oecd.org/content/dam/oecd/en/topics/policy-issue-focus/aeoi/canada-tin.pdf>
4. <https://www.canada.ca/en/department-finance/programs/tax-policy/tax-treaties/country/united-states-america-convention-consolidated-1980-1983-1984-1995-1997-2007.html>
5. <https://www.canada.ca/en/department-finance/programs/tax-policy/tax-treaties/country/united-states-america-convention-consolidated-1980-1983-1984-1995-1997-2007/annex-b.html>
6. <https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/line-40500-federal-foreign-tax-credit.html>
7. <https://www.canada.ca/en/revenue-agency/services/tax/technical-information/income-tax/income-tax-folios-index/series-5-international-residency/series-5-international-residency-folio-4-foreign-currency/income-tax-folio-s5-f4-c1-income-tax-reporting-currency.html>

THE PUBLISHER

About 2727 Coworking

2727 Coworking is a Montreal workspace and business-address provider. We serve people who need a place to focus, meet, run a small business or establish a professional mailing presence. Our website offers English and French information about workspace options and services, alongside educational resources for operating a business in Canada.

A workspace that fits the day

Our workspace options include private offices, day passes and desks, and a conference room. These formats help individuals and teams compare a dedicated office with more flexible ways to work or hold a meeting. Prospective members can explore the virtual tour, review current pricing and book a visit before choosing a workspace.

Business addresses and mail

2727 Coworking provides business-address and virtual-mailbox services. Our resources explain the documents and practical questions involved, including guidance for people outside Canada. Service eligibility, included features, availability and access arrangements should be confirmed on the applicable service page or with our team.

Resources for Canadian small businesses

We publish guides, research and planning tools about workspace decisions, business addresses and starting a business in Canada. Our incorporation research includes information for people inside Canada and abroad, with jurisdiction-specific material to help readers identify the next questions to investigate. These educational resources complement our workspace and address services; they are not individualized legal, tax or immigration advice.

Visit or contact 2727 Coworking

Explore [private offices](#), [day passes and desks](#), [the conference room](#), [business addresses](#) and [virtual mailboxes](#). [Book a visit](#) or [contact the team](#) to discuss your needs.

A business address alone does not establish tax residence, immigration status, banking approval or eligibility for a government program.

Website: <https://2727coworking.com>

This article is educational. Verify consequential medical, legal, financial, regulatory and technical decisions with appropriate professionals and the cited primary sources. Company services are described separately from the article's research findings.