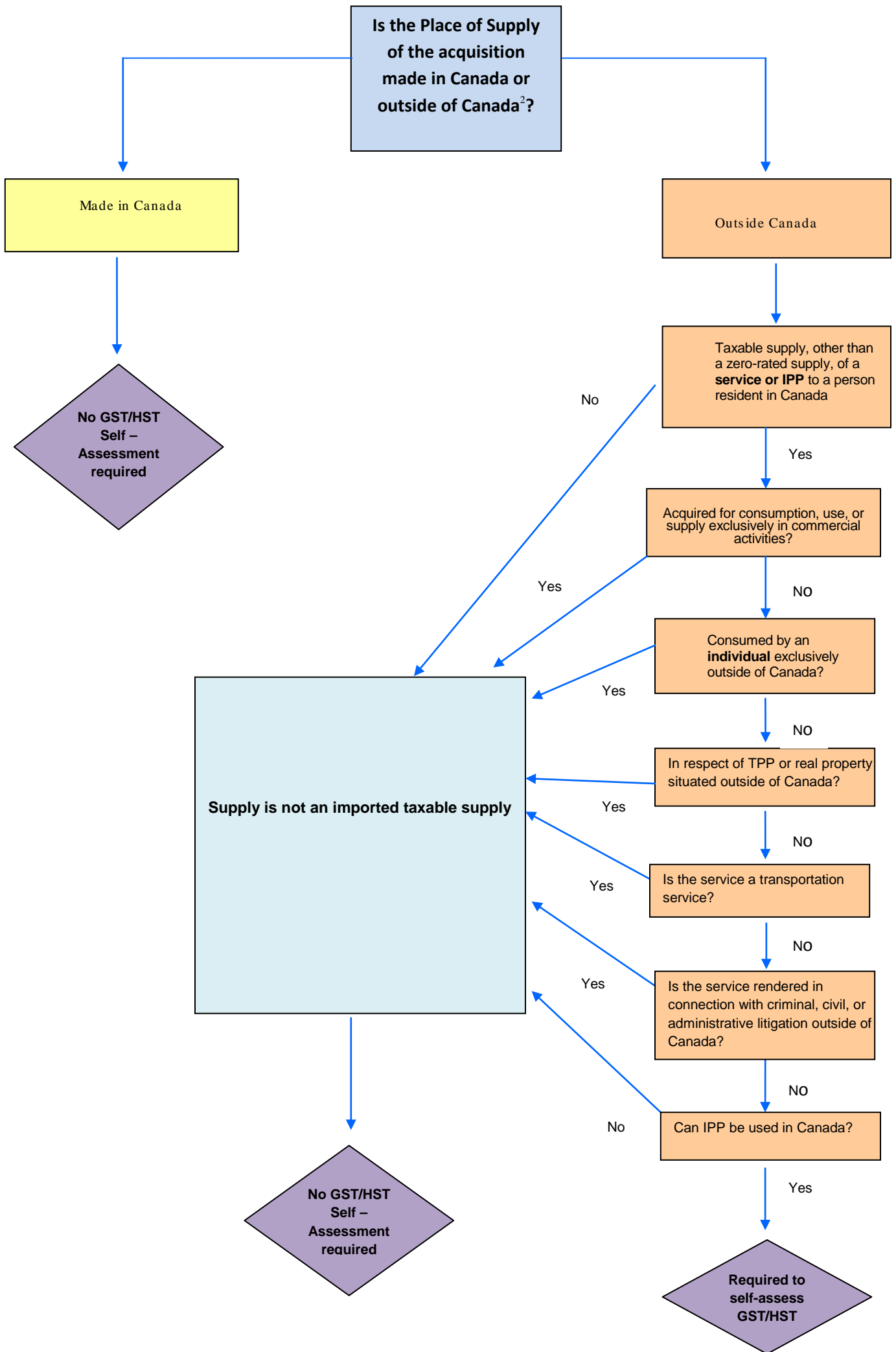


Decision Tree - Determining Self-Assessment Requirements for Imported Taxable Supplies¹



Note:
See next pages for notes, definitions, and acronyms.

Note 1

This flowchart focuses on the supply of a service or intangible personal property ("IPP") outside of Canada only. Per Section 217 of the Excise Tax Act, there are other supplies that would meet the definition of imported taxable supply. However, this flowchart only addresses the supply of services and IPP.

Note 2 – The Place of Supply is Outside Canada when:

(a) General Rule:

A supply is deemed to be made outside of Canada when:

- (i) The supply is tangible personal property ("TPP") that is delivered, to be delivered, or made available outside of Canada to the recipient of the supply;
- (ii) The supply is IPP and cannot be used in Canada or it relates to TPP or real property situated outside of Canada, or it relates to a service to be performed wholly outside of Canada;
- (iii) The supply is real property or a service in relation to real property situated outside of Canada; or
- (iv) The supply is a service that is or is to be performed outside of Canada,
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(b) Supply by a Non-Resident:

A supply of personal property or a service made in Canada by a non-resident, non-registrant person is deemed to be made outside of Canada, unless:

- (i) The supply is made in the course of a business carried on in Canada;
- (ii) The supply is the supply of an admission in respect of a place of amusement, seminar, activity or an event where the non-resident person did not acquire the admission from another person.

Definitions and Acronyms:

Commercial Goods - are goods that are for sale or for any other commercial, industrial, occupational, institutional or other like use. When commercial goods are imported into Canada, tax under Division III (i.e., GST at 5%) is generally payable to the CBSA at the time of importation into Canada.

Exclusively - greater than or equal to 90%.

GST - the 5% Federal Goods and Services Tax.

HST - Harmonized Sales Tax, consisting of the federal component (GST) of 5%, and the provincial component (PVAT) which in Ontario is 8%, while New Brunswick, Newfoundland, PEI and, in Nova Scotia is 10%.

Imported Taxable Supply - generally means a taxable supply of intangible personal property or a service that is made outside Canada to a recipient who is resident in Canada and that may reasonably be regarded as having been received by the recipient for use in Canada otherwise than exclusively in a commercial activity, but does not include a supply in respect of which tax under Division II or III of the Excise Tax Act is payable, a zero-rated supply, goods included in Schedule VII to the Excise Tax Act, or a prescribed supply.

IPP - intangible personal property.

TPP - tangible personal property.



This information is current to January 1, 2017. The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.