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# GST/HST and QST Annual Information Return for Selected Listed Financial Institutions

## Find out if this guide is for you

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Use this guide to fill out Form RC7291, GST/HST and QST Annual Information Return for Selected Listed Financial Institutions, if you are **all** of the following:

- a selected listed financial institution (SLFI) for GST/HST or QST purposes or both
- a reporting institution for GST/HST or QST purposes or both
- a registrant for GST/HST and QST purposes

Do **not** use this guide if you are an SLFI only for GST/HST purposes and **not** a registrant for QST purposes. Instead, see Guide RC4419, Financial Institution GST/HST Annual Information Return, and use Form GST111, Financial Institution GST/HST Annual Information Return. For more information, go to **[canada.ca/gst-hst-financial-institutions](https://canada.ca/gst-hst-financial-institutions)**.

The CRA's publications and personalized correspondence are available in braille, large print, e-text, or MP3 for those who have a visual impairment. For more information, go to **[canada.ca/cra-multiple-formats](https://canada.ca/cra-multiple-formats)** or call **1-800-959-5525**.

This guide uses plain language to explain the most common tax situations. It does not replace the law.

La version française de ce guide est intitulée Déclaration annuelle de renseignements de la TPS/TVH et de la TVQ pour les institutions financières désignées particulières.

## What's new

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Major changes are listed below.

This guide contains information based on:

- the Excise Tax Act (ETA) and its related regulations
- the Act respecting the Québec sales tax (ARQST) and its related regulations
- proposed changes to the ETA announced on August 9, 2022
- proposed changes to the ARQST announced on December 16, 2022

At the time of publication, these changes were proposed and not law. The publication of this guide should not be taken as a statement by the Canada Revenue Agency (CRA) or Revenu Québec that these changes will in fact become law in their current forms.

### Change to threshold amount

A person that is a selected listed financial institution for GST/HST or QST purposes or both, is a registrant for GST/HST or QST purposes and has annual income of over \$1 million will generally be required to file Form RC7291 in addition to its regular GST/HST and QST return. Under proposed changes, the \$1 million income threshold amount would be increased to \$2 million for fiscal years of a person ending after August 9, 2022.

### Credit unions

Under proposed changes, the credit union definition in the Income Tax Act (ITA) would be amended to eliminate the revenue test from the definition of “credit union” to accommodate how credit unions currently operate. The amendments would be deemed to have come into force on January 1, 2016. These proposed changes, if they become law would affect the definition of “credit union” for GST/HST purposes as it is based on the definition of the term for ITA purposes.

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## Overview

Financial institutions often provide a wide range of services. In addition to tax-exempt financial services, a significant number also engage in taxable activities, both in Canada and internationally. A selected listed financial institution (SLFI) that is a registrant for GST/HST and QST purposes must file Form RC7294, GST/HST and QST Final Return for Selected Listed Financial Institutions, and in some cases must file Form RC7200, Goods and Services Tax/Harmonized Sales Tax (GST/HST) and Quebec Sales Tax (QST) Return for Selected Listed Financial Institutions.

To provide the information summarized on Form RC7294 or Form RC7200, SLFIs have to do a variety of calculations. One of the purposes of Form RC7291, GST/HST and QST Annual Information Return for Selected Listed Financial Institutions, is to record the results of this analysis. This guide gives line-by-line instructions on how to fill out Form RC7291.

The HST rate can vary from one participating province to another. For the list of all applicable GST/HST rates, go to [canada.ca/gst-hst](http://canada.ca/gst-hst) and select “GST/HST calculator (and rates)” under “Most requested”

**Participating province** means a province that has harmonized its provincial sales tax with the GST to implement the harmonized sales tax (HST). Participating provinces include New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, and Prince Edward Island, but do not include the Nova Scotia offshore area or the Newfoundland offshore area except to the extent that offshore activities, as defined in subsection 123(1) of the ETA are carried on in that area.

In the province of Quebec, the GST at 5% and the QST at 9.975% apply.

## Who has to file?

A reporting institution under subsection 273.2(2) of the ETA or under section 350.0.2 of the ARQST or both has to fill out and file Form RC7291, GST/HST and QST Annual Information Return for Selected Listed Financial Institutions if **all** of the following conditions apply:

- It is an SLFI for GST/HST or QST purposes or both
- It is a registrant for GST/HST and QST purposes

**Reporting institution** means a person, other than a prescribed person or a person of a prescribed class, that meets **all** of the following conditions:

- It is a financial institution (under section 149 of the ETA or as defined in section 1 of the ARQST, as applicable,) at any time in the fiscal year
- It is a registrant (for GST/HST or QST purposes, as applicable) at any time in the fiscal year
- Under proposed changes, the total of all amounts each of which is an amount included in computing, for the purposes of the Income Tax Act (ITA), the person's income, or, if the person is an individual, the person's income from a business, for the person's last tax year that

ends in the fiscal year, exceeds the amount determined by the following formula:

$$\$2 \text{ million} \times A/365$$

(where **A** equals the number of days in the tax year).

For GST/HST purposes, a person would be a prescribed person and therefore **not** a reporting institution and not required to fill out an annual information return for GST/HST purposes if the person is an SLFI that is an investment plan as defined in subsection 1(1) of the Selected Listed Financial Institution Attribution Method (GST/HST) Regulations (SLFI Regulations) which in general terms includes a segregated fund of an insurer, as defined in subsection 123(1) of the ETA and most investment plans, as defined in subsection 149(5) of the ETA.

For QST purposes, a person would be a prescribed person and therefore **not** a reporting institution and not required to fill out an annual information return for QST purposes if the person is an SLFI that is an investment plan as defined in section 433.15.1 of the ARQST which in general terms includes a segregated fund of an insurer and most investment plans, as these terms are defined in section 1 of the ARQST.

### Note

For more information on the definition of “investment plan” as defined in subsection 1(1) of the SLFI Regulations, see GST/HST Memorandum 17-6-1, Definition of Selected Listed Financial Institution.

At this time, there are no other prescribed persons or persons of a prescribed class.

**Registrant**, for GST/HST purposes, means a person that is registered or required to be registered for the GST/HST.

**Registrant**, for QST purposes, means a person that is registered or required to be registered for the QST.

### Note

Where a financial institution is a reporting institution for a particular fiscal year but is **only a registrant** for part of the particular fiscal year, it is still required to file Form RC7291 and provide information related to that entire fiscal year and not just for the period where the financial institution is a registrant.

**Fiscal year** means the tax year of the person, or where a person has elected to change their fiscal year, the period that the person elected to be their fiscal year. Where the person is an SLFI and either an investment plan or a segregated fund of an insurer, it generally means a calendar year.

**Tax year** of a person, for GST/HST purposes, means:

- where the person is a taxpayer, within the meaning of that term in the ITA (other than an unincorporated person exempt because of subsection 149(1) of the ITA from tax under Part I of the ITA on all or part of the person's taxable income), the taxation year of the person for the purposes of the ITA
- where the person is a partnership described in subparagraph 249.1(1)(b)(ii) of the ITA, the fiscal period

of the person's business determined under subsection 249.1(1) of ITA

- in any other case, the period that would be the taxation year of the person for the purposes of the ITA if the person were a corporation other than a professional corporation (within the meaning assigned by subsection 248(1) of the ITA)

**Tax year** of a person, for QST purposes, means:

- where the person is a taxpayer within the meaning of the Quebec Taxation Act, other than an unincorporated person exempt in accordance with Book VIII of the Quebec Taxation Act from tax under Part I of that Act, the taxation year of the person for the purposes of the Quebec Taxation Act
- where the person is a partnership described in subparagraph (ii) of subparagraph (b) of the second paragraph of section 7 of the Quebec Taxation Act, the fiscal period of the person's business, determined under section 7 of the Quebec Taxation Act
- in any other case, the period that would be the taxation year of the person for the purposes of the Quebec Taxation Act if the person were a corporation other than a professional corporation within the meaning of section 1 of the Quebec Taxation Act

## Selected listed financial institution

You are generally considered to be an SLFI for GST/HST purposes under subsection 225.2(1) of the ETA throughout a reporting period in a fiscal year that ends in your tax year if you are a listed financial institution described in any of subparagraphs 149(1)(a)(i) to (x) of the ETA at any time in your tax year and you meet **one** of the following conditions:

- You have, at any time in your tax year, a permanent establishment in a participating province and you have, at any time in your tax year, a permanent establishment in any other province
- You are a qualifying partnership during the tax year

You would generally be considered to be an SLFI for QST purposes under section 433.15.1 of the ARQST if you are a financial institution described in any of paragraphs 1 to 10 of the definition of "listed financial institution" in section 1 of the ARQST (which parallel subparagraphs 149(1)(a)(i) to (x) of the ETA) at any time in the tax year and you meet **one** of the following conditions:

- You have, at any time in your tax year, a permanent establishment in Quebec and you have, at any time in your tax year, a permanent establishment in another province
- You are a qualifying partnership during the tax year

A corporation that is a listed financial institution only because it has an election in effect under section 150 of the ETA or 297.0.2.1 of the ARQST to have certain taxable supplies deemed to be financial services **cannot** be an SLFI.

For more information, see GST/HST Memorandum 17-6-1, Definition of "Selected Listed Financial Institution" and

GST/HST Memorandum 17-6, Definition of "Listed Financial Institution".

## Filing instructions

You must file Form RC7291 once per fiscal year, within six months of the end of your fiscal year.

### Note

In certain situations, a person may have a shorter than normal fiscal year. If the person is a reporting institution for that fiscal year, a Form RC7291 must be filed for that fiscal year.

A person (other than a prescribed person) that is an SLFI for GST/HST or QST purposes or both would be a reporting institution for GST/HST and QST purposes if **both** of the following conditions apply:

- The person is a registrant for GST/HST and QST purposes
- The person exceeds the \$2 million income threshold amount described on the previous page

A person who is a reporting institution for GST/HST and QST purposes must fill out Form RC7291.

There are certain exceptional situations where a person may only be a reporting institution for either GST/HST purposes or QST purposes. For example, this occurs where a GST/HST and QST registrant is **both** of the following:

- an investment plan or a segregated fund of an insurer
- an SLFI for GST/HST purposes **only**

In this example, as a prescribed person for purposes of subsection 273.2(2) of the ETA, the investment plan or the segregated fund of the insurer is not required to fill out an annual information return for GST/HST purposes. However, the plan or the fund would be a reporting institution for QST purposes provided the person exceeded the \$2 million income threshold amount.

A person that is a reporting institution for QST purposes, but not for GST/HST purposes, is not required to report amounts in section 1 of the following parts: Part B, Part C, Part D, Part E and Part F, as well as line 0500 of Part B or line 1500 and line 1505 of Part C of Form RC7291.

A person that is a reporting institution for GST/HST purposes, but not for QST purposes, is not required to report amounts in section 2 of the following parts: Part B, Part C, Part D, Part E and Part F, as well as line 0510 of Part B or line 1510 of Part C of Form RC7291.

The following sections contain detailed explanations of the information that you have to enter on each line of Form RC7291.

Where applicable, you should report worldwide amounts on this form. For example, a non-resident financial institution would report worldwide amounts and not just amounts related to its Canadian branch when filling out this form.

Enter "0" if the amount for a line on Form RC7291 is nil or the line does not apply to you. Do not leave any lines blank.

## Estimated amounts

You may enter a reasonable estimate of an amount for certain lines, where indicated, where the amount is not reasonably ascertainable. This guide contains information about the lines you may be able to fill out using estimates.

If the amount you enter on a line is an estimated amount, you have to tick the grey box beside the line number.

## Penalties

In addition to any other penalty that may apply, every reporting institution that fails to report an amount when and as required, or that misreports such an amount in Form RC7291, will be liable for penalties. Penalties may also apply if a reporting institution fails to provide reasonable estimates when and as required of certain amounts for which estimates can be provided. Penalties for non-compliance will accumulate and can be as much as \$1,000 for each failure (in other words, for each line mentioned below under the first and second penalty) unless due diligence was exercised in attempting to correctly report that amount.

A penalty under subsection 284.1(1) of the ETA and the first paragraph of section 59.2.3 of Quebec's Tax Administration Act may apply to amounts required to be reported on the following lines:

For GST/HST purposes:

- 0500 (Part B)
- 2400 to 2483 (Part D)
- 4500 and 4600 (Part E)
- 6200 to 6230, 6340, 6350, 6400 to 6450, 6540, 6610 to 6630, 6650 and 6700 to 6750 (Part F)

For QST purposes:

- 0510 (Part B)
- 2950 to 2954 (Part D)
- 4800 and 4900 (Part E)
- 6900 to 6903, 6910, 6911, 6912 to 6917, 6922, 6925 to 6927, 6929 and 6930 to 6935 (Part F)

This penalty is equal to the **lesser** of \$1,000 and 1% of the absolute value of the difference between the actual amount and:

- if the reporting institution failed to report the actual amount when and as required, zero
- if the reporting institution misreported the actual amount, the amount reported by the reporting institution on the information return

### Note

The term "actual amount" is defined in subsection 273.2(1) of the ETA and section 350.0.1 of the ARQST. In general terms, actual amount means any amount that is required to be reported on Form RC7291 for a fiscal year that is either of the following:

- A tax amount for the fiscal year or a previous fiscal year of the person

- An amount calculated using only tax amounts for the fiscal year or a previous fiscal year, unless all of those amounts are required to be reported on Form RC7291

The term "tax amount" is also defined in subsection 273.2(1) of the ETA and section 350.0.1 of the ARQST.

In addition, a second penalty, under subsection 284.1(2) of the ETA and the second paragraph of section 59.2.3 of Quebec's Tax Administration Act, may apply to amounts required to be reported on the following lines:

For GST/HST purposes:

- 0600N, 8520, 0610, 0700 to 0730 (Part B)
- 1500, 1505, 1600N, 8620 and 1720 (Part C)

For QST purposes:

- 1000, 8720, 1010, 1100 to 1135 (Part B)
- 1510, 2000, 8820 and 2100 (Part C)

This penalty is equal to the **lesser** of \$1,000 and 1% of the total of all amounts that:

- Became collectible or were collected by the reporting institution, as or on account of the GST/HST or QST, as applicable, in a reporting period in the fiscal year
- the reporting institution claimed as an input tax credit or input tax refund, as applicable, in GST/HST and QST returns filed by the reporting institution for reporting periods in the fiscal year

## Part A – Information on the listed financial institution

Enter the identification information requested, such as:

- the name of the financial institution
- the business number
- the fiscal year for which the return is being filed

Each year that you fill out Form RC7291, you have to answer questions to provide information about your financial institution.

## Part B – Supplies

### GST/HST and QST collected or collectible

#### Line 0500

Enter the total amount of GST/HST collected or collectible during the fiscal year. For example, this amount would include the GST/HST that you are deemed to have collected and the GST/HST you are required to collect on any taxable sale of real property or capital assets.

This amount should equal the total of all amounts you have entered on line 103 of your return(s) for the fiscal year.

### Line 0510

Enter the total amount of QST collected or collectible during the fiscal year. For example, this amount would include the QST that you are deemed to have collected and the QST you are required to collect on any taxable sale of an immovable or capital assets.

This amount should equal the total of all amounts you have entered on line 203 of your return(s) for the fiscal year.

## Section 1 – GST/HST

### Supplies of financial services

The term financial service is defined in subsection 123(1) of the ETA and includes a broad range of transactions related to financial instruments and money.

Supplies of financial services are exempt under Part VII of Schedule V **unless** they are zero-rated (GST/HST taxable at the rate of 0%). See the explanation for line 0610 for information on supplies of financial services that are zero-rated.

### Line 0600N

Enter the total amount of exempt supplies of financial services made during the fiscal year.

You should base this amount on revenues reported for income tax purposes that are attributable to your exempt supplies of financial services.

A supply deemed under section 150 of the ETA to be a supply of a financial service is exempt under Part VII of Schedule V and should be excluded from line 0600N.

### Election under section 150 of the ETA

Subject to certain exceptions, section 150 of the ETA permits two corporations that are members of a closely related group that includes a listed financial institution to make a joint election to deem every taxable supply between them of property by way of lease, licence, or similar arrangement, or of a service that is made while the election is in effect, to be a supply of a financial service.

A corporation that has this election in effect would have filed **either** of the following forms:

- Form GST27, Election or Revocation of an Election to Deem Certain Supplies to be Financial Services for GST/HST Purposes
- Form RC7227, Elections or Revocation of the Elections to Deem Certain Supplies to be Financial Services for GST/HST and QST Purposes for Selected Listed Financial Institutions

For more information, see GST/HST Memorandum 17-14, Election for Exempt Supplies.

### Line 8520

Enter the total value of supplies you made during the fiscal year that are deemed by the election under section 150 of the ETA to be supplies of financial services.

### Line 0610

Enter the total amount of zero-rated supplies of financial services made during the fiscal year.

You should base this amount on revenues reported for income tax purposes that are attributable to your zero-rated supplies of financial services. Supplies of financial services may be zero-rated under sections 1, 2, or 3 of Part IX of Schedule VI to the ETA.

Supplies of financial services that may be zero-rated include:

- certain financial services when supplied by a financial institution to a non-resident person
- financial services that relate to certain insurance policies when supplied by the issuer of the policy and where the policy relates to a non-resident individual, real property outside Canada or risks ordinarily situated outside Canada
- sales of precious metals by a refiner or a person on whose behalf the precious metals were refined

### Example 1

You are an SLFI and you supply a financial service of granting a mortgage loan to a non-resident person to buy a house in Seattle, Washington (USA). Your supply of this financial service is zero-rated.

### Example 2

You are an insurer and you supply a financial service related to an insurance policy you issued for real property situated in Chicago, Illinois (USA). Your supply of this financial service is zero-rated.

For more information, see GST/HST Memorandum 17-2, Products and Services of a Deposit-Taking Financial Institution.

## Supplies other than financial services

### Line 0700

Enter the total amount of zero-rated supplies, **other than** financial services, made during the fiscal year. Do not include provincial sales tax.

Supplies other than financial services may be zero-rated under any Part of Schedule VI to the ETA, other than Part IX of Schedule VI which applies only to financial services. For example, exports of certain property or services may be zero-rated under Part V of Schedule VI.

### Example

An insurance agent supplies to a non-resident individual an advisory service of assisting the individual with estate planning with respect to certain financial assets held by the individual in Canada. The advice does not relate to any real property or tangible personal property situated in Canada. The supply of this service is zero-rated under Part V of Schedule VI to the ETA.

For more information, see GST/HST Memorandum 4-5-2, Exports – Tangible Personal Property, and GST/HST Memorandum 4-5-3, Exports – Services and Intellectual Property.



### Line 0710

Enter the total amount of exempt supplies, **other than** financial services, made during the fiscal year. Do not include provincial sales tax.

Supplies other than financial services may be exempt under any Part of Schedule V to the ETA, other than Part VII of Schedule V which applies only to financial services.

### Lines 0720 to 0740

Enter on line 0740 the total amount of taxable supplies subject to the GST/HST (other than zero-rated supplies) made during the fiscal year. Do not include the GST/HST, QST, or other provincial sales tax.

Provide a breakdown of your total amount of taxable supplies on line 0740 as follows:

- On line 0720, enter the total amount of taxable supplies (other than zero-rated supplies) subject to the GST made during the fiscal year (do not include the GST or provincial sales tax)
- On line 0730, enter the total amount of taxable supplies (other than zero-rated supplies) subject to the HST made during the fiscal year (do not include the HST)

You may enter estimates on lines 0720 or 0730 if these amounts are not reasonably ascertainable. However, the total of these two lines must equal the amount entered on line 0740.

## Section 2 – QST

### Supplies of financial services

The term financial service is defined in section 1 of the ARQST and includes a broad range of transactions related to financial instruments and money.

Supplies of financial services are exempt under section 169.3 or 169.4 of the ARQST **unless** they are zero-rated (QST taxable at the rate of 0%). See the explanation for line 1010 for information on supplies of financial services that are zero-rated.

### Line 1000

Enter the total amount of exempt supplies of financial services made in Quebec during the fiscal year.

You should base this amount on revenues reported for income tax purposes that are attributable to your exempt supplies of financial services.

A supply deemed under section 297.0.2.1 of the ARQST to be a supply of a financial service is exempt under section 169.4 of the ARQST and should be excluded from line 1000.

### Election under section 297.0.2.1 of the ARQST

Subject to certain exceptions, section 297.0.2.1 of the ARQST permits two corporations that are members of a closely related group that includes a listed financial institution to make a joint election to deem every taxable supply between them of property by way of lease, licence, or similar arrangement, or of a service that is made while the election is in effect, to be a supply of a financial service.

A corporation that has this election in effect would have filed **either** of the following forms:

- Form GST27, Election or Revocation of an Election to Deem Certain Supplies to be Financial Services for GST/HST Purposes
- Form RC7227, Elections or Revocation of the Elections to Deem Certain Supplies to be Financial Services for GST/HST and QST Purposes for Selected Listed Financial Institutions

### Line 8720

Enter the total value of supplies you made during the fiscal year that are deemed by the election under section 297.0.2.1 of the ARQST to be supplies of financial services.

### Line 1010

Enter the total amount of zero-rated supplies of financial services made in Quebec during the fiscal year.

You should base this amount on revenues reported for income tax purposes that are attributable to your zero-rated supplies of financial services. Supplies of financial services may be zero-rated under section 197.3, 197.4, or 197.5 of the ARQST.

Supplies of financial services that may be zero-rated include:

- certain financial services when supplied by a financial institution to a non-resident person
- financial services that relate to certain insurance policies when provided by the issuer of the policy, and where the policy relates to a non-resident individual, real property outside Canada or risks ordinarily situated outside Canada
- sales of precious metals by a refiner or a person on whose behalf the precious metals were refined

### Example 1

You are an SLFI and you supply in Quebec a financial service of granting a mortgage loan to a non-resident person to buy a house in Seattle, Washington (USA). Your supply of this financial service is zero-rated.

### Example 2

You are an insurer and you supply in Quebec a financial service related to an insurance policy you issued for real property situated in Chicago, Illinois (USA). Your supply of this financial service is zero-rated.

## Supplies other than financial services

### Line 1100

Enter the total amount of zero-rated supplies, **other than** financial services, made in Quebec during the fiscal year. Do not include provincial sales tax.

Supplies other than financial services may be zero-rated under any section of Chapter IV of Title I of the ARQST, other than Division VII.2 which applies only to financial services. For example, supplies of certain property or services may be zero-rated under Division V of Chapter IV of Title I of the ARQST.

### Example

A securities brokerage firm provides, from its Quebec office, market research services and reports on the Canadian equities market to a non-resident investment dealer located in the United States. The supply of this service is zero-rated under Division V of Chapter IV of Title I of the ARQST.

### Line 1110

Enter the total amount of exempt supplies, **other than** financial services, made in Quebec during the fiscal year. Do not include provincial sales tax.

Supplies other than financial services may be exempt under Chapter III of Title I of the ARQST, other than Division VI.I which applies only to financial services.

### Lines 1135

Enter the total amount of taxable supplies subject to the QST (other than zero-rated supplies) made during the fiscal year. Do not include the GST/HST, QST or other provincial sales tax.

## Part C – Purchases

### GST and federal part of the HST paid or payable

#### Line 1500

Enter the total amount of GST and the federal part of the HST that became payable or was paid without becoming payable by you during the fiscal year including amounts of deemed tax or self-assessed tax. This amount includes all GST and the federal part of the HST paid or payable under Divisions II, III, and IV of Part IX of the ETA.

### Provincial part of the HST paid or payable

#### Line 1505

Enter the total amount of the provincial part of the HST that became payable or was paid without becoming payable by you during the fiscal year, including amounts of deemed tax or self-assessed tax. This amount includes all the provincial parts of the HST paid or payable under Divisions II, III, IV, and IV.1 of Part IX of the ETA.

### QST paid or payable

#### Line 1510

Enter the total amount of QST that became payable or was paid without becoming payable by you during the fiscal year including amounts of deemed tax or self-assessed tax. This amount includes all QST paid or payable under Division I of Chapter II of Title I of the ARQST.

## Section 1 – GST/HST

### Purchases of financial services

#### Line 1600N

Enter the total amount of exempt and zero-rated financial services you acquired during the fiscal year. You should

base this amount on costs reported for income tax purposes that are attributable to your purchases of exempt and zero-rated supplies of financial services.

A purchase of a supply deemed under section 150 of the ETA to be a supply of a financial service should be excluded from line 1600N. See “Line 0600N” on page 8 for more information on an election under section 150.

### Line 8620

Enter the total value of supplies you received during the fiscal year that are deemed by the election made under section 150 of the ETA to be supplies of financial services.

### Purchases subject to GST/HST

#### Line 1720

Enter the total amount of taxable purchases, including property acquired by way of lease, you made during the fiscal year, that were subject to GST/HST (**other than** purchases of zero-rated supplies). For example, enter your purchases of capital property and office supplies. If you are an insurer, this amount would also include taxable purchases of property or services acquired, imported, or brought into a participating province exclusively and directly for consumption, use, or supply in the course of investigating, settling, or defending a claim arising under an insurance policy. Do not include GST/HST or any provincial sales tax.

## Section 2 – QST

### Purchases of financial services

#### Line 2000

Enter the total amount of exempt and zero-rated financial services you acquired during the fiscal year.

You should base this amount on costs reported for income tax purposes that are attributable to your purchases of exempt and zero-rated supplies of financial services provided in Quebec.

A purchase of a supply deemed under section 297.0.2.1 of the ARQST to be a supply of a financial service should be excluded from line 2000. See “Line 1000” on page 9 for more information on an election under section 297.0.2.1.

### Line 8820

Enter the total value of supplies you received during the fiscal year that are deemed by the election made under section 297.0.2.1 of the ARQST to be supplies of financial services.

### Purchases subject to QST

#### Line 2100

Enter the total amount of taxable purchases, including property acquired by way of lease, you made during the fiscal year that were subject to QST (**other than** purchases of zero-rated supplies). For example, enter your purchases of capital property and office supplies. If you are an insurer, this amount would also include taxable purchases of property or services acquired, imported, or brought into Quebec exclusively and directly for consumption, use, or supply in the course of investigating,

settling, or defending a claim arising under an insurance policy. Do not include GST/HST or QST.

## Part D – Imports and property and services brought into a participating province or into Quebec

The GST/HST applies not only to domestic purchases but also to certain imports of goods into Canada, to imported taxable supplies, and to property and services brought into a participating province. The GST and QST may apply to imports and property and services brought into Quebec.

The GST and QST may also apply to corporeal movable property (tangible personal property) brought into Quebec and to incorporeal movable property (intangible personal property) or a service supplied from outside Quebec to a person resident in Quebec.

Goods imported into a participating province from outside Canada are generally subject to the GST/HST unless they are identified in Schedule VII to the ETA as non-taxable for GST/HST purposes. Goods imported into Quebec from outside Canada are generally subject to GST unless they are identified in Schedule VII to the ETA as non-taxable for GST/HST purposes.

For QST purposes, corporeal movable property (tangible personal property) brought into Quebec is subject to QST unless it is identified in the fourth paragraph of section 17 of the ARQST or in section 1 of Schedule VII to the ETA.

Certain recipients of supplies of services and intangible personal property acquired for use in a participating province have to self-assess the tax, including on imported taxable supplies, and supplies that are included in Division IV.1 of Part IX of the ETA.

Similarly, certain recipients of services and incorporeal movable property (intangible personal property) supplied from outside Quebec to a person resident in Quebec generally have to self-assess the tax.

**Imported taxable supply** is defined in section 217 of the ETA and includes, for example, taxable supplies (other than certain zero-rated supplies or prescribed supplies) of services and intangible personal property made outside Canada to a person who is resident in Canada, unless certain exclusions apply.

Similarly, taxable supplies made outside Quebec for which the recipient may have to self-assess the QST (sections 18 and 18.0.1 of the ARQST) include, for example, taxable supplies of services or incorporeal movable property (intangible personal property) made to a resident of Quebec, unless certain exclusions apply. One such exclusion is a supply of a service that is acquired for consumption, use, or supply, exclusively (in other words, 100% for a financial institution) in the course of commercial activities of the person, or activities that are engaged in exclusively outside Canada for GST/HST purposes and outside Quebec for QST purposes by the person and that are not part of a business or an adventure or concern in the

nature of trade engaged in by the person in Canada for GST/HST purposes or in Quebec for QST purposes.

Division IV.1 of Part IX of the ETA sets out self-assessment rules that in some circumstances require a person to report and pay the provincial part of the HST where property and services are brought into a participating province for consumption, use or supply in a participating province after having been supplied in a province with a lower provincial rate (if the province in which the supply is made is a non-participating province, the provincial rate is equal to 0%), or where taxable goods are imported from outside of Canada into a participating province with a provincial rate that is higher than the provincial rate that was payable in respect of the importation of the property.

There are several exceptions to the requirement to self-assess the provincial part of the HST in respect of property or services that are brought into a participating province. A significant exception generally applies where the property or service is brought into a participating province by a registrant for consumption, use or supply exclusively (100% for financial institutions) in the course of commercial activities of the registrant. In addition, there is an exception under section 220.04 of the ETA that generally applies when a person is a selected listed financial institution.

For more information on self-assessment under Division IV.1, see Notice 266 – For discussion purposes only – Draft GST/HST Technical Information Bulletin, Harmonized Sales Tax – Self-assessment of the provincial part of HST in respect of property and services brought into a participating province.

In addition to self-assessing on imports, imported taxable supplies and property and services brought into a participating province or on corporeal movable property (tangible personal property) brought into Quebec as well as services and incorporeal movable property (intangible personal property) supplied from outside Quebec to a person resident in Quebec, a financial institution that is also a qualifying taxpayer is required to self-assess under section 218.01 and subsection 218.1(1.2) of the ETA or sections 26.3 and 26.4 of the ARQST (if applicable) for a specified year on the total of all amounts of qualifying consideration, or where an election under subsection 217.2(1) of the ETA is in effect, on the total of internal and external charges.

For more information, see GST/HST Technical Information Bulletin B-095, The Self-assessment Provisions of Section 218.01 and Subsection 218.1(1.2) for Financial Institutions (Import Rules).

**Specified year** of a person for the purposes of Division IV of Part IX of the ETA and section 26.2 of the ARQST means:

- in the case of a person that is described in the first two bullets of the definition of “tax year” for GST/HST purposes in this guide, the tax year of the person
- in the case of a person that is a registrant but is not described in the first two bullets of the definition of “tax year” for GST/HST purposes in this guide, the fiscal year of the person
- in any other case, the calendar year

For more information, see the definitions of “fiscal year” and “tax year” in Who has to file? on page 5.

If you are an SLFI for GST/HST purposes, you use the special attribution method in subsection 225.2(2) of the ETA to calculate your liability for the provincial part of the HST. As a result, you are not required to self-assess the provincial part of the HST on imports, imported taxable supplies, property and services brought into a participating province unless specific exceptions apply.

If you are an SLFI for QST purposes, you use the special attribution method in section 433.16 of the ARQST to calculate your liability for the QST. As a result, you are not required to self-assess the QST on corporeal movable property (tangible personal property) brought into Québec and on services and incorporeal movable property (intangible personal property) supplied from outside Québec to a person resident in Québec, unless specific exceptions apply.

## Section 1 – GST/HST

### Tax on imports and on property and services brought into a participating province – GST/HST

All references in this section are to the ETA unless otherwise noted.

#### Line 2400

Enter the total amount of GST and the federal part of the HST that became payable or that was paid without becoming payable for imported goods under section 212.

Section 212 requires every person who is liable under the Customs Act to pay duty on imported goods, or who would be so liable if the goods were subject to duty, to also pay tax at the rate of 5% on the excise and duty-paid value of the goods.

#### Exception

No tax is payable on imports of goods included in Schedule VII. For example, goods you import that are supplied by a non-resident for no consideration, other than shipping and handling charges, as replacement property under a warranty are not subject to tax.

#### Line 2410

Enter the total amount of GST and the federal part of the HST that became payable or that was paid without becoming payable for imported taxable supplies under section 218.

Section 218 requires every recipient of an imported taxable supply to pay tax at the rate of 5% on the value of the consideration for the supply. As a GST/HST registrant, you should use your regular GST/HST and QST return to self-assess the tax.

#### Example

You are a financial institution that is a GST/HST registrant and you are resident in Canada. You hired a non-registered non-resident company to provide taxable services that relate to your tax-exempt activities in Canada. You have to

self-assess tax on the value of the services by using line 405 of your GST/HST and QST return.

#### Line 2420

Enter the total amount of GST and the federal part of the HST that became payable on qualifying consideration under paragraph 218.01(b). This amount should be the amount of the GST that you self-assessed on all amounts of qualifying consideration for the specified year and included on line 405 of your GST/HST and QST return(s). The term “qualifying consideration” is defined in section 217.

For more information, see GST/HST Technical Information Bulletin B-095, The Self-assessment Provisions of Section 218.01 and Subsection 218.1(1.2) for Financial Institutions (Import Rules).

#### Line 2430

Enter the total amount of the provincial part of the HST that became payable or that was paid without becoming payable on certain imported goods under section 212.1.

Section 212.1 generally requires every person who is a resident in a participating province and liable under the Customs Act to pay duty on imported goods, or who would be liable if the goods were subject to duty, to also pay the provincial part of the HST on the excise and duty-paid value of the goods. Certain taxable goods are not subject to the provincial part of the HST upon importation including goods that are accounted for as commercial goods. “Commercial goods” are goods that are imported for sale or for any commercial, industrial, occupational, institutional or other like use.

#### Line 2440

Enter the total amount of the provincial part of the HST that became payable or that was paid without becoming payable on certain taxable imported goods brought into a participating province under section 220.07.

For example, you may have to self-assess the provincial part of the HST if you bring commercial goods from a place outside Canada into a participating province.

This payment is in addition to the tax imposed by section 212.

#### Example

You are a Canadian corporation that is a listed financial institution. You bring taxable commercial goods into New Brunswick from a place outside Canada. Since New Brunswick is a participating province, section 220.07 generally requires the corporation to pay, in addition to the tax imposed under section 212, the provincial part of the HST at the tax rate applicable to the particular participating province.

#### Note

The provincial part of the HST is not required to be self-assessed under Division IV.1 while you are an SLFI for GST/HST purposes unless it is a prescribed amount of tax for the purposes of section 220.04.

**Line 2450**

Enter the total amount of the provincial part of the HST that became payable or that was paid without becoming payable for imported taxable supplies under subsection 218.1(1).

**Note**

The provincial part of the HST on imported taxable supplies under subsection 218.1(1) would not be payable by you while you are an SLFI for GST/HST purposes unless any of the exceptions referred to in subsection 218.1(2) apply.

**Line 2460**

Enter the total amount of the provincial part of the HST that became payable on qualifying consideration under paragraph 218.1(1.2)(b).

**Note**

The provincial part of the HST on qualifying consideration under paragraph 218.1(1.2)(b) would not be payable by you while you are an SLFI for GST/HST purposes unless any of the exceptions referred to in subsection 218.1(2) apply.

**Line 2470**

Enter the total of any other amounts of the provincial part of the HST you had to self-assess for property and services brought into a participating province. This would include the provincial part of the HST self-assessed under Division IV.1 of the ETA other than under section 220.07, which is reported on line 2440.

**Note**

The provincial part of the HST is not required to be self-assessed under Division IV.1 while you are an SLFI for GST/HST purposes unless it is a prescribed amount of tax for the purposes of section 220.04.

**Line 2480**

Enter the total amount of GST and the federal part of the HST that became payable or was paid without becoming payable for all internal charges under paragraph 218.01(a).

**Internal charge**

Internal charge for a specified year is generally any part of an amount in respect of a transaction between a qualifying establishment of a qualifying taxpayer in Canada and another qualifying establishment of the same qualifying taxpayer in another country that meets certain criteria.

For more information, see GST/HST Technical Information Bulletin B-095, The Self-assessment Provisions of Section 218.01 and Subsection 218.1(1.2) for Financial Institutions (Import Rules).

**Line 2481**

Enter the total amount of GST and the federal part of the HST that became payable or was paid without becoming payable for all external charges under paragraph 218.01(a).

**External charge**

External charge for a specified year of a qualifying taxpayer is generally an amount in respect of an outlay or expense described in any of paragraphs 217.1(2)(a) to (c) that meets certain criteria.

For more information, see GST/HST Technical Information Bulletin B-095, The Self-assessment Provisions of Section 218.01 and Subsection 218.1(1.2) for Financial Institutions (Import Rules).

**Line 2482**

Enter the total amount of the provincial part of the HST that became payable or was paid without becoming payable for all internal charges under paragraph 218.1(1.2)(a).

**Note**

The provincial part of the HST on internal charges under paragraph 218.1(1.2)(a) would not be payable by you while you are an SLFI for GST/HST purposes unless any of the exceptions referred to in subsection 218.1(2) apply.

**Line 2483**

Enter the total amount of the provincial part of the HST that became payable or was paid without becoming payable for all external charges under paragraph 218.1(1.2)(a).

**Note**

The provincial part of the HST on external charges under paragraph 218.1(1.2)(a) would not be payable by you while you are an SLFI for GST/HST purposes unless any of the exceptions referred to in subsection 218.1(2) apply.

## Section 2 – QST

### Tax on corporeal movable property brought into Quebec and services and incorporeal movable property supplied from outside Quebec to a person resident in Quebec – QST

All references in this section are to the ARQST unless otherwise noted.

**Line 2950**

Enter the total amount of QST that became payable, or that was paid without becoming payable, for goods brought into Quebec under section 17.

Where goods are brought into Quebec for consumption or use in Quebec, section 17 requires every person, in circumstances described in that section, to also pay tax at the rate of 9.975% on the value of the goods.

**Note**

The QST on goods brought into Quebec under section 17 would not be payable by you while you are an SLFI for QST purposes unless the exceptions referred to in section 17.4.1 apply.

**Line 2951**

Enter the total amount of QST that became payable, or that was paid without becoming payable under sections 18 and 18.0.1 on taxable supplies. These sections require every recipient of a taxable supply, in circumstances described in these sections, to also pay tax at the rate of 9.975% on the value of the supply.

**Note**

The applicable QST under sections 18 and 18.0.1 would not be payable while you are an SLFI for QST purposes unless the exceptions referred to in section 18.0.3 apply.

**Line 2952**

Enter the total amount of QST that became payable on the value of consideration under section 26.4. This amount should be the amount of the QST that you self-assessed on all amounts of the value of consideration for the specified year and included on line 203 of your GST/HST and QST returns (form RC7294).

**Note**

The QST on the value of consideration under section 26.4 would not be payable under section 18 while you are an SLFI for QST purposes unless the exceptions referred to in section 18.0.3 apply.

**Line 2953**

Enter the total amount of QST that became payable, or was paid without becoming payable, on the value of consideration for all internal charges under section 26.3. See page 13 for the definition of internal charge.

**Note**

The QST on internal charges under section 26.3 would not be payable under section 18 while you are an SLFI for QST purposes unless the exceptions referred to in section 18.0.3 apply.

**Line 2954**

Enter the total amount of QST that became payable, or was paid without becoming payable, on the value of consideration for all external charges under section 26.3. See page 13 for the definition of external charge.

**Note**

The QST on external charges under section 26.3 would not be payable under section 18 while you are an SLFI for QST purposes unless the exceptions referred to in section 18.0.3 apply.

## Part E – Input tax credits (ITCs) and input tax refunds (ITRs)

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As a registrant, you may be eligible to claim ITCs or ITRs to recover the GST/HST or QST payable, or paid without becoming payable, on inputs (property and services) you acquire to make taxable supplies for consideration. In general, you cannot claim ITCs or ITRs to recover the GST/HST or QST paid on inputs you acquire to make exempt supplies.

Also, in accordance with subsection 169(3) of the ETA, an SLFI for GST/HST purposes is generally not eligible to claim an ITC related to the provincial part of the HST and in accordance with section 199.0.0.1 of the ARQST, an SLFI for QST purposes is generally not eligible to claim an ITR related to the QST.

## Section 1 – GST/HST

**Lines 4500 to 4700**

The ITCs you claim for a fiscal year may include amounts of the GST/HST that became payable or that were paid without becoming payable in a previous fiscal year.

Enter on line 4500 the total amount of ITCs you claimed in the fiscal year for the GST/HST that became payable or that was paid without becoming payable during the fiscal year.

Enter on line 4600 the total amount of ITCs you claimed in the fiscal year that relate to previous fiscal years.

Add lines 4500 and 4600, and enter the total on line 4700.

This amount should equal the total of all ITC amounts you reported on line 106 of your GST/HST and QST returns for the fiscal year.

**Notes**

You must fill out “Section 1 – ITCs claimed” of “Part F – ITC and ITR allocation methods used during the fiscal year” to support the amounts reported on line 4700.

An amount on lines 4500 to 4700 should not be reduced by the amount of any recaptured input tax credits related to the provincial part of the HST.

## Section 2 – QST

**Lines 4800 to 5000**

The ITRs you claim for a fiscal year may include amounts of the QST that became payable or that were paid without becoming payable in a previous fiscal year.

Enter on line 4800 the total amount of ITRs you claimed in the fiscal year for the QST that became payable or that was paid during the fiscal year without becoming payable during the fiscal year.

Enter on line 4900 the total amount of ITRs you claimed in the fiscal year that relate to previous fiscal years.

Add lines 4800 and 4900, and enter the total on line 5000.

This amount should equal the total of all ITR amounts you reported on line 206 of your GST/HST and QST returns for the fiscal year.

**Note**

You must fill out “Section 2 – ITRs claimed” of “Part F – ITC and ITR allocation method(s) used during the fiscal year” to support the amounts reported on line 5000.

## Part F – ITC and ITR allocation methods used during the fiscal year

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You must enter an amount on each line in Part F if you have claimed any ITCs or ITRs in the fiscal year. Report the ITCs or ITRs you claimed for each type of input according to the ITC or ITR allocation method you used for that input.

In general, when you acquire property or a service for consumption or use exclusively (100%) for the purpose of making taxable supplies for consideration, you can claim a full (100%) ITC for the GST/HST and/or a full (100%) ITR for the QST you paid to acquire the input. In determining an ITC or an ITR for a financial institution, consideration does not include nominal consideration. If you acquire an input both for the purpose of making taxable supplies for consideration **and** for other purposes, you have to determine the extent it is acquired for each purpose to determine the percentage of the GST/HST or QST paid on the input that can be recovered as an ITC or an ITR.

For more information on the detailed ITC and ITR allocation rules for financial institutions, see the following GST/HST Memoranda:

- GST/HST Memorandum 17-11, Determining Whether a Financial Institution is a Qualifying Institution for Purposes of Section 141.02
- GST/HST Memorandum 17-12, Input Tax Credit Allocation Methods for Financial Institutions for Purposes of Section 141.02
- GST/HST Memorandum 17-13, Application of Section 141.02 to Financial Institutions That Are Qualifying Institutions

#### Note

In accordance with subsection 169(3) of the ETA, an SLFI for GST/HST purposes is generally not eligible to claim an ITC related to the provincial part of the HST and in accordance with section 199.0.0.1 of the ARQST, an SLFI for QST purposes is generally not eligible to claim an ITR related to the QST.

The specific ITC and ITR allocation rules for financial institutions found in section 141.02 of the ETA and sections 42.0.10 to 42.0.24 of the ARQST apply in determining the operative and procurative extent of an input. The application of these rules depends on the type of input, and whether or not the person is a qualifying institution. Generally, a financial institution should categorize each input according to whether it is an exclusive input, excluded input, direct input or non-attributable input and apply a particular ITC or ITR allocation method to that input.

An amount in Part F should not be reduced by the amount of any recaptured input tax credits related to the provincial part of the HST.

## Exclusive inputs

An exclusive input is property or a service (other than an excluded input) that you acquired, imported, or brought into a participating province for your consumption or use directly and exclusively for the purpose of making taxable supplies for consideration **or** directly and exclusively other than for the purpose of making taxable supplies for consideration.

#### Note

For QST purposes, “acquired, imported, or brought into a participating province” should be read as “acquired or brought into Quebec.”

## Excluded inputs (capital real property and capital personal property)

An excluded input is **either** of the following:

- property for use as capital property
- property or a service that is acquired, imported, or brought into a participating province for use as an improvement to capital property

#### Note

For QST purposes, “acquired, imported, or brought into a participating province” should be read as “acquired or brought into Quebec.”

## Direct inputs

A direct input is property or a service, other than:

- an excluded input
- an exclusive input
- a non-attributable input

Generally, a direct input is a property or a service that:

- is neither capital property nor an improvement to capital property
- is acquired, imported, or brought into a participating province, or consumed or used, both for the purpose of making taxable supplies for consideration and for purposes other than making taxable supplies for consideration
- can be attributed, at least in part, to the making of a particular supply or supplies

#### Note

For QST purposes, “acquired, imported, or brought into a participating province” should be read as “acquired or brought into Quebec.”

## Non-attributable inputs

A non-attributable input is property or a service that is:

- not an excluded input
- not an exclusive input
- acquired, imported, or brought into a participating province
- not attributable to the making of any particular supply

#### Note

For QST purposes, “acquired, imported, or brought into a participating province” should be read as “acquired or brought into Quebec.”

## Qualifying institution

In general terms, for purposes of the ITC and ITR allocation rules for financial institutions, a qualifying institution for a particular fiscal year is a financial institution that meets **all** of the following requirements in the fiscal year:

- The financial institution is a bank, an insurer or a securities dealer at any time in the fiscal year.
- The financial institution has two fiscal years immediately preceding the particular fiscal year and in each of those two fiscal years, **both** of the following conditions are met:
  - The financial institution had an adjusted tax credit amount equal to or exceeding \$500,000
  - The financial institution had a tax credit rate equal to or exceeding 12% for banks, 10% for insurers or 15% for securities dealers

For more information, see GST/HST Memorandum 17-11, Determining Whether a Financial Institution is a Qualifying Institution for Purposes of Section 141.02.

## Bank

Bank, for a fiscal year, means a bank or an authorized foreign bank within the meaning of section 2 of the Bank Act, but does not include an insurer.

## Insurer

Insurer, for a fiscal year, means a person who is licensed or otherwise authorized under the laws of Canada or a province to carry on in Canada an insurance business or under the laws of another jurisdiction to carry on in that other jurisdiction an insurance business, and, who at any time in the fiscal year, carries on an insurance business as its principal business in Canada.

## Securities dealer

Securities dealer, for a fiscal year, means a person who meets **all** of the following conditions:

- They are not a bank or an insurer at any time in the fiscal year
- They carry on, at any time in the fiscal year, a business as a trader or dealer in, or as a broker or salesperson of, securities as the person's principal business in Canada
- They are registered under the laws of Canada or a province to carry on in Canada, at any time in the fiscal year, a business as a trader or dealer in, or as a broker or salesperson of, securities

## Operative extent of property or a service

The operative extent of property or a service is the extent to which the consumption or use of the property or service by a person is for the purpose of making taxable supplies for consideration **or** for a purpose other than making taxable supplies for consideration.

## Procurative extent of property or a service

The procurative extent of property or a service is (for GST/HST purposes) the extent to which the property or service is acquired, imported, or brought into a participating province or (for QST purposes) the extent to which the property or service is acquired or brought into Quebec, by a person for the purpose of making taxable supplies for consideration **or** for a purpose other than making taxable supplies for consideration.

## Section 1 – ITCs claimed

### Full (100%) ITC recovery

#### Lines 6200 to 6230

Enter on lines 6200 to 6230 the total amount of eligible ITCs, if any, you claimed during the fiscal year for which you were entitled to a full recovery of the GST/HST that

became payable or was paid without becoming payable. Categorize this information based on the type of input.

#### Notes

An amount entered on any of lines 6200 to 6230 should not be entered on any other line, even if it was calculated using a pre-approved method, specified method, or other method.

An amount should not be reported on line 6200 that is for exclusive inputs where the amount of the ITC is subject to any restriction or subsequent adjustment such as an ITC with respect to meals and entertainment expenses. This amount should be reported on line 6400 or 6700.

## Prescribed percentage method

### Lines 6340 and 6350

The extent to which a residual input (direct input or non-attributable input) of the financial institution is acquired, imported, or brought into a participating province or consumed or used for the purpose of making taxable supplies for consideration is deemed to be the prescribed percentage for the prescribed class of financial institution (in other words, 12% for banks, 10% for insurers, and 15% for securities dealers) where the person is **either** of the following:

- a qualifying institution that is not using a method pre-approved by the CRA
- a financial institution of a prescribed class (such as, a bank, an insurer or a securities dealer) that has an election in effect under subsection 141.02(9) of the ETA

Enter on lines 6340 and 6350 the total amount of eligible ITCs, if any, you claimed during the fiscal year for which you determined your recovery of the GST/HST that became payable or was paid without becoming payable using the prescribed percentage method.

Categorize this information based on the type of your residual input(s). That is, you must enter separately the ITC amounts for direct inputs and the ITC amounts for non-attributable inputs.

## Pre-approved methods

### Lines 6400 to 6450

A person that is a qualifying institution for a fiscal year can apply for authorization to use its own ITC allocation methods for the fiscal year.

For more information, see the following GST/HST Memoranda:

- GST/HST Memorandum 17-11, Determining Whether a Financial Institution is a Qualifying Institution for Purposes of Section 141.02
- GST/HST Memorandum 17-12, Input Tax Credit Allocation Methods for Financial Institutions for Purposes of Section 141.02
- GST/HST Memorandum 17-13, Application of Section 141.02 to Financial Institutions That Are Qualifying Institutions



### Line 6400

Enter on line 6400 the total amount of eligible ITCs, if any, you claimed during the fiscal year for exclusive inputs where you have used a pre-approved method and the amount of the ITC is subject to any restrictions or subsequent adjustments (for example, an ITC with respect to meals and entertainment expenses).

### Lines 6410 to 6450

Enter on lines 6410 to 6450 the total amount of eligible ITCs, if any, you claimed during the fiscal year using pre-approved methods. Categorize this information based on the type of input.

#### Exception

Do not include any amount related to an ITC for an excluded input for which you were entitled to claim a full ITC, even if it was calculated using a pre-approved method. These amounts should be included on lines 6210 to 6230.

### Direct attribution methods

A **direct attribution method** is a method that conforms to criteria, rules, terms, and conditions specified by the Minister of National Revenue, and that is the most direct manner of determining the operative extent and procurative extent of property or a service. These criteria, rules, terms, and conditions are specified in GST/HST Memorandum 17-12, Input Tax Credit Allocation Methods for Financial Institutions for Purposes of Section 141.02.

### Line 6540

Enter on line 6540 the total amount of eligible ITCs, if any, you claimed during the fiscal year for which you determined your recovery of the GST/HST payable or paid without having become payable on direct inputs using a direct attribution method.

### Specified methods

A **specified method** is a method that conforms to criteria, rules, terms, and conditions specified by the Minister of National Revenue and that is used to determine the operative extent and the procurative extent of property or a service. These criteria, rules, terms, and conditions are specified in GST/HST Memorandum 17-12, Input Tax Credit Allocation Methods for Financial Institutions for Purposes of Section 141.02.

### Lines 6610 to 6650

Enter on lines 6610 to 6650 the total amount of eligible ITCs, if any, you claimed during the fiscal year for which you determined your recovery of the GST/HST payable or paid without having become payable using a specified method. Categorize this information based on the type of input.

#### Exception

Do not include any amount related to an ITC for an excluded input for which you were entitled to claim a full ITC, even if it was calculated using a specified method. These amounts should be included on lines 6210 to 6230.

### Other methods

### Line 6700

Enter on line 6700 the total amount of eligible ITCs, if any, you claimed during the fiscal year for exclusive inputs where the amount of the ITC is subject to any restrictions or subsequent adjustments (such as an ITC with respect to meals and entertainment expenses), unless this amount has been reported on line 6400.

### Lines 6710 to 6750

Enter on lines 6710 to 6750 the total amount of eligible ITCs, if any, you claimed during the fiscal year which has not already been included in lines 6210 to 6650 (other than 6400). Categorize this information based on the type of input.

Also provide a brief description of the other methods you used in the space directly below the chart.

### Totals

### Lines 6800 to 6850

Enter on lines 6800 to 6850 the total from each column.

The totals from lines 6800 to 6850 in this part should equal the amounts reported on line 4700 of Part E.

### Have any of the ITC allocation methods changed from the previous year?

Indicate whether any allocation methods have changed from a previous year by ticking the appropriate box under the chart in Part F. Where an allocation method has changed, briefly explain why you changed the method.

## Section 2 – ITRs claimed

### Full (100%) ITR recovery

### Lines 6900 to 6903

Enter on lines 6900 to 6903 the total amount of eligible ITRs, if any, you claimed during the fiscal year for which you were entitled to a full recovery of the QST that became payable or was paid without becoming payable. Categorize this information based on the type of input.

#### Notes

An amount entered on any of lines 6900 to 6903 should not be entered on any other line, even if it was calculated using a pre-approved method, specified method, or other method.

An amount should not be reported on line 6900 that is for exclusive inputs where the amount of the ITR is subject to any restriction or subsequent adjustment such as an ITR with respect to meals and entertainment expenses. This amount should be reported on line 6912 or 6930.

### Prescribed percentage method

### Lines 6910 and 6911

The extent to which a residual input (direct input or non-attributable input) of the financial institution is acquired or brought into Quebec or consumed or used for the purpose of making taxable supplies for consideration is deemed to be the prescribed percentage for the prescribed class of

financial institution (in other words, 12% for banks, 10% for insurers, and 15% for securities dealers) where the person is **either** of the following:

- a qualifying institution that is not using a method pre-approved by the CRA
- a financial institution of a prescribed class (such as a bank, an insurer or a securities dealer) as discussed in section 42.0.14 of the ARQST that has an election in effect under subsection 141.02(9) of the ETA

Enter on lines 6910 and 6911 the total amount of eligible ITRs, if any, you claimed during the fiscal year for which you determined your recovery of the QST that became payable or was paid without becoming payable using the prescribed percentage method.

Categorize this information based on the type of your residual input(s). That is, you must enter separately the ITR amounts for direct inputs and the ITR amounts for non-attributable inputs.

## Pre-approved methods

### Lines 6912 to 6917

A person that is a qualifying institution for a fiscal year and that is authorized to use its own ITC allocation methods for the fiscal year for GST/HST purposes must also use those methods for QST purposes.

For more information, see the following GST/HST Memoranda:

- GST/HST Memorandum 17-11, Determining Whether a Financial Institution is a Qualifying Institution for Purposes of Section 141.02
- GST/HST Memorandum 17-12, Input Tax Credit Allocation Methods for Financial Institutions for Purposes of Section 141.02
- GST/HST Memorandum 17-13, Application of Section 141.02 to Financial Institutions That Are Qualifying Institutions

### Line 6912

Enter on line 6912 the total amount of eligible ITRs, if any, you claimed during the fiscal year for exclusive inputs where you have used a pre-approved method and the amount of the ITR is subject to any restrictions or subsequent adjustments (for example, an ITR with respect to meals and entertainment expenses).

### Lines 6913 to 6917

Enter on lines 6913 to 6917 the total amount of eligible ITRs, if any, you claimed during the fiscal year using pre-approved methods. Categorize this information based on the type of input.

#### Exception

Do not include any amount related to an ITR for an excluded input for which you were entitled to claim a full ITR, even if it was calculated using a pre-approved method. These amounts should be included on lines 6901 to 6903.

## Direct attribution methods

A **direct attribution method** is a method that conforms to criteria, rules, terms, and conditions specified by the Minister of National Revenue, and that is the most direct manner of determining the operative extent and procurative extent of property or a service. These criteria, rules, terms, and conditions are specified in GST/HST Memorandum 17-12, Input Tax Credit Allocation Methods for Financial Institutions for Purposes of Section 141.02.

### Line 6922

Enter on line 6922 the total amount of eligible ITRs, if any, you claimed during the fiscal year for which you determined your recovery of the QST payable or paid without having become payable on direct inputs using a direct attribution method.

## Specified methods

A **specified method** is a method that conforms to criteria, rules, terms, and conditions specified by the Minister of National Revenue and that is used to determine the operative extent and the procurative extent of property or a service. These criteria, rules, terms, and conditions are specified in GST/HST Memorandum 17-12, Input Tax Credit Allocation Methods for Financial Institutions for Purposes of Section 141.02.

### Lines 6925 to 6929

Enter on lines 6925 to 6929 the total amount of eligible ITRs, if any, you claimed during the fiscal year for which you determined your recovery of the QST payable or paid without having become payable using a specified method. Categorize this information based on the type of input.

#### Exception

Do not include any amount related to an ITR for an excluded input for which you were entitled to claim a full ITR, even if it was calculated using a specified method. These amounts should be included on lines 6901 to 6903.

## Other methods

### Line 6930

Enter on line 6930 the total amount of eligible ITRs, if any, you claimed during the fiscal year for exclusive inputs where the amount of the ITR is subject to any restrictions or subsequent adjustments (such as an ITR with respect to meals and entertainment expenses), unless this amount has been reported on line 6912.

### Lines 6931 to 6935

Enter on lines 6931 to 6935 the total amount of eligible ITRs, if any, you claimed during the fiscal year which has not already been included in lines 6901 to 6929 (other than 6912). Categorize this information based on the type of input.

Also provide a brief description of the other methods you used in the space directly below the chart.

## Totals

### Lines 6936 to 6941

Enter on lines 6936 to 6941 the total from each column. The totals from lines 6936 to 6941 in this part should equal the amounts reported on line 5000 of Part E.

### Have any of the ITR allocation methods changed from the previous year?

Indicate whether any allocation methods have changed from a previous year by ticking the appropriate box under the chart in Part F. Where an allocation method has changed, briefly explain why you changed the method.

## Part G – Certification

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Every filer must fill out this part. You have to sign and date the information return.

### Note

There are serious consequences associated with the failure to properly report information on Form RC7291, GST/HST and QST Annual Information Return for Selected Listed Financial Institutions.

## Keeping records

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Usually, you have to keep all sales and purchase invoices and other records related to your business operations and

GST/HST or QST for six years from the end of the year to which they relate. However, the CRA may ask you to keep them for longer than six years.

If you want to destroy your records before the time limit expires, you have to send the CRA a written request and wait for a written approval to do so. CRA auditors may ask to see your records.

## How to change a return

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If you need to make a change to a return you have sent in, you can send a letter to the Prince Edward Island Tax Centre, including your business number, the fiscal year of the Form RC7291 to be amended, and the corrected amounts per line number on your Form RC7291. Make sure an authorized representative signs the letter and includes the name and telephone number of a person the CRA can contact if needed.

If you prefer, you can file a new Form RC7291, instead of sending a letter, and write the word “AMENDED” at the top of the return. The amended Form RC7291 should contain all the correct information that was reported on the original Form RC7291 as well as any amended/revised information and/or amounts, and be sent to the Prince Edward Island Tax Centre. In addition, the amended Form RC7291 should be the same version as the original Form RC7291.

## Digital services

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### Handle your business taxes online

My Business Account lets you view and manage your business taxes online.

Use My Business Account throughout the year to:

- make a payment to the CRA online with My Payment, create a pre-authorized debit (PAD) agreement, or create a QR code to pay in person at Canada Post
- file a return, view the status of filed returns, and adjust returns online
- submit documents to the CRA
- manage authorized representatives and authorization requests
- register to receive email notifications and to view mail from the CRA in My Business Account
- manage addresses, direct deposit information, program account names, operating names, phone numbers, and business numbers in your profile
- file an election related to GST/HST
- view and pay account balances
- calculate and pay instalment payments
- calculate a future balance
- transfer payments and immediately view the updated balance
- make an online request regarding your account and view answers to common enquiries
- submit an audit enquiry
- request relief of penalties and interest
- manage Multi-factor authentication settings

To sign in to or register for the CRA's digital services, go to:

- My Business Account at **canada.ca/my-cra-business-account**, if you are a business owner
- Represent a Client at **canada.ca/taxes-representatives**, if you are an authorized representative or employee

For more information, go to **canada.ca/taxes-business-online**.

### Receive your CRA mail online

Register for email notifications to find out when your CRA mail, like your notice of assessment, is available in My Business Account.

For more information, go to **canada.ca/cra-business-email-notifications**.

### Create a pre-authorized debit agreement from your Canadian chequing account

A pre-authorized debit (PAD) is a secure, online self-service payment option for individuals and businesses to pay their taxes. A PAD lets you authorize withdrawals from your Canadian chequing account to pay the CRA. You can set the payment dates and amounts of your PAD agreement using the CRA's secure My Business Account service at **canada.ca/my-cra-business-account**. PADs are flexible and managed by you. You can use My Business Account to view your account history and modify, cancel, or skip a payment. For more information, go to **canada.ca/pay-authorized-debit**.

## For more information

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### If you need help

If you need more information after reading this guide, go to [canada.ca/gst-hst](https://canada.ca/gst-hst) or call 1-855-666-5166.

### Direct deposit

Direct deposit is a fast, convenient, and secure way to receive your CRA payments directly in your account at a financial institution in Canada. For more information and ways to enrol, go to [canada.ca/cra-direct-deposit](https://canada.ca/cra-direct-deposit) or contact your financial institution.

### Forms and publications

The CRA encourages you to file your return electronically. If you need a paper version of the CRA's forms and publications, go to [canada.ca/cra-forms-publications](https://canada.ca/cra-forms-publications) or call 1-800-959-5525.

### Electronic mailing lists

The CRA can send you an email when new information on a subject of interest to you is available on the website. To subscribe to the electronic mailing lists, go to [canada.ca/cra-email-lists](https://canada.ca/cra-email-lists).

### Teletypewriter (TTY) users

If you use a TTY for a hearing or speech impairment, call 1-800-665-0354.

If you use an **operator-assisted relay service**, call the CRA's regular telephone numbers instead of the TTY number.

### GST/HST and QST rulings and interpretations

You can request a ruling or interpretation on how the GST/HST and QST applies to a specific transaction for your operations. This service is provided free of charge. For the mailing address or fax number of the closest GST/HST Rulings centre, see GST/HST Memorandum 1-4, Excise and GST/HST Rulings and Interpretations Service, or call 1-855-666-5166.

### Formal disputes (objections and appeals)

You have the right to register a formal dispute if you disagree with an assessment, determination, or decision.

For more information about objections and related deadlines, go to [canada.ca/cra-file-objection](https://canada.ca/cra-file-objection).

### CRA service feedback program

#### Service complaints

You can expect to be treated fairly under clear and established rules, and get a high level of service each time you deal with the CRA. For more information about the Taxpayer Bill of Rights, go to [canada.ca/taxpayer-rights](https://canada.ca/taxpayer-rights).

You may provide compliments or suggestions, and if you are not satisfied with the service you received:

1. Try to resolve the matter with the employee you have been dealing with or call the telephone number provided in the correspondence you received from the CRA. If you do not have contact information for the CRA, go to [canada.ca/cra-contact](https://canada.ca/cra-contact).
2. If you have not been able to resolve your service-related issue, you can ask to discuss the matter with the employee's supervisor.
3. If the problem is still not resolved, you can file a service related complaint by filling out Form RC193, Service Feedback. For more information and to learn how to file a complaint, go to [canada.ca/cra-service-feedback](https://canada.ca/cra-service-feedback).

If you are not satisfied with how the CRA has handled your service-related complaint, you can submit a complaint to the Office of the Taxpayers' Ombudsperson.

### Reprisal complaints

If you have received a response regarding a previously submitted service complaint or a formal review of a CRA decision and feel you were not treated impartially by a CRA employee, you can submit a reprisal complaint by filling out Form RC459, Reprisal Complaint.

For more information, go to [canada.ca/cra-complaints-disputes](https://canada.ca/cra-complaints-disputes).

### Cancel or waive penalties and interest

The CRA administers legislation, commonly called taxpayer relief provisions, that allows the CRA discretion to cancel or waive penalties and interest when taxpayers cannot meet their tax obligations due to circumstances beyond their control.

The CRA's discretion to grant relief is limited to any period that ended within 10 calendar years before the year in which a request is made.

For penalties, the CRA will consider your request only if it relates to a tax year or fiscal period ending in any of the 10 calendar years before the year in which you make your request. For example, your request made in 2023 must relate to a penalty for a tax year or fiscal period ending in 2013 or later.

For interest on a balance owing for any tax year or fiscal period, the CRA will consider only the amounts that accrued during the 10 calendar years before the year in which you make your request. For example, your request made in 2023 must relate to interest that accrued in 2013 or later.

Taxpayer relief requests can be made online using the CRA's My Account, My Business Account (MyBA), or Represent a Client digital services:

- **My Account:** After signing in, select "Accounts and payments," then "Request relief of penalties and interest."

- **My BA or Represent a Client:** After signing in, on the My BA overview page, select the appropriate program from the navigation menu, then select the correct account. Finally, select “Request relief of penalties and interest” under the “Request” heading

If you are an SLFI for GST/HST or QST purposes or both and you want to ask for relief from penalties and interest related to either the GST/HST or the QST, or charges related to the QST, you can also fill out Form RC7288, Selected Listed Financial Institution – Request for Taxpayer Relief – Cancel or Waive Penalties and Interest related to the GST/HST or the QST, or Charges Related to the QST. However, if you are an SLFI for GST/HST purposes only and you only want to ask for relief from penalties or interest only related to GST/HST, fill out Form RC4288, Request for Taxpayer Relief – Cancel or Waive Penalties

and Interest. You can send these forms by one of the following ways:

- online with My Account: select “Submit documents” under the “Correspondence” section
- online with MyBA or Represent a Client: select “Submit documents” from the banner at the top of the page
- by mail to the designated office, as shown on the last page of the form, based on your place of residence

For information on the “Submit documents online” service, go to **[canada.ca/cra-submit-documents-online](https://canada.ca/cra-submit-documents-online)**.

For more details on the required supporting documents, relief from penalties or interest, and other related forms and publications, go to **[canada.ca/penalty-interest-relief](https://canada.ca/penalty-interest-relief)**.