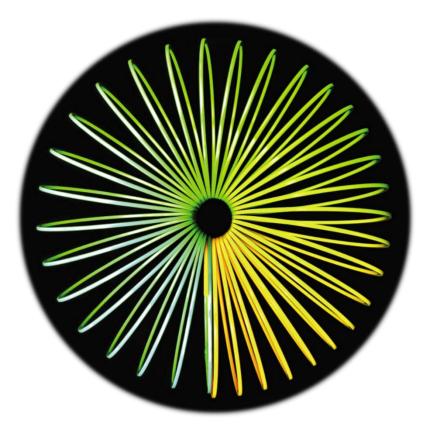
Deloitte.



Canadian indirect tax news

Measures relating to the Quebec sales tax and e-commerce

April 13, 2018

Quebec's Minister of Finance Mr. Carlos Leitão has announced in the 2018-2019 Quebec budget that the Quebec sales tax (QST) regime will be amended to introduce a mandatory registration system for suppliers without physical or significant presence in Quebec (hereafter referred to as "non-resident suppliers"). As such, non-resident suppliers will be required to collect and remit QST with respect to taxable incorporeal movable property and services supplied in Quebec to a "specified Quebec consumer" which is a person not registered for the QST and whose usual place of residence is located in Quebec. In addition, non-resident suppliers located in Canada will be required to collect and remit QST on corporeal movable property supplied in Quebec to specified Quebec consumers. Mandatory registration will apply to a non-resident supplier, to the extent that the value of the consideration on all taxable supplies made in Quebec to consumers exceeds the threshold of \$30,000.

Contacts:

Doug Myrden National Indirect Tax Leader Tel: 416-601-6197

Quebec

Robert Demers Tel: 514-393-5156

Eastern Region

Michael Matthews Tel: 613-751-5310

Toronto

Danny Cisterna Tel: 416-601-6362 This registration requirement will also apply to digital property and services distribution platforms (hereafter referred to as "digital platforms") in respect of taxable supplies of incorporeal movable property or services received by Quebec consumers. These digital platforms must control the key elements of transactions with the Quebec consumers, such as billing, transaction terms and conditions, and delivery terms. Generally speaking, a digital platform refers to a platform that offers a service, through electronic communication such as an application store or website), to non-resident suppliers, allowing them to make taxable supplies of incorporeal movable property or services in Quebec to Quebec consumers. This measure will apply to digital platforms controlling the key elements of transactions with Quebec consumers. The value of the considerations for all taxable supplies that a digital platform enables non-resident suppliers to make in Quebec to consumers exceeds a threshold of \$30,000.

The measures stemming from the implementation of the new mandatory registration system will apply as of:

- January 1, 2019 for non-resident suppliers located outside Canada and for digital platforms allowing such suppliers to make taxable supplies of incorporeal movable property or services in Quebec to Quebec consumers; and
- September 1, 2019 for non-resident suppliers located in Canada and for digital platforms allowing such suppliers to make taxable suppliers of incorporeal movable property or services in Quebec to Quebec consumers.

Deloitte's Indirect Tax professionals can help you identify whether the above-mentioned requirements may affect your business.

If you have any questions on any of the above, please reach out to your Deloitte representative.

Deloitte LLP Bay Adelaide Centre, East Tower 8 Adelaide Street West, Suite 200 Toronto ON M5H 0A9 Canada

This publication is produced by Deloitte LLP as an information service to clients and friends of the firm, and is not intended to substitute for competent professional advice. No action should be initiated without consulting your professional advisors. Your use of this document is at your own risk.

Deloitte provides audit & assurance, consulting, financial advisory, risk advisory, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries and territories bringing world-class capabilities, insights and service to address clients' most complex business challenges. To learn more about how Deloitte's approximately 264,000 professionals—9,400 of whom are based in Canada—make an impact that matters, please connect with us on LinkedIn, Twitter or Facebook.

Jason Riche Tel: 416-607-1244

Western Region

Andrew Azmudeh Tel: 587-293-3258

Janice Roper

Tel: 604-640-3353

Related links:

Canadian indirect tax news archive

Deloitte Tax Services

Deloitte LLP, an Ontario limited liability partnership, is the Canadian member firm of Deloitte Touche Tohmatsu Limited. Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private companies limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Please note that Deloitte is prepared to provide accessible formats and communication supports upon request.

© Deloitte LLP and affiliated entities.

To no longer receive emails about this topic please send a return email to the sender with the word "Unsubscribe" in the subject line.