



Government
of Canada

Gouvernement
du Canada

**This document has been retained and archived
for reference and research purposes.**

Its contents are not current and may no longer be relevant or applicable, and may have been replaced or updated by a more recent document.

LEGISLATIVE PROPOSALS TO AMEND THE EXCISE TAX ACT

GST/HST Relief for Face Masks and Face Shields

1 (1) Part II.1 of Schedule VI to the *Excise Tax Act* is amended by adding the following after section 1:

- 2** A supply of a face mask or respirator that is designed for human use and is authorized for medical use in Canada.
- 3** A supply of a face mask or respirator that meets N95, KN95 or equivalent certification requirements, is designed for human use and does not have an exhalation valve or vent.
- 4** A supply of
 - (a)** a face mask or respirator that
 - (i)** is designed for human use,
 - (ii)** is made of multiple layers of dense material, but may have a portion in front of the lips made of transparent and impermeable material that permits lip reading provided that there is a tight seal between the transparent material and the rest of the face mask or respirator,
 - (iii)** is large enough to completely cover the nose, mouth and chin without gaping,
 - (iv)** has ear loops, ties or straps for securing the face mask or respirator to the head,
 - (v)** is for use in preventing the transmission of infectious agents such as respiratory viruses, and
 - (vi)** does not have an exhalation valve or vent; or
 - (b)** a prescribed mask or respirator.
- 5** A supply of
 - (a)** a face shield that is designed for human use, has a transparent and impermeable window or visor, covers the entire face and has a head strap or cap for holding it in place, but not including a supply of a face shield specifically designed or marketed for a use other than preventing the transmission of infectious agents such as respiratory viruses; or
 - (b)** a prescribed shield.

(2) Subsection (1) applies to supplies made after December 6, 2020.

Application of the GST/HST in Relation to E-commerce Supplies

2 The definition *reporting period* in subsection 123(1) of the Act is replaced by the following:

reporting period of a person means the reporting period of the person as determined under sections 211.17 and 245 to 251; (*période de déclaration*)

3 Subsection 143(1) of the Act is amended by striking out “or” at the end of paragraph (b) and by adding the following after paragraph (b):

(b.1) the supply is a *qualifying tangible personal property supply* (as defined in subsection 211.1(1)) and the person is required under section 211.21 to be registered under Subdivision D of Division V at the time the supply is made; or

4 Subsection 148(3) of the Act is replaced by the following:

Non-application

(3) This section does not apply to

(a) a person registered under Subdivision E of Division II; or

(b) a non-resident person that makes a supply in Canada of admissions in respect of a place of amusement, a seminar, an activity or an event and whose only business carried on in Canada is the making of such supplies.

5 Subsection 178.8(9) of the Act is replaced by the following:

Application

(9) Subsections (2) to (7) do not apply in respect of goods imported in circumstances in which subsection 169(2) applies or in which section 180 or subparagraph 211.22(c)(i) deems a person to have paid tax in respect of a supply of property equal to the tax under Division III in respect of the importation of goods.

6 Section 179 of the Act is amended by adding the following after subsection (3):

Exception — distribution platform operator

(3.1) For the purposes of this Part, if

(a) paragraphs (1)(a) to (c) apply to a taxable supply in respect of particular tangible personal property that is made by a registrant and is referred to in any of subparagraphs (1)(a)(i) to (iii),

(b) the transfer referred to in paragraph (1)(b) of physical possession of the particular property is to a person (in this subsection referred to as the “consignee”) that is acquiring physical possession of the particular property as the recipient of a taxable supply made by way of sale of the particular property that

(i) is deemed, under section 211.22, to have been made by a *distribution platform operator* (as defined in subsection 211.1(1)) that is registered under Subdivision D of Division V, and

(ii) would, in the absence of section 211.22, be made by a non-resident person that is not registered under Subdivision D of Division V, and

(c) the non-resident person gives to the registrant, and the registrant retains, a certificate that

(i) acknowledges that the consignee acquired physical possession of the particular property as the recipient of a taxable supply and that the distribution platform operator is required to collect tax in respect of that taxable supply, and

(ii) states the distribution platform operator’s name and registration number assigned under section 241,

the following rules apply:

(d) paragraphs (1)(d) to (g) do not apply to the taxable supply referred to in paragraph (a), and

(e) the taxable supply referred to in paragraph (a) is deemed to have been made outside Canada.

7 (1) The Act is amended by adding the following after section 211:

SUBDIVISION E

Electronic Commerce

Definitions

211.1 (1) The following definitions apply in this Subdivision.

accommodation platform means a digital platform through which a person facilitates the making of supplies of short-term accommodation situated in Canada by another person that is not registered under Subdivision D of Division V. (*plateforme de logements*)

accommodation platform operator, in respect of a supply of short-term accommodation made through an accommodation platform, means a person (other than the supplier or an excluded operator in respect of the supply) that

- (a) controls or sets the essential elements of the transaction between the supplier and the recipient;
- (b) if paragraph (a) does not apply to any person, is involved, directly or through arrangements with third parties, in collecting, receiving or charging the consideration for the supply and transmitting all or part of the consideration to the supplier; or
- (c) is a prescribed person. (*exploitant de plateforme de logements*)

Canadian accommodation related supply means a taxable supply of a service

- (a) made to a person in connection with a supply of short-term accommodation situated in Canada made to the person; and
- (b) the consideration for which represents a booking fee, administration fee or other similar charge. (*fourniture liée à un logement au Canada*)

digital platform includes a website, an electronic portal, gateway, store or distribution platform or any other similar electronic interface but does not include

- (a) an electronic interface that solely processes payments; or
- (b) a prescribed platform or interface. (*plateforme numérique*)

distribution platform operator, in respect of a supply of property or a service made through a specified distribution platform, means a person (other than the supplier or an excluded operator in respect of the supply) that

- (a) controls or sets the essential elements of the transaction between the supplier and the recipient;
- (b) if paragraph (a) does not apply to any person, is involved, directly or through arrangements with third parties, in collecting, receiving or charging the consideration for the supply and transmitting all or part of the consideration to the supplier; or
- (c) is a prescribed person. (*exploitant de plateforme de distribution*)

excluded operator means a person that, in respect of a supply of property or a service,

- (a) meets all of the following conditions:
 - (i) the person does not set, directly or indirectly, any of the terms and conditions under which the supply is made,
 - (ii) the person is not involved, directly or indirectly, in authorizing the charge to the recipient of the supply in respect of the payment of the consideration for the supply, and
 - (iii) the person is not involved, directly or indirectly, in the ordering or delivery of the property or in the ordering or rendering of the service;
- (b) solely provides for the listing or advertising of the property or service or for the redirecting or transferring to a digital platform on which the property or service is offered;
- (c) is solely a payment processor; or
- (d) is a prescribed person. (*exploitant exclu*)

qualifying tangible personal property supply means a supply made by way of sale of tangible personal property that is, under the agreement for the supply, to be delivered or made available to the recipient in Canada other than

(a) an exempt or zero-rated supply;

(b) a supply of tangible personal property to be sent by mail or courier to the recipient at an address in Canada from an address outside Canada by the supplier or by another person acting on behalf of the supplier, if the supplier maintains evidence satisfactory to the Minister that the property was so sent; or

(c) a prescribed supply. (*fourniture admissible d'un bien meuble corporel*)

specified Canadian recipient means a recipient of a supply in respect of which the following conditions are met:

(a) the recipient has not provided to the supplier, or to a distribution platform operator in respect of the supply, evidence satisfactory to the Minister that the recipient is registered under Subdivision D of Division V; and

(b) the usual place of residence of the recipient is situated in Canada. (*acquéreur canadien déterminé*)

specified distribution platform means a digital platform through which a person facilitates the making of specified supplies by another person that is a specified non-resident supplier or the making of qualifying tangible personal property supplies by another person that is not registered under Subdivision D of Division V. (*plateforme de distribution déterminée*)

specified non-resident supplier means a non-resident person that does not make supplies in the course of a business carried on in Canada and that is not registered under Subdivision D of Division V. (*fournisseur non-résident déterminé*)

specified supply means a taxable supply of intangible personal property or a service other than

(a) a supply of intangible personal property that

(i) may not be used in Canada,

(ii) relates to real property situated outside Canada, or

(iii) relates to tangible personal property ordinarily situated outside Canada;

(b) a supply of a service that

(i) may only be consumed or used outside Canada,

(ii) is in relation to real property situated outside Canada, or

(iii) is rendered in connection with criminal, civil or administrative litigation (other than a service rendered before the commencement of such litigation) that is under the jurisdiction of a court or other tribunal established under the laws of a country other than Canada, or in the nature of an appeal from a decision of a court or other tribunal established under the laws of a country other than Canada;

(c) a supply of a service

(i) made to a person in connection with a supply of short-term accommodation made to the person, and

(ii) the consideration for which represents a booking fee, administration fee or other similar charge; and

(d) a prescribed supply. (*fourniture déterminée*)

Registration

(2) For greater certainty, in this Part, other than this Subdivision and section 285.02, a reference to registration does not include registration under this Subdivision.

Residence indicators

211.11 (1) For the purposes of this Subdivision, the following are indicators in respect of the usual place of residence of a recipient of a supply:

- (a) the home address of the recipient;
- (b) the business address of the recipient;
- (c) the billing address of the recipient;
- (d) the Internet Protocol address of the device used by the recipient or similar data obtained through a geolocation method;
- (e) payment-related information of the recipient or other information used by the payment system;
- (f) the information from a subscriber identity module, or other similar module, used by the recipient;
- (g) the place at which a landline communication service is supplied to the recipient; and
- (h) any other relevant information that the Minister may specify.

Indicator — Canada and provinces

(2) For the purposes of this section,

- (a) a Canadian indicator in respect of the recipient of a supply is an indicator obtained in connection with the supply that reasonably supports the conclusion that the usual place of residence of the recipient is situated in Canada;
- (b) a foreign indicator in respect of the recipient of a supply is an indicator obtained in connection with the supply that reasonably supports the conclusion that the usual place of residence of the recipient is situated outside Canada;
- (c) a participating province indicator in respect of the recipient of a supply is an indicator obtained in connection with the supply that reasonably supports the conclusion that the usual place of residence of the recipient is situated in a participating province; and
- (d) a non-participating province indicator in respect of a recipient of a supply is an indicator obtained in connection with the supply that reasonably supports the conclusion that the usual place of residence of the recipient is situated in a non-participating province.

Usual place of residence — Canada

(3) For the purposes of this Subdivision, the usual place of residence of the recipient of a supply is situated in Canada if a person that is the supplier or a distribution platform operator in respect of the supply,

- (a) in the ordinary course of the person's operations, has obtained two or more Canadian indicators in respect of the recipient and has not obtained more than one foreign indicator in respect of the recipient;
- (b) in the ordinary course of the person's operations, has obtained two or more Canadian indicators in respect of the recipient and two or more foreign indicators in respect of the recipient but the Canadian indicators are, in the circumstances, reasonably considered to be more reliable in determining a place of residence; or
- (c) if paragraphs (a) and (b) do not apply, has determined that the usual place of residence of the recipient is situated in Canada based on any method that the Minister may allow.

Usual place of residence — participating province address

(4) For the purposes of this Subdivision, if the usual place of residence of the recipient of a supply is situated in Canada and if a person that is the supplier or a distribution platform operator in respect of the supply has obtained in the ordinary course of the person's operations one or more addresses that are a home or business address of the recipient in a participating province and has not obtained in the ordinary course of the person's operations the same number or a greater number of addresses that are a home or business address of the recipient in a non-participating province, the usual place of residence of the recipient is situated in the following participating province:

- (a)** if those addresses of the recipient that are in a participating province are all in the same participating province, that participating province; and
- (b)** if those addresses of the recipient that are in a participating province are in two or more participating provinces and if the tax rates for those participating provinces are the same, the participating province among those participating provinces that has the largest population.

Usual place of residence — participating province indicators

(5) For the purposes of this Subdivision, if the usual place of residence of the recipient of a supply is situated in Canada but is not determined under subsection (4) to be in a participating province and if a person that is the supplier or the distribution platform operator in respect of the supply has obtained in the ordinary course of the person's operations one or more participating province indicators in respect of the recipient and has not obtained in the ordinary course of the person's operations the same number or a greater number of non-participating province indicators in respect of the recipient that could reasonably be considered to be as reliable in determining a place of residence as those participating province indicators, the usual place of residence of the recipient is situated in the following participating province:

- (a)** if those participating province indicators are in respect of the same participating province, that participating province;
- (b)** if those participating province indicators are in respect of two or more participating provinces and the participating province indicators in respect of one of those participating provinces are, in the circumstances, reasonably considered to be more reliable in determining a place of residence, that participating province;
- (c)** if the usual place of residence of the recipient is not determined under paragraph (a) or (b) and if the person has determined that the usual place of residence of the recipient is situated in one of the participating provinces based on any method that the Minister may allow, that participating province; or
- (d)** if the usual place of residence of the recipient is not determined under any of paragraphs (a) to (c) and if those participating province indicators are in respect of two or more participating provinces, the participating province among those participating provinces for which the tax rate is the lowest or, if the tax rates for those participating provinces are the same, the participating province among those participating provinces that has the largest population.

Usual place of residence — participating province

(6) For the purposes of this Subdivision, if, in respect of a supply, the usual place of residence of the recipient is situated in Canada but is not determined under subsection (4) or (5) to be in a participating province and a person that is the supplier or the distribution platform operator in respect of the supply has determined that the usual place of residence of the recipient is situated in a participating province based on any method that the Minister may allow, the usual place of residence of the recipient is situated in that participating province.

Threshold amount

211.12 (1) For the purposes of this section, the threshold amount of a particular person for a period is the total of all amounts each of which is an amount that is, or that could reasonably be expected to be, the value of the consideration for a supply that is, or that could reasonably be expected to be,

(a) a specified supply made during that period by the particular person to a specified Canadian recipient (other than a supply that is deemed to have been made by the particular person under paragraph 211.13(1)(a) or subparagraph 211.13(2)(a)(i));

(b) a Canadian accommodation related supply made during that period by the particular person to another person that is not registered under Subdivision D of Division V;

(c) if the particular person is a distribution platform operator in respect of a specified supply made during that period through a specified distribution platform by a specified non-resident supplier to a specified Canadian recipient, a specified supply that is made during that period through the specified distribution platform by a specified non-resident supplier to a specified Canadian recipient and in respect of which any person is a distribution platform operator; or

(d) if the particular person is an accommodation platform operator in respect of an accommodation supply — being a taxable supply of short-term accommodation situated in Canada made by any person that is not registered under Subdivision D of Division V to a recipient that is not registered under that Subdivision — that is made during that period through an accommodation platform, an accommodation supply that is made during that period through the accommodation platform and in respect of which any person is an accommodation platform operator.

Registration required

(2) Every person (other than a registrant or a person that carries on a business in Canada) that is a specified non-resident supplier at any time, a distribution platform operator in respect of a supply made at any time or an accommodation platform operator in respect of a supply made at any time is required at that time to be registered under this Subdivision if the threshold amount of the person for any period of 12 months (other than a period that begins before July 2021) that includes that time exceeds \$30,000.

Application

(3) A person required under subsection (2) to be registered under this Subdivision shall apply to the Minister for registration. The application is to be made in prescribed form containing prescribed information and is to be filed with the Minister in prescribed manner on or before the first day on which the person is required to be registered under this Subdivision.

Registration

(4) The Minister may register any person that applies for registration under subsection (3) and, upon doing so, the Minister shall assign a registration number to the person and notify the person of the registration number and the effective date of the registration.

Ceasing to be registered

(5) If a person is registered under this Subdivision and if the person becomes registered under Subdivision D of Division V on a particular day, the person ceases to be registered under this Subdivision effective on the particular day.

Cancellation on notice

(6) The Minister may, after giving a person that is registered under this Subdivision reasonable written notice, cancel the registration of the person if the Minister is satisfied that the registration is not required under this Subdivision.

Cancellation on request

(7) On request from a person, the Minister shall cancel the registration of the person under this Subdivision if the Minister is satisfied that the registration is not required under this Subdivision.

Cancellation — notification

(8) If the Minister cancels the registration of a person under subsection (6) or (7), the Minister shall notify the person of the cancellation and its effective date.

Public disclosure

(9) Despite section 295, the Minister may make available to the public, in any manner that the Minister considers appropriate, the names of persons registered under this Subdivision (including any trade name or other name used by these persons), the registration numbers assigned to these persons under this section, the effective date of the registration and, if a person ceases to be registered under this Subdivision, the date on which the person ceases to be registered.

Specified supply — operator

211.13 (1) For the purposes of this Part (other than section 211.1 and paragraph 211.12(1)(c)), if a specified supply is made through a specified distribution platform by a specified non-resident supplier to a specified Canadian recipient and if another person registered under this Subdivision is a distribution platform operator in respect of the specified supply, the following rules apply:

- (a) the specified supply is deemed to have been made by the other person and not by the specified non-resident supplier; and
- (b) the other person is deemed not to have made a supply to the specified non-resident supplier of services relating to the specified supply.

Specified supply — registered operator

(2) If a specified supply is made through a specified distribution platform by a specified non-resident supplier, if another person that is registered under Subdivision D of Division V, or that carries on a business in Canada, is a distribution platform operator in respect of the specified supply and if, in the absence of section 143, the specified supply would have been a supply made in Canada, the following rules apply:

- (a) if the other person is registered under Subdivision D of Division V, for the purposes of this Part (other than section 211.1 and paragraph 211.12(1)(c)),
 - (i) the specified supply is deemed to have been made by the other person and not by the specified non-resident supplier, and
 - (ii) the other person is deemed not to have made a supply to the specified non-resident supplier of services relating to the specified supply; and
- (b) in any other case, for the purposes of section 148, the specified supply is deemed to have been made by the other person and not by the specified non-resident supplier.

Accommodation — operator

(3) If a particular supply that is a taxable supply of short-term accommodation situated in Canada is made through an accommodation platform by a particular person that is not registered under Subdivision D of Division V, if another person that is registered under this Subdivision is an accommodation platform operator in respect of the particular supply and if the recipient has not provided to the other person evidence satisfactory to the Minister that the recipient is registered under Subdivision D of Division V then, for the purposes of this Part (other than sections 148 and 211.1 and paragraph 211.12(1)(d))

- (a) the particular supply is deemed to have been made by the other person and not by the particular person; and
- (b) the other person is deemed not to have made a supply to the particular person of services relating to the particular supply.

Accommodation — registered operator

(4) If a particular supply that is a taxable supply of short-term accommodation situated in Canada is made through an accommodation platform by a particular person that is not registered under Subdivision D of Division V and if another person that is registered under that Subdivision or is carrying on a business in Canada is an accommodation platform operator in respect of the particular supply then, for the purposes of this Part (other than for the purposes of applying

section 148 in respect of the particular person and other than for the purposes of section 211.1 and paragraph 211.12(1)(d))

- (a) the particular supply is deemed to have been made by the other person and not by the particular person; and
- (b) the other person is deemed not to have made a supply to the particular person of services relating to the particular supply.

Supply – Canada

211.14 (1) For the purposes of this Part and despite paragraphs 136.1(1)(d) and (2)(d), subsection 142(2) and section 143, if a person registered under this Subdivision makes a specified supply to a specified Canadian recipient, or makes a Canadian accommodation related supply to a recipient that has not provided to the person evidence satisfactory to the Minister that the recipient is registered under Subdivision D of Division V, the supply is deemed to be made in Canada.

Supply – Canada

(2) For the purposes of this Part and despite paragraph 136.1(2)(d), subsection 142(2) and section 143, if a person registered under Subdivision D of Division V or carrying on a business in Canada makes a Canadian accommodation related supply, the supply is deemed to be made in Canada.

Specified supply – participating province

(3) For the purposes of this Part and despite section 144.1, if a specified supply (other than a supply of intangible personal property, or a service, that relates to real property) is deemed to be made in Canada under subsection (1), the following rules apply:

- (a) if the usual place of residence of the specified Canadian recipient is situated in a participating province, the supply is deemed to be made in the participating province; and
- (b) in any other case, the supply is deemed to be made in a non-participating province.

Canadian accommodation related supply – participating province

(4) For the purposes of this Part and despite section 144.1, if a Canadian accommodation related supply is deemed to be made in Canada under subsection (1), the supply is deemed to be made in the province in which the accommodation is situated.

Disclosure of tax

211.15 A person registered under this Subdivision that is required under section 221 to collect tax in respect of a supply shall indicate to the recipient, in a manner satisfactory to the Minister,

- (a) the consideration paid or payable by the recipient for the supply and the tax payable in respect of the supply; or
- (b) that the amount paid or payable by the recipient for the supply includes the tax payable in respect of the supply.

Restrictions

211.16 (1) No amount of an input tax credit, rebate, refund or remission under this or any other Act of Parliament shall be credited, paid, granted or allowed to the extent that it can reasonably be regarded that the amount is determined, directly or indirectly, in relation to an amount that is collected as or on account of tax, or in relation to an amount of tax that is required to be collected, by a person required to be registered under this Subdivision.

Exception

(2) Subsection (1) does not apply for the purposes of sections 232 and 259 and for the purposes of determining a rebate under section 261 payable to a person in respect of an amount that is collected as or on account of tax from the person at a time when the person is not registered under Subdivision D of Division V.

Reporting period

211.17 (1) Despite sections 245 and 251 and subject to subsections (2) and (3), the reporting period of a person registered under this Subdivision is a calendar quarter.

Becoming registered

(2) If a person becomes registered under this Subdivision on a particular day, the following periods are deemed to be separate reporting periods of the person:

(a) the period beginning on the first day of the reporting period of the person, otherwise determined under section 245, that includes the particular day and ending on the day immediately preceding the particular day; and

(b) the period beginning on the particular day and ending on the last day of the calendar quarter that includes the particular day.

Ceasing to be registered

(3) If a person ceases to be registered under this Subdivision on a particular day, the following periods are deemed to be separate reporting periods of the person:

(a) the period beginning on the first day of the calendar quarter that includes the particular day and ending on the day immediately preceding the particular day; and

(b) the period beginning on the particular day and ending on the last day of the reporting period of the person, otherwise determined under section 245, that includes the particular day.

Meaning of *qualifying foreign currency*

211.18 (1) In this section, *qualifying foreign currency* means the U.S. dollar, the euro or another foreign currency that the Minister may specify.

Manner of payment

(2) Every person registered under this Subdivision that is required under subsection 278(2) to pay or remit an amount to the Receiver General shall pay or remit that amount in the manner determined by the Minister.

Non application — subsection 278(3)

(3) Subsection 278(3) does not apply in respect of an amount that a person registered under this Subdivision is required under this Part to pay or remit to the Receiver General.

Foreign currency — no designation

(4) Despite section 159 and subject to subsection (7), if tax is collected, or required to be collected, in respect of a supply made by a person required to be registered under this Subdivision and if the value of the consideration for the supply is expressed in a foreign currency, the consideration is to be converted into Canadian currency using the exchange rate applicable on the last day of the reporting period in which the tax is collected or required to be collected, as the case may be, or using any other conversion method that the Minister may accept.

Foreign currency — application

(5) A person registered under this Subdivision may apply to the Minister, in prescribed form containing prescribed information and filed in prescribed manner with the Minister, to determine the net tax for a reporting period of the person in a qualifying foreign currency.

Foreign currency — authorization

(6) If the Minister receives an application of a person under subsection (5), the Minister may, subject to such conditions as the Minister may at any time impose, designate the person as a person eligible to determine the net tax for a reporting period of the person in the qualifying foreign currency indicated by the Minister.

Foreign currency — designated persons

(7) Despite section 159, if a person is designated under subsection (6) in respect of a reporting period of the person, the following rules apply in respect of the reporting period:

- (a) the net tax for the reporting period is to be determined in the return for that reporting period in the qualifying foreign currency indicated by the Minister;
- (b) any amount to be remitted or paid by the person to the Receiver General in respect of the reporting period is to be remitted or paid in the qualifying foreign currency indicated by the Minister; and
- (c) any amount that is required to be converted into the qualifying foreign currency indicated by the Minister for the purposes of determining the net tax for the reporting period, or for the purposes of determining any other amount to be remitted or paid to the Receiver General in respect of the reporting period, is to be converted into that qualifying foreign currency using the exchange rate applicable on the last day of the reporting period or using any other conversion method that the Minister may accept.

Prohibition

211.19 No person shall, in respect of a supply of property or a service made to a particular person who is a consumer of the property or service, provide to another person that is registered under this Subdivision evidence that the particular person is registered under Subdivision D of Division V.

Information return — accommodation platform operator

211.2 A person (other than a prescribed person) that is an accommodation platform operator in respect of a supply of short-term accommodation situated in Canada made in a calendar year shall file with the Minister an information return for the calendar year, in prescribed form containing prescribed information, on or before the day that is six months after the end of the calendar year or on or before any later day that the Minister may allow. The information return shall be filed in prescribed manner.

Tangible Personal Property

Meaning of *specified recipient*

211.21 (1) In this section, *specified recipient* in respect of a supply means a person that is the recipient of the supply and that is not registered under Subdivision D of Division V, other than a non-resident person that is not a consumer of the property.

Registration required

(2) Every person that is a non-resident person that does not at any time make supplies in the course of a business carried on in Canada or a distribution platform operator in respect of a supply made at any time is required at that time to be registered under Subdivision D of Division V if, for any period of 12 months (other than a period that begins before July 2021) that includes that time, the amount determined by the following formula is greater than \$30,000

$$A + B$$

where

A is the total of all amounts each of which is an amount that is, or that could reasonably be expected to be, the value of the consideration for a taxable supply that is, or that could reasonably be expected to be, a qualifying tangible personal property supply made during that period by the person (other than a supply deemed to have been made by the person under subparagraph 211.22(a)(i)) to a specified recipient; and

B is

(a) if the person is a distribution platform operator in respect of a qualifying tangible personal property supply made during that period through a specified distribution platform, the total of all amounts, each of which is an amount that is, or that could reasonably be expected to be, the value of the consideration for a supply that is, or that could reasonably be expected to be, a qualifying tangible personal property supply made during that period

through the specified distribution platform to a specified recipient and in respect of which any person is a distribution platform operator,

(b) in any other case, zero.

Qualifying supply — operator

211.22 If a particular supply that is a qualifying tangible personal property supply is made through a specified distribution platform by a particular person that is not registered under Subdivision D of Division V and if another person that is registered under Subdivision D of Division V, or is carrying on a business in Canada, is a distribution platform operator in respect of the particular supply, the following rules apply:

(a) for the purposes of this Part (other than for the purposes of applying section 148 in respect of the particular person and other than for the purposes of section 211.1 and paragraph (a) of the description of B in subsection 211.21(2))

(i) the particular supply is deemed to have been made by the other person and not by the particular person, and

(ii) the particular supply is deemed to be a taxable supply;

(b) for the purposes of this Part (other than sections 179 and 180), the other person is deemed not to have made a supply to the particular person of services relating to the particular supply; and

(c) if the other person is registered under Subdivision D of Division V, if the particular person has paid tax under Division III in respect of the importation of the tangible personal property, if no person is entitled to claim an input tax credit or a rebate in respect of the tax in respect of the importation, if section 180 does not deem any person to have paid tax in respect of a supply of the tangible personal property that is equal to the tax in respect of the importation and if the particular person provides to the other person evidence satisfactory to the Minister that the tax in respect of the importation has been paid,

(i) for the purposes of determining an input tax credit of the other person, the other person is deemed

(A) to have paid, at the time the particular person paid the tax in respect of the importation, tax in respect of a supply made to the other person of the tangible personal property equal to the tax in respect of the importation, and

(B) to have acquired the tangible personal property for use exclusively in commercial activities of the other person, and

(ii) no portion of the tax in respect of the importation paid by the particular person shall be rebated, refunded or remitted to the particular person, or shall otherwise be recovered by the particular person, under this or any other Act of Parliament.

Information — warehouse

211.23 A particular person (other than a prescribed person) that in the course of a business makes one or more particular supplies of a service of storing in Canada tangible personal property (other than a service that is incidental to the supply by the particular person of a *freight transportation service*, as defined in section 1 of Part VII of Schedule VI) offered for sale by another person that is a non-resident person shall

(a) notify the Minister of this fact, in prescribed form containing prescribed information and filed with the Minister in prescribed manner, on or before

(i) the day that is

(A) if the particular person makes those particular supplies in the course of a business carried on as of July 1, 2021, January 1, 2022, and

(B) in any other case, six months after the day on which the particular person last began making those particular supplies in the course of a business, or

(ii) any later day that the Minister may allow; and

(b) in respect of those particular supplies, maintain records containing information specified by the Minister.

Information return — operator

211.24 A person (other than a prescribed person) that is a distribution platform operator in respect of a qualifying tangible personal property supply made in a calendar year shall file with the Minister an information return for the calendar year, in prescribed form containing prescribed information, on or before the day that is six months after the end of the calendar year or on or before any later day that the Minister may allow. The information return shall be filed in prescribed manner.

(2) Sections 211.13 and 211.14 of the Act, as enacted by subsection (1), apply

(a) in respect of supplies made after June 2021; and

(b) in respect of supplies made before July 2021 if all or part of the consideration for the supply becomes due, or is paid without having become due, after June 2021.

(3) For the purposes of applying sections 211.12 to 211.14 of the Act, as enacted by subsection (1), in respect of a supply in respect of which paragraph (2)(b) applies, the supply is deemed to have been made on July 1, 2021.

(4) If paragraph (2)(b) and subsection 211.13(3) or (4) of the Act, as enacted by subsection (1), apply in respect of a supply of short-term accommodation and if part of the consideration for the supply becomes due, or is paid without having become due, before July 2021, for the purposes of Division II of Part IX of the Act, that part of the consideration shall not be included in calculating the tax payable in respect of the supply.

(5) If paragraph (2)(b) and section 211.14 of the Act, as enacted by subsection (1), apply in respect of a supply that is a specified supply or a Canadian accommodation related supply, if paragraph 143(1)(c) of the Act does not apply in respect of the supply and if part of the consideration for the supply becomes due, or is paid without having become due, before July 2021, the following rules apply:

(a) for the purposes of Division II of Part IX of the Act, that part of the consideration is not to be included in calculating the tax payable in respect of the supply; and

(b) for the purposes of Division IV of Part IX of the Act,

(i) despite section 211.14 of the Act, as enacted by subsection (1), the supply is deemed to be made outside Canada, and

(ii) the part of the consideration for the supply that becomes due, or is paid without having become due, after June 2021 is not to be included in calculating the tax payable in respect of the supply.

(6) Sections 211.2 and 211.24 of the Act, as enacted by subsection (1), apply to 2021 and subsequent calendar years except that, in applying those sections to the 2021 calendar year,

(a) the references to “a calendar year” in those sections are to be read as references to “the period that begins on July 1, 2021 and ends on December 31, 2021”; and

(b) the references to “the calendar year” in those sections are to be read as references to “that period”.

(7) Sections 211.21 and 211.23 of the Act, as enacted by subsection (1), come into force on July 1, 2021.

(8) Section 211.22 of the Act, as enacted by subsection (1), applies

(a) in respect of supplies made after June 2021; and

(b) in respect of supplies made before July 2021 if all of the consideration for the supply becomes due, or is paid without having become due, after June 2021.

(9) For the purposes of applying subsection 143(1) of the Act, as amended by section 3, and sections 211.21 and 211.22 of the Act, as enacted by subsection (1), in respect of a supply in respect of which paragraph (8)(b) applies, the supply is deemed to have been made on July 1, 2021.

8 (1) Section 240 of the Act is amended by adding the following after paragraph (1.4):

Non-resident supplier — tangible personal property

(1.5) Despite subsection (1), every person that is required under section 211.21 to be registered under this Subdivision is required to be registered for the purposes of this Part.

(2) Subsection 240(2) of the Act is replaced by the following:

Non-resident performers, etc.

(2) Every person (other than a person registered under Subdivision E of Division II) that enters Canada for the purpose of making taxable supplies of admissions in respect of a place of amusement, a seminar, an activity or an event is required to be registered for the purposes of this Part and shall, before making any such supply, apply to the Minister for registration.

(3) The portion of subsection 240(2.1) of the Act before paragraph (a) is replaced by the following:

Application

(2.1) A person required under any of subsections (1) to (1.2) and (1.5) to be registered must apply to the Minister for registration before the day that is 30 days after

(4) Subsection 240(2.1) of the Act is amended by striking out “and” at the end of paragraph (a.1) and by adding the following after paragraph (a.1):

(a.2) in the case of a person required under subsection (1.5) to be registered, the first day on which the person is required under section 211.21 to be registered under this Subdivision; and

(5) The portion of subsection 240(3) of the Act before paragraph (a) is replaced by the following:

Registration permitted

(3) An application for registration for the purposes of this Part may be made to the Minister by any person that is not required under subsection (1), (1.1), (1.2), (1.5), (2) or (4) to be registered, that is not required to be included in, or added to, the registration of a group under subsection (1.3) or (1.4) and that

9 The Act is amended by adding the following after section 285.01:

Penalty

285.02 In addition to any other penalty under this Part, the recipient of a supply of property or a service that evades or attempts to evade the payment or collection of tax payable by the recipient under Division II in respect of the supply by providing false information to a person registered under Subdivision E of Division II, or by providing to that person evidence that the recipient is registered under Subdivision D of Division V if the recipient is a consumer of the property or service, is liable to pay a penalty equal to the greater of \$250 and 50% of the amount of tax that has been so evaded or attempted to be evaded.

10 (1) The definition *business number* in subsection 295(1) of the Act is amended by striking out “or” at the end of paragraph (a) and by adding the following after paragraph (a):

| **(a.1)** a person registered under Subdivision E of Division II; or

(2) Paragraph 295(6.1)(a) of the Act is replaced by the following:

(a) the identified person is registered under Subdivision E of Division II or Subdivision D of Division V; and

11 Paragraph 298(1)(e) of the Act is replaced by the following:

(e) in the case of any penalty payable by the person, other than a penalty under section 280.1, 285, 285.01, 285.02 or 285.1, more than four years after the person became liable to pay the penalty;