

Canada

This guide is for e-commerce companies that sell online via web-stores or at marketplaces.

The goods and services tax (GST) / The harmonized sales tax (GST).

VAT rate

The rate for other taxable supplies depends on the region or area.

The current rates are:

- **GST** – Alberta (5% GST), Nunavut (5% GST), Northwest Territories (5% GST), Yukon (5% GST);
- **GST + PST** – British Columbia (5% GST + 7% PST), Manitoba (5% GST + 7% PST), Quebec (5% GST + 9,975% QST), Saskatchewan (5% GST + 6% PST);
- **HST** – Ontario (13% = 5% federal component and 8% provincial component), New Brunswick (15%), Newfoundland (15%), Nova Scotia (15%), Prince Edward Island (15% = 5% federal component and 10% regional component).

Threshold

30 000 CAD (about 23 000 USD) over 4 consecutive calendar quarter periods.

Deductible VAT

If goods or services were used to make chargeable supplies in Canada, VAT in input invoices might be credited. For example:

- VAT paid at custom clearance with your business number;
- VAT paid to Canadian suppliers.

If you paid invoices before VAT registration you may deduct them after your registration.

Registration procedure

For VAT registration the company will be obliged to complete and submit a VAT registration form, along with supporting documentation:

- Valid VAT number or certificate of registration as a taxable person (entrepreneur) issued by the Tax Office of the Member State the entrepreneur has established your business;
- Copy of the company statutes;
- Copy of the manager's passport / ID;
- Copy of the certificate of registration;
- Description of major business activity.

Tax representative

There is no liability to appoint a tax representative in Canada.

Keeping records

Records about performed transactions must be kept to check the correctness of tax returns and payments. These records must be made available to the [Canada Revenue Agency](#) by electronic means on request. The retention period for the records is ten years.

VAT payment date

The dates for VAT payment are as follows:

- Annual VAT return – March 30;
- Quarterly VAT returns – 1 month after the end of the reporting period (example, if the end of the reporting period is March 31, so payment deadline is April 30);
- Monthly VAT returns – 1 month after the end of the reporting period (example, if the end of the reporting period is July 31, so payment deadline is August 31).

All calculations and payments should be in Canadian dollars.

Filing VAT returns

A taxpayer should transmit tax returns to the [Canada Revenue Agency](#) by electronic means. Lovat platform supports digital submission.

The period for submitting preliminary VAT returns period is determined based on the yearly turnover of your business:

- Annual VAT return – if annual taxable supplies are less than 1,5 million CAD (about 1,2 million USD);
- Quarterly VAT return – if annual taxable supplies are up 1,5 million CAD (1,2 million USD) to 6 million CAD (about 4,5 million USD);
- Monthly VAT return – if annual taxable supplies are more than 6 million CAD (about 4,5 million USD).

Filing deadlines for VAT returns are as follows:

- Annual VAT return – March 30;
- Quarterly VAT returns – 1 month after the end of the reporting period (example, if the end of the reporting period is March 31, so filing deadline is April 30);
- Monthly VAT returns – 1 month after the end of the reporting period (example, if the end of the reporting period is July 31, so filing deadline is August 31).

At the [Lovat portal](#) you can see your deadlines.
