

## PLACE OF SUPPLY RULES UNDER THE HST

This bulletin 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 any Revenue Canada tax services office for additional information. If you are located in the province of Quebec, please contact the ministère du Revenu du Québec (MRQ) for additional information.

This bulletin reflects amendments proposed to the *Excise Tax Act* contained in Bill C-70, which received third reading and was passed by the House of Commons on February 11, 1997. At the time of publication, these proposed amendments have not been enacted. Any commentary in this bulletin should not be taken as a statement by the Department that such amendments will in fact be enacted into law in their current form.

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## INTRODUCTION

This bulletin sets out the place of supply rules that determine the application of the Harmonized Sales Tax (HST) on supplies made in a participating province (i.e., Nova Scotia, New Brunswick, or Newfoundland). These rules are found in new Schedule IX to the *Excise Tax Act* (the "Act"), and take effect on April 1, 1997.

A participating province does not include the Nova Scotia or Newfoundland offshore areas, except to the extent that offshore activities are carried out in these areas.

Effective April 1, 1997, all GST registrants across Canada who make taxable (other than zero-rated) supplies to customers in a participating province, including supplies shipped or mailed from outside a participating province to recipients in a participating province, are required to collect and remit the 15% HST. A taxable (other than a zero-rated) supply made in a non-participating province will continue to be subject to the 7% GST, including supplies shipped or mailed from a participating province to recipients in a non-participating province.

Pursuant to new section 144.1 of the Act, a supply made in Canada is considered to be made in a particular province if it is determined under the rules of Schedule IX to be made in that province. If a supply is not made in Canada, or the rules in Schedule IX do not apply to deem the supply to be made in a particular province, it is deemed to be made outside that province.

## **TANGIBLE PERSONAL PROPERTY**

### **Supplies by way of sale**

(Schedule IX, Part I, s 2 and Part II, s 1)

Sales of tangible personal property are made in a province if the supplier delivers the property or makes it available in that province to the recipient of the supply.

For the purposes of Schedule IX to the Act, floating homes and mobile homes that are not affixed to land are deemed to be tangible personal property, and not real property.

For example:

- if a Quebec resident purchases goods while on vacation in Newfoundland, and takes possession of the goods at that time, 15% HST will apply;
- if a supplier in a participating province ships or mails goods to Saskatchewan, or arranges for a common carrier to do so, possession will have taken place outside a participating province, and 7% GST will apply.

### Deemed delivery

(Schedule IX, Part I, s 3)

Where an agreement for supplies of tangible personal property is entered into, but the property is never delivered to the recipient, the place of supply is deemed to be where the property was to be delivered under the terms of the agreement between the supplier and the recipient.

### Conveyances

(Schedule IX, Part VI, s 3)

There are special place of supply rules for supplies of tangible personal property made to an individual on board a conveyance in the course of transporting passengers to and from participating provinces. These rules are discussed on page 13.

### **Deemed delivery**

(Schedule IX, Part I, s 5 and Part II, s 3)

Tangible personal property is deemed to be delivered in a particular province, and not to any other province, if the supplier ships the property to a destination in the particular province that is specified in the shipping contract for the property, or otherwise transfers possession of the property to a common carrier or consignee retained by the supplier on behalf of the recipient to ship the property to such a destination in the particular province on behalf of the recipient.

Example: If a parts manufacturer in a non-participating province sells components to an assembler in a participating province, and uses its own truck, hires a common carrier, or retains a common carrier on behalf of the assembler, to deliver the components to the assembler, the supply will be regarded as having been made in the participating province (even if the terms of delivery were f.o.b. the supplier's place of business in the non-participating province).

Tangible personal property is also deemed to be delivered in a particular province if the supplier sends the property by mail or courier to an address in the particular province. For purposes of this rule, "courier" has its ordinary meaning, rather than the definition found in subsection 123(1) of the Act.

Example: If an individual in New Brunswick orders goods through a registered British Columbia retailer who ships them directly to an address in a participating province, 15% HST will apply.

### **Supplies otherwise than by way of sale**

#### Rentals

(Schedule IX, Part II, paragraph 2(a))

Supplies of tangible personal property otherwise than by way of sale (e.g., a rental) under an agreement which provides for continuous use or possession of the property for three months or less, are considered to be made in the province where the property is delivered or made available to the recipient.

Example: If an individual rents and takes possession of a car in Ontario for two weeks to drive to Nova Scotia, the supply will be considered to have been made in Ontario and is subject to the 7% GST. Conversely, if an individual rents and takes possession of a car for two weeks in Nova Scotia to drive to Ontario, the supply will be considered to have been made in Nova Scotia and is subject to the 15% HST.

#### Leases

(new ss 136.1(1), Schedule IX, Part I, s 4, and Part II, paragraph 2(b))

Where tangible personal property other than a specified motor vehicle is supplied by way of lease, licence, or similar arrangement for a period longer than three months, the place of supply will be in the province in which the property is ordinarily located at the time the supply is made.

"Ordinary location", for purposes of determining the place of supply of property at a particular time, is deemed to be the location where the supplier and recipient mutually agree that the property is to be at the particular point in time. Even if the original written agreement for the supply of the property specifies that it will be located in a particular

province, the parties may mutually agree subsequent to signing a contract that the property will be moved at a particular time to a particular province, and the latter location will be the "ordinary location" of the property at that time.

### Motor vehicles

(new ss 136.1(1), Schedule IX, part II, paragraph 2(b))

For specified motor vehicles that are supplied by way of lease, licence, or similar arrangement for a period of more than three months, the supply is regarded as being made in the province in which the vehicle is required to be registered under the appropriate provincial motor vehicle registration laws at the time the supply is made.

Example: If a lessee moves to a non-participating province from a participating province at any time during the lease period, and the vehicle is subsequently required to be registered in the non-participating province, the remaining monthly lease payments will only be subject to tax at the 7% GST rate. Conversely, if a lessee moves to a participating province from a non-participating province at any time during the lease period, and the vehicle is required to be registered in the participating province, the remaining monthly lease payments will be subject to tax at the 15% HST rate.

"Specified motor vehicles" are defined in subsection 123(1) of the Act, as vehicles that are, or that would be, if they were imported, classified under several tariff items in Schedule I to the *Customs Tariff*. In general, these include almost all motor vehicles, other than racing cars classified under heading number 87.03, and any prescribed motor vehicles.

## **INTANGIBLE PERSONAL PROPERTY**

The place of supply rules for intangible personal property (e.g., franchise rights, memberships, admissions to business conventions, intellectual property) include four categories of supplies of intangible personal property relating to:

- real property;
- tangible personal property;
- services to be performed; and
- other supplies of intangible personal property not relating to real property, tangible personal property, or services to be performed.

### **Intangible personal property relating to real property**

(Schedule IX, Part I, s 1 and Part III, paragraphs 2(a) and 3(a))

For supplies of intangible personal property that relate to real property (e.g., an option to purchase real property), if all or substantially all of the real property that is situated in Canada is situated in a particular province, the supply is considered to be made in that

province. Supplies of intangible personal property that relate to real property will also be considered to be made in a particular province if the place of negotiation for the supply is in that province, unless all or substantially all of the real property that relates to the intangible personal property is located outside that province.

"Place of negotiation" means the supplier's permanent establishment where the individual principally involved in negotiating an agreement for a supply ordinarily works or reports to in the performance of his or her duties in relating to the supplier's activities in the course of which the supply is made. "Negotiating" includes the making or acceptance of an offer.

If a supply of intangible personal property relating to real property is not determined to be made in a particular province in the circumstances described above, it may be regarded as being made in a participating province:

- where the place of negotiation for the supply is in Canada, if the real property that is situated in Canada is situated primarily in the participating provinces. The supply of the intangible personal property is considered to be made in the participating province in which the greatest proportion of the real property that is situated in the participating provinces is situated; or
- where the place of negotiation for the supply is outside Canada, if all or substantially all of the real property is situated in Canada and the real property that is situated in Canada is situated primarily in the participating provinces. The supply of the intangible personal property is considered to be made in the participating province in which the greatest proportion of the real property that is situated in the participating provinces is situated.

**Intangible personal property relating to tangible personal property**  
(Schedule IX, Part III, paragraphs 2(b) and 3(b))

For supplies of intangible personal property that relate to tangible personal property (i.e., goods), if all or substantially all of the tangible personal property that is ordinarily located in Canada is ordinarily located in a particular province, the supply of the intangible personal property is regarded as being made in that province.

If the above-noted rule does not determine the place of supply, supplies of intangible personal property that relate to tangible personal property will also be considered to be made in a particular province if the place of negotiation for the supply is located in the province, unless all or substantially all of the tangible personal property that relates to the intangible personal property is ordinarily located outside that province.

If a supply of intangible personal property relating to tangible personal property is not determined to be made in a particular province in the above-noted circumstances, it may be regarded as being made in a participating province:

- where the place of negotiation for the supply is in Canada, if the tangible personal property that is ordinarily located in Canada is ordinarily located primarily in the participating provinces. The supply of the intangible personal property is considered to be made in the participating province in which the greatest proportion of the tangible personal property that is ordinarily located in the participating provinces is ordinarily located; or
- where the place of negotiation for the supply is outside Canada, if all or substantially all of the tangible personal property is ordinarily located in Canada, and the tangible personal property that is ordinarily located in Canada is ordinarily located primarily in the participating provinces. The supply of intangible personal property is considered to be made in the participating province in which the greatest proportion of the tangible personal property that is ordinarily located in the participating provinces is ordinarily located.

### **Intangible personal property relating to services**

(Schedule IX, Part III, paragraphs 2(c) and 3(c))

For supplies of intangible personal property that relate to services, if all or substantially all of the services that are to be performed in Canada are to be performed in a particular province, the supply is considered to be made in that province.

If the above-noted rule does not determine the place of supply, supplies of intangible personal property that relate to services will also be considered to be made in the particular province in which the place of negotiation for the supply is located, unless all or substantially all of the services that relate to the intangible personal property are to be performed outside that province.

If a supply of intangible personal property relating to services is not determined to be made in a province in the above-noted circumstances, it may be regarded as being made in a participating province:

- where the place of negotiation for the supply is in Canada, if the services to be performed in Canada are to be performed primarily in the participating provinces. The supply of the intangible personal property is made in the participating province in which the greatest proportion of the services to be performed in the participating provinces are to be performed; or
- where the place of negotiation for the supply is outside Canada, if all or substantially all of the services are to be performed in Canada, and the services performed in Canada are to be performed primarily in the participating provinces. The supply of intangible personal property is made in the participating province in which the greatest proportion of the services to be performed in the participating provinces are to be performed.

### **Other intangible personal property**

(Schedule IX, Part III, s 1, paragraphs 2(d) and 3(d))

For supplies of intangible personal property that do not relate to real property, tangible personal property, or services, if all or substantially all of the Canadian rights in respect of the property can be used only in a particular province, the supply is considered to be made in that province. "Canadian rights" refers to that part of the intangible personal property that can be used in Canada.

If the above-noted rule does not determine the place of supply, supplies of intangible personal property that do not relate to real property, tangible personal property, or services will also be considered to be made in a particular province if the place of negotiation of the supply is in the province, provided that the property can be used otherwise than exclusively outside that province.

If a supply of intangible personal property that does not relate to real property, tangible personal property, or services is not determined to be made in a particular province in the above-noted circumstances, it may be regarded as being made in a participating province:

- where the place of negotiation for the supply is in Canada, if the Canadian rights that relate to the intangible personal property can only be used primarily in the participating provinces. The supply of the intangible personal property is considered to be made in the participating province in which the greatest proportion of the Canadian rights that can be used only in the participating provinces can be used; or
- where the place of negotiation for the supply is outside Canada, if the property can only be used exclusively in Canada, and can only be used primarily in the participating provinces. The supply of the intangible personal property is made in the participating province in which the greatest proportion of the Canadian rights that can be used only in the participating provinces can be used.

If a supply of intangible personal property that does not relate to real property, tangible personal property, or services is not determined to be made in a participating province in the above-noted circumstances, it may nevertheless be determined to be made in a participating province if it is a deemed or prescribed supply pursuant to Part IX of Schedule IX (e.g., supplies of memberships to individuals). Refer to page 16 for more information.

## **REAL PROPERTY**

### **Supply of real property**

(new s 136.2, Schedule IX, Part IV, s 1)

A supply of real property is considered to be made in the province in which the real



property is situated.

If the real property is situated partly in a participating province, and partly in a non-participating province or outside Canada, the provision of each part of the property is deemed to be a separate supply, for separate consideration equal to the portion of the total consideration which is attributable to each part.

Example: If an individual buys commercial real property in Ontario and Nova Scotia, as well as in the state of New York, an apportionment of the total consideration of the supply must be undertaken to apply the proper amount of tax to each part of the real property. The portion of the property situated in Nova Scotia is subject to the 15% HST, and the portion of the property situated in Ontario is subject to the 7% GST. Tax does not apply to the supply of the real property situated in New York State.

### **Services in relation to real property**

(Schedule IX, Part IV, s 2 and s 3)

A taxable supply of a service in respect of real property (e.g., an appraisal or legal service) that is all or substantially all situated in a participating province is subject to the 15% HST, regardless of the supplier's business location. Conversely, if the service relates to real property that is located in a non-participating province, it is subject to tax at the 7% GST rate.

Services supplied in respect of real property will also be regarded as being made in a particular province if the place of negotiation for the supply is in the province, unless all or substantially all of the real property is situated outside that province.

If a supply of a service in respect of real property is not determined to be made in a particular province in the above-noted circumstances, it may be regarded as being made in a participating province:

- where the place of negotiation for the supply of the service is located in Canada, if the real property to which the service relates is situated in Canada and primarily in the participating provinces. The supply of the service is considered to be made in the participating province in which the greatest proportion of the real property that is situated in the participating provinces is situated; or
- where the place of negotiation for the supply of the service is located outside Canada, if all or substantially all of the real property is situated in Canada, and the real property is situated primarily in the participating provinces. The supply is considered to be made in the participating province in which the greatest proportion of the real property that is situated in the participating provinces is situated.

If a supply of a service in respect of real property is not determined to be made in a participating province in the above-noted circumstances, it may nevertheless be

determined to be made in a participating province if it is a deemed or prescribed supply pursuant to Part IX of Schedule IX. Refer to page 16 for more information.

## **SERVICES**

### **Supply of a service**

(Schedule IX, Part V, s 1, s 2, s 3)

Generally, a service is considered to be supplied in a particular province if all or substantially all of the Canadian element of the service is performed in that province. The "Canadian element" of a service is the portion which is performed in Canada.

The provisions in Part V of Schedule IX do not apply to services in relation to real property, or to transportation services, postage, or telecommunication services.

For example:

- if a business in Saskatchewan provides a taxable service to a client located in a participating province, and the service is all or substantially all performed in the participating province, the supply of the service is considered to be made in that province and is taxable at the 15% HST rate;
- if a business in Newfoundland provides a taxable service to a client in B.C., and all or substantially all of the service is performed in B.C., the supply is considered to be made outside the participating province and is taxable at the 7% GST rate.

If the above-noted rule does not determine the place of supply, a supply of a service will be considered to be made in a particular province if the place of negotiation of the supply is located in the province, unless all or substantially all of the service is performed outside that province.

If a supply of a service is not determined to be made in a particular province in the above-noted circumstances, it may be regarded as being made in a participating province:

- where the place of negotiation for the supply is located in Canada, if the Canadian element of the service is to be performed primarily in the participating provinces. The supply of the service is considered to be made in the participating province in which the greatest proportion of the Canadian element is to be performed; or
- where the place of negotiation for the supply is located outside Canada, if all or substantially all of the service is to be performed in Canada, and it is to be performed primarily in the participating provinces, the supply is considered to be made in the

participating province in which the greatest proportion of the services to be performed in the participating provinces are to be performed.

Example: A Nova Scotia firm contracts for accounting services with a Toronto accounting firm. Approximately 5% of the preliminary work is to be done in Ontario, and the remainder of the work will be done in various locations: 15% in Quebec, 20% in P.E.I., and 60% in Newfoundland. In this instance, the arrangements for the supply are negotiated with the Ontario office, but the greatest proportions of the service will be primarily performed in Newfoundland. The supply is therefore taxable at the 15% HST rate.

If the supply of a service is not determined to be made in a participating province in the above-noted circumstances, it may nevertheless be regarded as being made in a participating province if it is a deemed or prescribed supply pursuant to Part IX of Schedule IX. Refer to page 16 for more information.

#### Deemed delivery

(Schedule IX, Part I, s 3)

Where an agreement for the supply of a service is entered into, but the service is never performed, the place of supply is deemed to be where the service was to be performed under the terms of the agreement between the supplier and the recipient.

## **TRANSPORTATION SERVICES**

### **Definitions**

(Schedule IX, Part VI, s 1)

The definitions of "continuous journey", "freight transportation service", "origin", and "termination" of a continuous journey in Schedule IX, Part VI, have the same meaning as those definitions found in section 1 of Part VII of Schedule VI to the Act. However, the following definitions apply specifically for purposes of the place of supply rules for transportation services:

- "destination" of a freight transportation service is the place specified by the shipper (i.e., on a bill of lading or other shipping documents), where possession of the property is to be transferred to the person who is the consignee or to whom the property is addressed;
- "leg" of a journey on a conveyance is the part of a journey that begins where passengers embark or disembark the conveyance or where there is a stopover for servicing or refuelling, and ends at the place where the conveyance next stops for any of these purposes; and

- "stopover" in respect of a continuous journey has the same meaning as in section 1, Part VII of Schedule VI, except that in the case of a continuous journey of an individual or group that does not include air transportation and that originates and terminates in Canada, it does not include a stop outside Canada where the passengers are scheduled to be outside Canada for an uninterrupted period of less than 24 hours.

**Example:** If passengers on a day shopping tour from New Brunswick disembark in Maine, this is not considered a stopover, since the individuals are not scheduled to be outside Canada for 24 hours or more.

### **Passenger transportation services**

(Schedule IX, Part VI, s 2)

A supply of a passenger transportation service that is part of a continuous journey will be considered to be made in a particular province, if the origin of the journey as noted on the ticket or voucher for the first passenger transportation service of the continuous journey is within that province, and the termination and all stopovers in respect of the continuous journey are in Canada.

**Example:** A return rail ticket has a routing of Halifax–Ottawa–Halifax. The place of supply is Halifax, since the origin specified on the ticket is in a participating province and the termination and all stopovers are in Canada. The supply of the rail ticket is therefore taxable at the 15% HST rate.

If the origin of the first passenger transportation service of a continuous journey is not specified on the ticket or voucher, the place of supply will be the province of negotiation for the supply.

**Example:** If an interprovincial bus pass that entitles a passenger to 60 days unlimited travel is sold in Fredericton, New Brunswick, but the pass does not specify the origin of the passenger transportation service, the place of supply will be Fredericton and the pass will be subject to the 15% HST.

### **Supplies on board a conveyance**

(Schedule IX, Part VI, s 3)

Supplies of tangible personal property delivered or services (other than passenger transportation services) wholly performed on board a conveyance in the course of a business of providing passenger transportation services during a leg of a journey that begins and ends in a participating province are considered to be made in the participating province in which that leg of the journey begins and are taxable at the 15% HST rate.

**Example:** Sales of alcoholic beverages to individuals during a leg of a flight from Fredericton, New Brunswick to Halifax, Nova Scotia are considered to be made in New Brunswick and are taxable at the 15% HST rate.

**Baggage charges**

(Schedule IX, Part VI, s 4)

The place of supply of a service of transporting an individual's baggage (e.g., an excess baggage charge) in the course of providing a passenger transportation service is considered to be the same as the passenger transportation service. If the passenger transportation service is performed in a participating province and is subject to the 15% HST, the service of transporting an individual's baggage is also subject to the HST.

**Freight transportation services**

(Schedule IX, Part VI, s 5)

A supply of a freight transportation service is considered to be made in a province if the destination of the service is in that province.

**Postage**

(Schedule IX, Part VII)

A supply authorized by the Canada Post Corporation ("Canada Post") of a postage stamp, postage-paid card, package or similar item (other than an item bearing a "business reply" indicia) is considered to be made in a province if the supplier delivers the stamp or item to the recipient of the supply in that province.

Where the stamp or item is used as proof of payment for a mail delivery service, the service is considered to be made in the same province, unless:

- it is made by a bill of lading; or
- consideration for the supply of the service is \$5 or more, and the address to which the mail is sent is not in a participating province.

In these circumstances, the general freight transportation rules in section 5 of Part VI of Schedule IX are used to determine the place of supply of the mail delivery service.

If payment for a mail delivery service supplied by Canada Post is evidenced by a postage meter impression, the supply of the service is considered to be made in a province if the ordinary location of the meter, at the time the recipient of the supply pays an amount to Canada Post for the postage, is in that province (unless the supply is made pursuant to a bill of lading).

If payment for a mail delivery service supplied by Canada Post is evidenced by a permit imprint (other than pursuant to a bill of lading), the supply of the service is considered to be made in the province in which the recipient deposits the mail with Canada Post, in accordance with the agreement between the recipient and Canada Post that authorizes the use of the permit imprint.

"Postage stamp" means a stamp authorized by Canada Post as evidence for the payment of postage. It does not include a postage meter impression, permit imprint, or any "business reply" indicia or item bearing that indicia.

"Permit imprint" means an indicia used as evidence of postage payment exclusively by a person authorized under an agreement with Canada Post to do so. It does not include a postage meter impression, or any "business reply" indicia or item bearing that indicia.

## **TELECOMMUNICATION SERVICES**

### **Meaning of "billing location"**

(ss 123(1), and Schedule IX, Part VIII, s 1)

The billing location for a telecommunication service is considered to be in a province if the telecommunications company charges or applies the fee for the service to the recipient's account relating to telecommunications facilities that are used or available for use to obtain telecommunication services, and that are ordinarily located in that province.

"Telecommunications facility", as defined in subsection 123(1) of the Act, means any facility, apparatus or other thing (including any wire, cable, radio, optical or other electromagnetic system, any other similar technical system, or part thereof) that is used or is capable of being used for telecommunications. This includes satellites, downlink and uplink earth stations, fibre-optic transmission systems, telephones, and fax machines.

If the telecommunications company does not charge or apply the fee for the service to the recipient's account, the billing location is considered to be in a particular province if the telecommunications facility used to initiate the service is located in that province.

### **Telecommunication services**

(Schedule IX, Part VIII, s 2)

If a telecommunication service consists of making telecommunications facilities available for use (other than a service of granting sole access to a telecommunications channel), the supply of the service is made in a particular province if:

- all of the facilities are ordinarily located in that province; or
- not all of the facilities are ordinarily located in the province, but the invoice for the supply is sent to an address in that province.

For other telecommunication services (other than a service of granting sole access to a telecommunications channel), the supply is considered to be made in the province if the telecommunication:

- is both emitted and received in that province;
- is either emitted or received in that province, and the billing location for the service is located in that province; or
- is emitted in the province and received outside the province, and the billing location for the service is not in a province where the telecommunication is emitted or received.

### **Telecommunications channel**

(s 136.4, Schedule IX, Part VIII, s 3)

A supply of a service of granting sole access to a telecommunications channel is made in a province if it is deemed under section 136.4 of the Act to be made in that province. Under that section, the supply is in effect divided into separate supplies if telecommunications are to be transmitted between two provinces via the channel. The supplier is deemed to have made a separate supply of the service in each of the two provinces, as well as in any province between those provinces.

The consideration for the deemed supply in each province is calculated based on the distance over which the telecommunication would be transmitted in the province if it were transmitted by means of cable and related facilities located in Canada that connected, in a direct line, the transmitters for receiving and emitting the telecommunications. This distance is divided by the distance over which the telecommunications would be transmitted in Canada if they were transmitted solely by such means, and the resulting percentage applied to the total consideration payable for the supply.

"Telecommunications channel" means a telecommunications circuit, line, frequency, channel, partial channel or other means of sending or receiving a telecommunication, but does not include a satellite channel.

## **DEEMED SUPPLIES AND PRESCRIBED SUPPLIES**

### **Deemed supplies of property**

(Schedule IX, Part IX, s 1)

A supply of property that is deemed to have been made or received at any time under any of the provisions of sections 129, 129.1, 171, 171.1 and 172, subsections 183(1), 183(4),

184(1), 184(3), and sections 196.1 and 268 of the Act is considered to be made where the property is situated at that time (e.g., when a small supplier's inventory is deemed to be sold and acquired when the small supplier becomes a registrant), notwithstanding the rules in any other part of Schedule IX.

**Supplies deemed to be made in a province**

(Schedule IX, Part IX, s 2)

This Part overrides the rules in any other Part of Schedule IX. A supply of property or a service is deemed to be made in a province if it is deemed under Part IX of the Act, or regulations made under that Part, to be made in that province. For example, new subsection 163(2.1) deems the provincially taxable portion of a tour package in respect of a participating province to be made in that province.

**Prescribed supplies**

(Schedule IX, Part IX, s 3)

This Part overrides the rules in any other Part of Schedule IX. A supply of property or a service is made in a particular province if the particular supply is included in regulations to be prescribed for this purpose. For example, the regulations will provide that supplies to individuals of memberships that confer rights that can be exercised in more than one province, including a participating province, will be considered to be supplied in the province in which the recipient is a resident, as evidenced by the recipient's mailing address.