

Indirect Tax Alert

News from Americas Tax Center

Canada: Foreign specified suppliers have less than two months to register for the Québec sales tax under province's new specified registration system

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Non-Québec resident suppliers that are located outside Canada and not registered for the purposes of the Goods and Services Tax (GST) meet the definition of "foreign specified suppliers" and have until 1 January 2019 to comply with the new provisions of the *Act respecting the Québec sales tax* (AQST). Under these new provisions, foreign specified suppliers are required to register for the Québec sales tax (the QST) using a new specified registration system and will have to collect the QST on taxable incorporeal movable property and services they supply in Québec to specified Québec consumers. Non-Québec resident suppliers located outside Canada that are registered for the GST and non-Québec resident suppliers located in Canada meet the definition of Canadian specified suppliers and have until 1 September 2019 to comply with the new provisions.

Revenu Québec has launched its new website to allow non-Québec resident suppliers located outside Canada to register online for the QST using the specified registration system in compliance with the new provisions included in sections 477.2 et seq. of the QSTA: <https://www.revenuquebec.ca/en/roq/>.

The online registration procedure has been simplified and does not require the filing of form LM 1, *Application for Registration*, prescribed for registration under the general QST registration system.

When registering online, a non-Québec resident supplier located outside Canada must provide information about the business, information relating to its activities and the names of persons of authority. Following registration, the nonresident supplier will obtain a QST number beginning with the prefix "NR."

The new provisions of the AQST establish a significant distinction between the concepts of foreign specified supplier and Canadian specified supplier. Accordingly, it will be important to determine the GST status of non-Québec resident suppliers located outside Canada to confirm whether they are deemed to be Canadian specified suppliers because they are registered for GST purposes, or rather as

foreign specified suppliers because they are not registered for GST purposes. In fact, only foreign specified suppliers are obliged to comply with the new AQST provisions as of 1 January 2019. Non-Québec resident suppliers registered for GST purposes, as Canadian specified suppliers, enjoy an additional time limit and have until 1 September 2019 to register under the specified registration system.

For further discussion of the Québec e-commerce measures, see EY Global Tax Alerts, [Québec announces QST and e-commerce measures](#), dated 5 April 2018 and [Québec: Bill 150 respecting the QST and e-commerce receives Royal Assent](#), dated 12 July 2018.

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