



# GST Memoranda Series

## 27.2 Conventions

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### Overview

This section outlines the Goods and Services Tax (GST) rebate available to convention sponsors, organizers and exhibitors under the provisions of sections 252.3, 252.4 and 252.5 of the *Excise Tax Act*. It explains how sponsors and unregistered organizers of foreign conventions may claim a GST rebate in respect of the tax paid on the acquisition of convention facilities, short-term accommodation, or the acquisition or importation of related convention supplies. It also describes how unregistered non-resident exhibitors attending conventions held in Canada may claim a GST rebate in respect of the tax paid on the acquisition of exhibition space at a convention and related convention supplies.

### Disclaimer

The information in this memorandum does not replace the law found in the *Excise Tax Act* and its Regulations. It is provided for your reference. As it may not completely address your particular operation, you may wish to refer to the Act or appropriate Regulation, or contact a Canada Revenue Agency (CRA) GST/HST Rulings Centre for more information. These centres are listed in GST/HST Memorandum 1.2, *Canada Revenue Agency GST/HST Rulings Centres*. If you wish to make a technical enquiry on the GST/HST by telephone, please call the toll-free number 1-800-959-8287.

If you are located in the Province of Quebec, please contact Revenu Québec by calling the toll-free number 1-800-567-4692 for additional information.

### Note

This section of Chapter 27 supersedes GST Memorandum 500-4-1-3, *Conventions*.

## Conventions held in Canada

### Rebate in respect of foreign conventions s 252.4 and 252.3

1. Sponsors and unregistered organizers of foreign conventions can recover the tax charged in respect of short-term accommodation, meeting rooms, exhibition space and a wide range of purchases used to conduct conventions in Canada. Similar relief is available for unregistered non-resident convention exhibitors. Refer to paragraph 17 of this section for more information on unregistered non-resident convention exhibitors.

### Sponsors and organizers

2. Sponsors and unregistered organizers of foreign conventions may recover the tax eligible for rebate by filing a rebate application form or, in some cases, by receiving a credit for the amount of the tax.

## Non-resident rebate

3. The non-resident rebate provides relief to sponsors and unregistered organizers of foreign conventions in respect of meeting and conference rooms, and exhibition space acquired by them for use in foreign conventions held in Canada. The rebate program also applies to a wide range of other expenses incurred by sponsors and unregistered organizers of foreign conventions, and unregistered non-resident exhibitors. Specifically, the non-resident rebate is available to sponsors and unregistered organizers of foreign conventions, and unregistered non-resident exhibitors for the tax charged on a supply of convention facilities, short-term accommodation and related convention supplies.

## Convention supplies eligible for rebate

Eligible goods and services for conventions 4. The non-resident rebate applies to a wide range of supplies acquired by sponsors of conventions. Some examples of such eligible supplies include:

- audio visual services;
- business equipment services;
- convention show services;
- exhibit design and display services;
- speakers and educational seminars;
- specialty advertising and premiums;
- convention foods and beverages (at the rate of 50% of the tax paid);and
- floral decorations.

5. The purchases in respect of which a rebate may be claimed are described more fully in Appendix A of this section.

Short-term accommodation 6. If an unregistered sponsor of a foreign convention pays for the short-term accommodation and includes it in the admission, the sponsor will claim the rebate for the tax paid on the short-term accommodation.

Some examples of ineligible goods and services 7. A rebate cannot be claimed for the tax paid on the following examples of goods and services:

- banquet gratuities;
- theme nights and entertainment;
- local tours;

## 27.2 Conventions (continued)

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- taxi and limousine services; and
- anything sold separately from the admission fee unless it is sold to an exhibitor.

### Rebate and documentation requirements

- Applying for rebate - form GST 386E
8. Unregistered sponsors of foreign conventions may apply for the rebate by using form GST 386E, *Convention Application for Rebate of Goods and Services Tax (GST) and Provincial Sales Tax (PST)*, which is available from any tax services office. (See Appendix B.) **The application for the rebate must be filed by the sponsor of the foreign convention within one year after the convention ends.** For example, if a convention is held April 26 to 29, 1994, a rebate application must be received by the Department no later than April 29, 1995. Each rebate application must be accompanied by supporting documentation, proof of full payment, a convention itinerary, agenda or event program.
- Supporting documentation
9. Supporting documentation would include invoices or expense summaries. Proof of full payment would include photocopied cancelled cheques or invoices paid in full.

### Rebate to sponsors of foreign conventions

- ss 252.4(1)
10. Sponsors of foreign conventions are entitled to a rebate in respect of
- a supply of property or services relating to the convention made by a registrant who is the organizer of the convention,
  - a supply of property or services acquired for consumption, use or supply as convention supplies or of the convention facility, made by a registrant who is not the organizer, or
  - property or services that are imported for consumption, use or supply as related convention supplies.
11. In the case of the supply made by the organizer, a rebate is available equal to the amount of tax paid on that part of the consideration for the supply that is reasonably attributable to the convention facility or related convention supplies, and, in any other case, a rebate is available equal to the tax paid in respect of the supply or importation.
- Applying for the rebate - form GST 386E
12. Unregistered sponsors of foreign conventions may apply for a rebate by using form GST 386E which must be filed within one year after the convention ends. (See Appendix B.)
- Credit for sponsors
13. A registered organizer of a foreign convention may allow a credit to the sponsor of the foreign convention in an amount equal to the eligible rebate.

**Rebate to unregistered organizers of foreign conventions**

- ss 252.4(3)                      14. An unregistered organizer of a foreign convention, who pays the tax when the convention facility or related convention supplies are acquired, may claim a rebate equal to the tax paid.
  
- Applying for the rebate -    15. Unregistered organizers of foreign conventions may apply for a rebate by using form GST 386E form GST 386E                      form GST 386E which must be filed within one year after the convention ends. (See Appendix B.)
  
- Credit for unregistered      16. A registered supplier of short-term accommodation or the operator of the organizer                              convention facility (neither of whom is the organizer of the convention) who supplies the facility or related convention supplies may credit the unregistered organizer of the foreign convention with an amount equal to the rebate to which they would otherwise be entitled.

**Rebate available to unregistered non-resident convention exhibitors**

- s 252.3                              17. The unregistered non-resident exhibitor may claim a rebate equal to the tax paid on the exhibition space and related convention supplies.
  
- Applying for the rebate -    18. Unregistered exhibitors may file a rebate application, using form GST 386E, to form GST 386E                      recover the tax paid on related convention supplies, a supply of exhibition space that is acquired for use as a site for the exhibition and short-term accommodation. This application form must be filed within one year after the convention ends. (See Appendix B.)

**How to calculate the rebate**

Example                              19. Determine the cost of all the expenses incurred for a convention, including GST.

Meals and catering	\$20,000
GST	\$1,400
Exhibition space rental	\$40,000
GST	\$2,800
Local tours for delegates	\$5,000
GST	\$350
Services for conference speaker	\$2,000
GST	\$140
Exhibit design services	\$20,000
GST	\$1,400

20. Based on this example, the expenses for this non-resident convention totals \$87,000 plus \$6,090 GST for a total cost of \$93,090.

## 27.2 Conventions (continued)

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- Expenses eligible for rebate 21. Identify the expenses that are eligible for the non-resident rebate. The example includes the following:

Meals and catering (\$20,000)	
GST (50% of \$1,400)	\$700
Exhibition space rental (\$40,000)	
GST	\$2,800
Services of conference speaker (\$2,000)	
GST	\$140
Exhibit design services (\$20,000)	
GST	\$1,400
Total amount of non-resident rebate	\$5,040

22. An unregistered non-resident sponsor is entitled to a rebate of \$5,040.

### Other non-resident travel rebates

- Incentive travel 23. Certain non-resident persons (other than those previously discussed in this section), for example, corporations providing incentive travel, and incentive travel providers, may be entitled to claim a rebate of the tax paid on property or services acquired in Canada.
- Travel combining business and pleasure 24. Where the purpose of travel to Canada is a combination of pleasure and to conduct internal business meetings, these non-resident persons may recover the tax paid in accordance with the rules respecting conventions, set out in this publication.
- Travel for pleasure only 25. Where the purpose of travel to Canada is strictly pleasure, these non-resident persons may recover the tax paid in accordance with the rules outlined in section 252.1.

## Appendix A

### Examples of related convention supplies eligible for rebate

The following are examples of purchases that would qualify for a GST rebate:

- **audio visual services;**

The provision of audio, audio/visual and video services, both equipment and labour associated with technical services provided to non-resident organizations.

- **business equipment services;**

The provision of equipment such as typewriters, computers, photocopiers, desks and chairs.

- **convention show services;**

The provision of equipment and associated labour to install such items as carpet, tables, chairs, exhibit booths, waste receptacles, ash trays, decorator plants, draping, banners and signs.

- **exhibit design and display services;**

The provision of equipment and labour to design and build displays and exhibits.

- **transportation services between venues;**

The provision of group transportation from the airport to convention and meeting site, and shuttle services between venues, generally hotels and convention centres during the convention meeting period, but this does not include transportation services between restaurants, museums, shopping areas or airports.

- **telecommunications services;**

The provision of telephone, facsimile, video, audio or computer link-ups, long-distance charges.

- **simultaneous interpretation equipment services;**

The provision of simultaneous interpretation and audio related equipment and labour.

- **electrical services;**

The provision of equipment and labour for electrical services such as power amplification and spot lighting.

- **translators and interpreters services;**

The provision of individuals capable of translating and interpreting between the languages being used.

- **moving services;**

The provision of the labour and the equipment required to deliver exhibit materials to the assigned space, including the storage of crates during the exhibition.

- **personnel services;**

The provision of local personnel for on-site convention office work such as to staff admission areas.

- **security services;**

The provision of on-site security services to control access to the exhibitions and meetings and to protect the valuables of the exhibitors and convention organizer.

- **destination management companies;**

The provision of local management expertise and services in organizing the convention, meeting or assembly for the incoming organization.

- **speakers and educational seminars;**

The provision of facilitators and course materials to further advance the professional development of the attending delegates.

- **newsletter services;**

The publication of an on-site daily newsletter for accomplishments during the period of the convention, meeting or assembly.

- **specialty advertising and premiums;**

The provision of promotional materials, intended for give away designed specifically for the delegates at the convention, meeting or assembly.

- **floral decorations;**

The provision of floral arrangements and decorations for meetings and exhibits.

- **photography services;**

The provision of on-site photographic services so as to record the activities of the convention, meeting or assembly.

- **professional services;**

The provision of customs brokerage, legal, accounting and stenographic services, freight forwarders' fees.

- **miscellaneous;**

The provision of similar goods and services acquired by convention organizers and exhibit organizers and exhibitors required for setting up and servicing meetings or conventions.

- **advertising matter;**

This means information bulletins, booklets, programs and memoranda relating to a meeting or convention or to products displayed at a meeting or convention.

- **official paraphernalia; and**

This means mugs, jewellery, pens, scarves, t-shirts, badges and similar items, each bearing the official registered symbol of a foreign organization.

- **souvenirs.**

This means lapel buttons, billfolds, keycases, pens, pencils, corsages, t-shirts, scarves and similar items. Alcohol, food items and used goods that tend to increase in value are excluded from this definition.



**Appendix B**

Form GST 386E, *Convention Application for Rebate of Goods and Services Tax (GST) and Provincial Sales Tax (PST)*