

# Notice of Ways and Means Motion to amend the Excise Tax Act

That it is expedient to amend the *Excise Tax Act* as follows:

## GST/HST Treatment of Payment Card Clearing Services

**1 (1) The definition *financial service* in subsection 123(1) of the *Excise Tax Act* is amended by adding the following after paragraph (r.5):**

**(r.6)** a service (other than a prescribed service) that is supplied by a *payment card network operator* in respect of a *payment card network* (as those terms are defined in section 3 of the *Payment Card Networks Act*) and that is

**(i)** a service in respect of the authorization of a transaction in respect of money, an account, a credit card voucher, a charge card voucher or a financial instrument,

**(ii)** a clearing or settlement service in respect of money, an account, a credit card voucher, a charge card voucher or a financial instrument, or

**(iii)** a service provided in conjunction with a service referred to in subparagraph (i) or (ii),

**(2) Subsection (1) applies to a service rendered under an agreement for a supply if**

**(a) any consideration for the supply becomes due after Budget Day or is paid after that day without having become due; or**

**(b) all of the consideration for the supply became due or was paid on or before Budget Day, except that, for the purposes of Part IX of the Act, other than Division IV of that Part, subsection (1) does not apply in respect of the service if**

**(i) the supplier did not, on or before Budget Day, charge, collect or remit any amount as or on account of tax under Part IX of the Act in respect of the supply, and**

**(ii) the supplier did not, on or before Budget Day, charge, collect or remit any amount as or on account of tax under Part IX of the Act in respect of any other supply that is made under the agreement and that includes the provision of a service referred to in paragraph (r.6) of the definition *financial service* in subsection 123(1) of the Act, as amended by subsection (1).**

**(3) Despite section 298 of the Act, the Minister of National Revenue may assess, reassess or make an additional assessment of any amount payable or remittable by a person in respect of a supply of a service referred to in paragraph (r.6) of the definition *financial service* in subsection 123(1) of the Act, as amended by subsection (1), at any time on or before the later of the day that is one year after the day on which the legislation enacting subsection (1) receives royal assent and the last day of the period otherwise allowed under that section for making the assessment, reassessment or additional assessment.**