

Indirect Tax Alert

News from Americas Tax

Canada: Registration for Québec Sales Tax required by 1 September 2019 under new registration system

NEW! EY Tax News Update: Global Edition

EY's new Tax News Update: Global Edition is a free, personalized email subscription service that allows you to receive EY Global Tax Alerts, newsletters, events, and thought leadership published across all areas of tax. Access information about the tool and registration [here](#).

EY Americas Tax Center

The EY ATC brings together the experience and perspectives of over 10,000 tax professionals across the region to help clients address administrative, legislative and regulatory opportunities and challenges in the 33 countries that comprise the Americas region of the global EY organization. Access more information [here](#).

Executive summary

Non-Québec resident Canadian suppliers have until 1 September 2019 to register under the new specified registration system for Québec sales tax (QST) purposes.

Foreign suppliers registered for goods and services tax (GST) purposes are also subject to the 1 September 2019 deadline to register in accordance with the new QST-specified registration system.

For the conditions applicable to this new QST specified registration system, see EY Global Tax Alerts, [Canada: Québec announces QST and e-commerce measures](#), dated 5 April 2018, [Canada: Québec's Bill on QST and e-commerce receives Royal Assent](#), dated 12 July 2018 and [Canada: Foreign specified suppliers have less than two months to register for the Québec sales tax under province's new specified registration system](#), dated 5 November 2018 in respect of the new QST-specified registration requirements applicable to foreign entities **not registered for QST purposes**, as of 1 January 2019.

Furthermore, Québec Bill 13 (Bill 13) received Royal Assent on 19 June 2019 to include new QST-specified rules, effective as of 1 January 2019, in the Act *respecting the Québec sales tax* (AQST) regarding the election of an agent to account for tax, the discretion of the Minister to register a non-Québec resident for the new QST-specified regime and specific rules regarding the conversion of foreign currencies into prescribed foreign currencies (i.e., euro and US dollar).

Detailed discussion

Registration under the new specified registration system

The new QST-specified registration system currently applicable to foreign suppliers not registered for GST purposes as of 1 January 2019 will be extended to Canadian suppliers and to foreign suppliers registered for GST purposes as of 1 September 2019.

These latter groups of suppliers will need to perform the necessary due diligence in tracking their transactions made with individuals in Québec to determine whether they exceed the CA\$30,000 registration requirement threshold. See reference to EY Global Tax Alerts above for a detailed description of the rules applicable.

Canadian suppliers and foreign suppliers registered for GST purposes must register before 1 September 2019 in order to collect the QST as of 1 September 2019 in compliance with the new provisions included in sections 477.2 et seq. of the AQST.

Bill 13: new measures implemented

New measures, effective as of 1 January 2019, have been implemented by Bill 13, which received Royal Assent on 19 June 2019, to complete the provisions of the AQST in respect of the new QST-specified registration system.

The following three QST provisions have been included in the AQST under Bill 13:

► Election of an agent to account for tax

Section 41.0.1 of the AQST is modified to include the registrants under the new QST-specified registration system in the scope of the election of an agent to account for QST. Thus, QST collected under the new QST-specified registration system could be remitted by an agent where a person registered under the new QST-specified registration system and his agent jointly elect for the agent to account for the QST.

► Discretionary registration by the Minister

Section 477.5 of the AQST is modified in reference to sections 415.0.4 to 415.0.6 of the AQST, allowing the Minister, at his discretion, to register a person for QST purposes according to the new QST-specified registration system. It thus becomes even more important to determine whether a person is required to register under the new QST-specified registration system since, if the Minister has reason to believe that a person is required to register for the purposes of the new QST-specified registration system, the Minister will be entitled to register that person unilaterally.

► Conversion of foreign currencies

Section 477.15 of the AQST is modified to make conversion rules similar to those applicable to the conversion of foreign currency into Canadian currency for purposes of the new QST specified registration system also applicable to the conversion of foreign currency into a prescribed foreign currency (namely US dollar or euro).

For additional information with respect to this Alert, please contact the following:

Ernst & Young LLP (Canada), Montréal

- | | |
|-----------------------|------------------------------|
| ► Jean-Hugues Chabot | jean-hugues.chabot@ca.ey.com |
| ► Louis Fournier | louis.fournier@ca.ey.com |
| ► Jadys Bourdelais | jadys.bourdelais@ca.ey.com |
| ► Jean-Baptiste Congy | jb.congy@ca.ey.com |
| ► Catherine Dickner | catherine.dickner@ca.ey.com |

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit [ey.com](https://www.ey.com).

Indirect Tax

© 2019 EYGM Limited.
All Rights Reserved.

EYG no. 003911-19Gbl

1508-1600216 NY
ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

[ey.com](https://www.ey.com)