

## AUTHORIZATION TO USE AN EXPORT DISTRIBUTION CENTRE CERTIFICATE

Use this form to apply for a new authorization, or to renew or revoke an existing authorization to use an Export Distribution Centre (EDC) Certificate. An EDC Certificate allows businesses that provide limited value-added in the course of processing goods to acquire or import, without paying GST/HST, domestic inventory, added property, and customers' goods. See the back of this form for definitions and eligibility criteria.

For more information, see Technical Information Bulletin B-088, *Export Distribution Centre Program*, or call our Business Enquiries line at 1-800-959-5525.

**You have to be registered for GST/HST to apply. This form must be completed by your head office.**

<b>A – Identification</b>								
Legal name	Business Number							
Operating, trading, or partnership name (if different from legal name)								
Mailing address								
City	Province	Postal Code						
Contact person	Title	Phone number (       )						
<b>B – Eligibility</b> – Complete this section to determine if you are eligible to apply for a new authorization or to renew an existing authorization.								
<p>Check the box for each of the following statements that is <b>true</b>:</p> <p>You are engaged exclusively (90% or more) in commercial activities. .... <input type="checkbox"/></p> <p>It can reasonably be expected that during the fiscal year in which the authorization will be in effect:</p> <ul style="list-style-type: none"> <li>• your export revenue percentage will be 90% or more; .... <input type="checkbox"/></li> <li>• you will <b>not</b> engage in substantial alteration of property; .... <input type="checkbox"/></li> <li>• the value you add to your customers' goods from the provision of non-basic services will be 10% or less, <b>or</b> the total value you add to your customers' goods will be 20% or less. (Check this box if you do not take possession of <b>any</b> customers' goods.) .... <input type="checkbox"/></li> </ul> <p>If you checked all four boxes, you are eligible to apply for new authorization, or to renew an existing authorization to use an EDC Certificate.</p>								
<b>C – Applying for a new authorization, or to renew or revoke an existing authorization</b>								
<p>Check one of the boxes below to indicate whether you are applying for a new authorization, or to renew or revoke an existing authorization to use an EDC Certificate.</p> <p style="text-align: center;"> <input type="checkbox"/> New authorization                              <input type="checkbox"/> Renewal                                              <input type="checkbox"/> Revocation       </p> <p>Effective date of this application or revocation:              <table border="1" style="display: inline-table; border-collapse: collapse; text-align: center;"> <tr> <td style="width: 20px;">Year</td> <td style="width: 20px;">Month</td> <td style="width: 20px;">Day</td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </table> </p> <p>When your application for authorization to use an EDC Certificate is approved, we will confirm to you in writing the effective date and expiry date of the authorization. If you are applying to renew an existing authorization, the effective date will be the expiry date of your existing authorization.</p>			Year	Month	Day			
Year	Month	Day						
<b>D – Certification</b>								
<p>I, _____, certify that the information given on this form and on any attached document is, to the best of my knowledge, true, correct, and complete in every respect, and that I am authorized to sign on behalf of the registrant.</p> <p style="text-align: center;">(print name)</p>								
Signature of authorized person	Title	<table border="1" style="display: inline-table; border-collapse: collapse; text-align: center;"> <tr> <td style="width: 20px;">Year</td> <td style="width: 20px;">Month</td> <td style="width: 20px;">Day</td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </table>	Year	Month	Day			
Year	Month	Day						

# GENERAL INFORMATION

## Definitions

**Added property** means goods or software that

- you incorporate, combine, or assemble with other goods;
- you attach to other goods; or
- you use to pack other goods.

It does not include goods or software added to capital property you own or to any of your property that is not for sale.

**Basic service** means a type of service that could be performed in a customs bonded warehouse. You do not have to actually perform the service in a customs bonded warehouse, but you should be able to perform it on the goods in their present stage of processing, and in a customs bonded warehouse. Basic services include the following:

- disassembling or reassembling the goods if they have been assembled or disassembled for packing, handling, or transport;
- displaying, inspecting, labelling, packing, storing, or testing the goods;
- removing a sample of the goods for soliciting orders; and
- cleaning, diluting, normal maintenance and servicing, preserving, separating defective goods from prime quality goods, sorting or grading, trimming, filing, slitting, cutting, and complying with any applicable law of Canada or a province, as long as the characteristics of the goods are not materially altered.

**Customer's good** means another person's good that you import or take possession of in Canada on which you provide a service or process with added property.

**Commercial activity** means any business, adventure, or concern in the nature of trade carried on by certain persons, but does not include the making of exempt supplies. It also includes the supply of real property by any person, other than an exempt supply, and anything done in the course of making the supply or in connection with the supply.

A commercial activity does not include any business or concern in the nature of trade carried on without a reasonable expectation of profit by an individual, a personal trust, or a partnership where all the members are individuals.

**Domestic inventory** means goods that you acquire in Canada or that you acquire outside Canada and import into Canada to be sold separately in the course of your business.

**Export revenue** means revenue from:

- domestic inventory you sell outside Canada;
- zero-rated exports;
- sales of added property you acquired for use in processing property for export; and
- sales of services of processing, storing, or distributing goods of other persons where the property is exported after the service is completed.

Do **not** include revenue from the sales of:

- fuel you sell to registered international carriers for the transportation of people or goods by ship, aircraft, or railway;
- excisable goods, such as alcohol or tobacco, when the purchaser exports them in bond;
- goods from duty-free shops you sell to individuals for export;
- a jig, die, mould, tool, or fixture (or an interest in one) to a non-registered non-resident when it will be used to manufacture or produce goods for the non-resident; and
- a continuous transmission commodity transported by pipeline or powerline, such as oil, natural gas, or electricity, that you sell to a non-registered person who exchanges the good with a registrant in Canada for an identical good that is not in Canada.

**Export revenue percentage** is your total export revenue divided by your specified total revenue.

**Finished inventory** means goods that are in the state in which you will sell them or use them as added property in the course of your business.

**Specified total revenue** means revenue from sales you have made in a year, except sales of:

- services you provide on goods you did not import or obtain physical possession of in Canada;
- goods that you did not acquire in Canada or import into Canada;
- added property that you used to process goods that you did not import into Canada or take physical possession of in Canada; and
- your own capital property.

**Substantial alteration of property** means

- you manufacture or produce goods (or have another person manufacture or produce goods for you); or
- you process goods (or have another person process goods for you) and by doing so, you bring the goods to the state of finished inventory if
  - the value that is added to the goods is more than 10% from non-basic services, and
  - the total value added from all processing services is more than 20%.

You can use any reasonable method for valuing the goods in finished inventory. However, once you choose a method, you have to use it each year.

## Eligibility

Complete section B on the front of this form to determine if you are eligible to be authorized to use an Export Distribution Centre (EDC) Certificate.

You can apply for authorization to use an EDC Certificate if you are registered for GST/HST, engaged exclusively in commercial activities, and during the fiscal year in which the authorization will be in effect it can reasonably be expected that:

- your export revenue percentage will be 90% or more;
- you will **not** engage in substantial alteration of property; and
- the value you add to your customers' goods from the provision of non-basic services will be 10% or less, **or** the total value you add to your customers' goods will be 20% or less.

## Revocation

You can use this form to revoke your authorization to use an EDC Certificate. Complete sections A, C, and D.

## How to apply

Send your completed form to your tax services office.

Apply to renew your authorization at least three months before the expiry date of your existing authorization.