



ELECTION AND REVOCATION OF AN ELECTION BETWEEN AGENT AND PRINCIPAL

Use this form if you are an agent and a registrant for GST/HST purposes, and you make a taxable supply (not by auction) to a recipient on behalf of a principal who is required to collect GST/HST on that supply. With this form, agent and principal jointly elect for the agent to account for the GST/HST on the supply instead of the principal. To make an election, complete parts A, B, C, D, and E. To revoke an election, complete parts A, B, and F. This election also applies to billing agents. For more information, see the back of this form.

Do not make this election for a supply if the only reason the supply is considered taxable is because the agent and principal have already made a different joint election in writing to have the supply considered taxable.

Part A – Identification of principal

Legal name		Business Number (if applicable)
Trading name (if different from legal name)		
Mailing address		
City	Province	Postal code

Part B – Identification of agent (must be a GST/HST registrant)

Legal name		Business Number
Trading name (if different from legal name)		
Mailing address		
City	Province	Postal code

Part C – Election

We, the agent and principal, jointly elect for the agent to account for the GST/HST on the supply or supplies described below instead of the principal. We understand that both parties in this election are jointly and severally, or solidarily, liable for all applicable GST/HST obligations that relate to any supply for which the election is in effect.

Describe the nature of the supply or supplies to which this election applies (any additional information may be attached on a separate sheet)

Indicate the duration of this election (check one box only):

Single supply
(election in effect for one supply only) Date of transaction: Year Month Day

Ongoing supplies
(election in effect from the effective date, until you jointly revoke it in writing) Effective date of election: Year Month Day

Supplies made for a specific period
(election in effect from the effective date to the end date you specify, unless you jointly revoke it in writing) Effective from: Year Month Day to: Year Month Day

Part D – Certification of election by principal

I, _____, (print) certify that the information given on this form and in any attached documents is, to the best of my knowledge, true, correct, and complete, in every respect, and that I am the principal or that I am authorized to sign on behalf of the principal.

Signature of principal or authorized person	Title	Year	Month	Day
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Part E – Certification of election by agent

I, _____, (print) certify that the information given on this form and in any attached documents is, to the best of my knowledge, true, correct, and complete, in every respect, and that I am the agent or that I am authorized to sign on behalf of the agent.

Signature of agent or authorized person	Title	Year	Month	Day
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Part F – Revocation of election

Describe the nature of the supply or supplies to which this revocation applies (any additional information may be attached on a separate sheet)

Revocation of the election for certain supplies **or** Revocation of the election for all supplies

Effective date of the election: Year Month Day
|_|_| |_|_| |_|_|

Effective date of the revocation: Year Month Day
|_|_| |_|_| |_|_|

We, the agent and principal, jointly revoke the election we previously made for the agent to account for the GST/HST on the supply or supplies described in Part C of that election or as described above.

Signature of principal or authorized person	Title	Year	Month	Day
Signature of agent or authorized person	Title	Year	Month	Day

GENERAL INFORMATION

General rule (without an election)

Under the general rule, the principal has to collect GST/HST on a taxable supply made on its behalf by the agent, and the agent has to collect GST/HST on the services it provides to the principal that relate to the supply. This general rule applies when the principal and agent are both GST/HST registrants and the supply is taxable (other than a zero-rated supply) and is not a sale made by auction.

Joint election for the agent to account for and remit tax

An election may be made when a principal is required to collect and remit GST/HST but would prefer that the agent, a GST/HST registrant, be responsible for doing so. The election must be made jointly by the principal, who would normally be required to collect GST/HST, and the agent, who makes the supply (not by auction) on behalf of the principal. The agent still has to charge and remit GST/HST on the commission and services it provides to the principal that relate to the supply.

Billing agents

Generally, a billing agent acts as agent for a supplier in charging and collecting the amount due (including tax) for a supply made by the supplier. However, the billing agent may not be acting as agent in making the supply itself.

Under proposed amendments, and **only** for purposes of this election, if a billing agent that is a registrant acts as agent for a supplier in charging and collecting the amount due for a supply, we consider the billing agent to also be acting as agent in making the supply on the supplier's behalf. This means that the billing agent and the supplier (principal) can use this form to jointly elect for the billing agent to account for the GST/HST on the supply instead of the principal.

Effect of the election

Once this election is made for a supply that the agent makes on the principal's behalf, the agent has to collect, report, and remit the tax on the supply. Also, under proposed amendments (generally effective for supplies made after December 20, 2002), the following rules apply to agents and principals who make this election:

- The agent has to account for, and remit as required, any amount charged or collected as or on account of tax.
- The rules pertaining to refunds, credits, or adjustments of tax to the customer apply to the agent and not to the principal.

- The rules pertaining to bad debt adjustments and recovery of bad debts now apply to the agent.
- The agent and principal are jointly and severally, or solidarily liable for all tax obligations for the supply (including net tax remittance, bad debt adjustments, recovery of bad debts, and penalty and interest charged for overpayment of net tax refund or underpayment of net tax).
- If the agent uses the Quick Method, the agent has to include in the net tax calculation any amount of tax recovered on the recovery of bad debts and can deduct an amount of tax for a bad debt adjustment.
- The agent has to include the amount for the supply in the calculation of its threshold amount to determine its reporting period. The principal does not include that amount in its threshold calculation.

Effect of a revocation

Under proposed amendments, an agent and principal can jointly revoke an election they previously made for a supply. If you revoke an election for a supply, the election is considered never to have been made for that supply. This means that the general GST/HST rules will apply.

The principal is responsible for collecting and accounting for the GST/HST on the supply, and the agent is responsible for collecting and accounting for the GST/HST on services it provided to the principal that relate to the supply. Also, the principal, and not the agent, may be eligible for any deductions relating to that supply if the conditions for deduction (for example, for a bad debt) are met. The agent and principal can backdate a revocation so as to accommodate, for example, a situation where the parties had originally made the election to have the agent report the tax on the supplies in question but the supplier in fact reported the tax.

Books and records

Do not send us this form. The principal and agent must each keep a completed copy with their books and records while the election is in effect and for six years after the end of the year to which an election relates.

If this form is a revocation of an election, it must also be kept by each party for six years after the end of the year to which the revocation relates.

Additional information

If you would like more information, call our Business Enquiries line at **1-800-959-5525**.