

# GST/HST Memoranda Series

NOTICE OF CHANGE: March 24, 2003

## 7.5 Electronic Filing and Remitting

April 2003

### Overview

This memorandum provides an overview of the Canada Customs and Revenue Agency's GST/HST TELEFILE and GST/HST NETFILE Programs as they apply to the Goods and Services Tax / Harmonized Sales Tax (GST/HST). This memorandum also provides information on the electronic filing of GST/HST returns and making GST/HST remittances by Electronic Data Interchange (EDI). It discusses the criteria a person must meet to file electronically as well as the technology or services required.

### 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 publication supersedes GST/HST Memorandum 7.5, *Electronic Filing and Remitting*, dated December 2001. Due to the number of significant changes, the revisions have not been side-barred.

La version française de ce mémorandum est intitulée 7.5, *Transmission électronique des déclarations et des versements*.

## General

Place of filing  
ss 278(1) and s 278.1

1. GST/HST returns are required to be filed with the Canada Customs and Revenue Agency (CCRA) in the manner authorized by the CCRA. Certain registrants have the option of filing their returns electronically using one of three methods: GST/HST TELEFILE, GST/HST NETFILE or EDI.

Place of payment  
ss 278(2)

2. Generally, a person is required to pay or remit an amount (i.e., any amount required to be paid or remitted under Part IX of the *Excise Tax Act* (the Act)) to the Receiver General except where the amount is required under section 221 to be collected by another person.

**More Ways to Serve You!**  
**Pour vous servir encore mieux !**



Canada Customs  
and Revenue Agency

Agence des douanes  
et du revenu du Canada

## 7.5 Electronic Filing and Remitting

---

- Amounts \$50,000 or more ss 278(3)
3. Where the amount is \$50,000 or more, the payment or remittance must be made to the account of the Receiver General at a bank (other than an authorized foreign bank that is subject to the restrictions and requirements referred to in subsection 524(2) of the *Bank Act*), a credit union, a corporation authorized under the laws of Canada or a province to carry on the business of offering its services as a trustee to the public, or a corporation authorized under the laws of Canada or a province to accept deposits from the public and that carries on the business of lending money on the security of real estate or investing in mortgages on real estate. The CCRA considers the remitting of amounts electronically by EDI to meet this requirement.
- Meaning of electronic filing ss 278.1(1)
4. Electronic filing means using electronic media in a manner specified in writing by the CCRA.
- Filing of return by electronic filing ss 278.1(2)
5. A person who meets the criteria specified in writing by the CCRA may file a return electronically.
- Methods of Electronic filing
6. A GST/HST return may be filed electronically by using either of three methods: GST/HST TELEFILE, GST/HST NETFILE or EDI. The criteria for each filing method are described in paragraphs 14 to 34 of this memorandum.
- Filing**
- Deemed filing ss 278.1 (3)
7. Where the person files a return electronically, either by GST/HST TELEFILE, GST/HST NETFILE or EDI, it is deemed to be a return in prescribed form filed with the CCRA on the day the CCRA acknowledges acceptance of it. Where a third-party service provider (see paragraph 29) files the return electronically on behalf of a person, it is the person's responsibility to obtain and retain copies of the acknowledgements sent by the CCRA to the third-party service provider.
- Incomplete or faulty transmission
8. Where the CCRA has not acknowledged acceptance, for example in the case of an incomplete or faulty transmission, the return will not be deemed to have been filed, and any amounts owing will be subject to interest and penalties should the correct re-transmission of the return or a paper copy of the return and the remittance not be received by the due date.
- No signature required s 279
9. A return, certificate or other document required to be provided under Part IX by a person other than an individual generally has to be signed by an individual duly authorized for that purpose. However, this requirement does not apply to returns filed electronically under section 278.1 (i.e., no signature is required when filing electronically).

## 7.5 Electronic Filing and Remitting

---

Records and audit procedures	10. The CCRA will generate and maintain a communication log of all electronically filed returns and remittances for record and audit trail purposes as well as to answer any enquiries. In the event of conflict over whether a particular return or remittance was ever transmitted, the onus is on the registrant to provide proof of a successful transmission (i.e., for GST/HST TELEFILE or GST/HST NETFILE a confirmation number, and for EDI a positive "997 message", received from the CCRA for the transmission in question). When a registrant uses a third-party service provider, the registrant should obtain proof of successful transmission from the service provider. In the absence of clear evidence, the CCRA's communication log will serve as the determining record of all transmissions.
Proof of return ss 335(12.1)	11. A document provided by the CCRA purporting to be a print-out of information received by means of electronic media, under section 278.1, shall be received as evidence and is, in the absence of evidence to the contrary, proof of the return filed by the person under section 278.1.
System failure	12. In the event that a registrant cannot send a return or remittance electronically due to a malfunction of equipment or software, an alternative method such as filing by mail or through a financial institution must be used until electronic filing and remitting is restored. Remittances must be received by the due date to avoid penalty and interest.
GST/HST rebate claims	13. It is <i>not</i> possible to transmit electronically (either by GST/HST TELEFILE, GST/HST NETFILE or by EDI) returns that include a GST/HST rebate claim (i.e., an amount on line 111, "Rebates"). If a registrant wishes to file a return with an amount on line 111, the return and any associated rebate application form must be filed in the printed paper format.

### Methods and Criteria for Electronic Filing

#### (1) GST/HST TELEFILE and GST/HST NETFILE

What are GST/HST TELEFILE and GST/HST NETFILE?	14. GST/HST TELEFILE and GST/HST NETFILE are services which allow registrants to file their GST/HST returns that have a nil balance or a refund of \$10,000 or less by touch-tone telephone or via the Internet.
Who is eligible to use GST/HST TELEFILE and GST/HST NETFILE?	15. GST/HST TELEFILE and GST/HST NETFILE are currently being offered to registrants on an invitation-only basis (based on the criteria outlined in paragraph 16). Please note that registrants who have an amount of net tax owing cannot use GST/HST TELEFILE or GST/HST NETFILE to file the GST/HST return for that reporting period.
GST/HST TELEFILE and GST/HST NETFILE criteria	16. In order to use GST/HST TELEFILE or GST/HST NETFILE, an access code must be pre-printed on the personalized GST/HST return (form GST34) that is mailed to the registrant. An access code will be pre-printed on the return if all of the following criteria are met: <ul style="list-style-type: none"><li>• the registrant's account is not administered by the Ministère du Revenu du Québec;</li><li>• the registrant has a one year filing history defined as follows:</li></ul>

## 7.5 Electronic Filing and Remitting

---

- if an annual filer, at least one return has been previously filed;
- if a quarterly filer, at least four returns have been filed; or
- if a monthly filer, at least twelve returns have been filed;
- the registrant is not a joint filer;
- the registrant is not in a bankruptcy, proposal, receivership or insolvency status; and
- the reporting period end date of the return is:
  - May 31, 2000, or later; and
  - less than 22 months prior to the current date.

Eligible Forms	17. GST/HST TELEFILE and GST/HST NETFILE can be used to file the equivalent of form GST34, <i>Goods and Services Tax/Harmonized Sales Tax Return for Registrants</i> . However, you cannot file any GST/HST rebate form or other GST/HST return by using GST/HST TELEFILE or GST/HST NETFILE. All GST/HST rebate forms and other GST/HST returns must be filed in the printed paper format with your usual tax centre.
Confirmation of receipt	18. If a registrant receives a “confirmation number” indicating that the CCRA has accepted the registrant's return, the registrant does not have to file the paper copy of form GST34 that was sent by the CCRA.
No confirmation of receipt	19. If while using the GST/HST TELEFILE service a registrant does not receive a “confirmation number” indicating that the CCRA has received the registrant's return, that registrant will be required to file its return with the CCRA on time by other means. This may mean that the registrant must file a paper copy of the return. If in doubt, the registrant may contact the nearest CCRA tax services office.
Two year time limit	20. A GST/HST return cannot be filed using GST/HST TELEFILE or GST/HST NETFILE where the current date is more than two years after the reporting period end date of the return. In this case, the registrant must file a paper copy of the return. Penalty and interest will apply to any outstanding amounts that are not received by the due date.

### **(2) GST/HST - Electronic Data Interchange (GST/HST - EDI)**

What is EDI?	21. EDI is the computer-to-computer electronic exchange of business documents in a standard format.
--------------	---

## 7.5 Electronic Filing and Remitting

---

Who is eligible to use EDI?	<p>22. A return may be filed or a remittance may be made using EDI if all of the following criteria are met:</p> <ul style="list-style-type: none"><li>• the person is registered for the GST/HST;</li><li>• the registrant is not a joint filer;</li><li>• the registrant's account is not administered by the Ministère du Revenu du Quebec; and</li><li>• the return does not include an amount at line 111, "Rebates".</li></ul>
Eligible Forms	<p>23. The documents that can be filed electronically are the equivalent of form GST34, <i>Goods and Services Tax/Harmonized Sales Tax Return for Registrants</i> and form GST58, <i>Goods and Services Tax/Harmonized Sales Tax Remittance</i>. However, you cannot file any GST/HST rebate form or other GST/HST returns by EDI. All GST/HST rebate forms and other GST/HST returns must be filed in the printed paper format with your usual tax centre.</p> <p>24. Based on the registrant's reporting period, the CCRA will continue to send the personalized form GST34, <i>Goods and Services Tax/Harmonized Sales Tax Return for Registrants</i> and form GST58, <i>Goods and Services Tax/Harmonized Sales Tax Remittance</i>. These forms can be completed and filed in cases of system failure (refer to paragraph 12 of this memorandum for more details).</p>
Payment due date	<p>25. Amounts remitted or paid electronically are considered to have been remitted or paid on the date indicated by the client's financial institution as the value date (i.e., the value date code BPS12 indicated in the electronic payment advice transmitted to the CCRA by the client's financial institution and then subsequently acknowledged by the CCRA). If the CCRA does not acknowledge that it has received the payment or remittance amount, the registrant is still required to make its remittance or payment to the CCRA on time. Penalty and interest will apply to any outstanding amounts that are not received by the due date.</p>
Confirmation of receipt	<p>26. If a registrant has received an acknowledgement that the CCRA has accepted the registrant's or a third-party service provider's transmission of an electronic return or remittance form (indicated by a "positive 997" message), the registrant does not have to complete and file the paper copy of form GST34 or GST58 that was sent by the CCRA.</p>
No confirmation of receipt	<p>27. If a registrant does not receive an acknowledgement that the CCRA has accepted its return or remittance form electronically, that registrant is still required to file its return with the CCRA on time by other means. This may mean that the registrant must complete and file a paper copy of the return. If in doubt, the registrant may contact the nearest CCRA tax services office.</p>

## 7.5 Electronic Filing and Remitting

---

### EDI - Two Options for Filing

- Two options
28. There are two options available for filing and remitting electronically using EDI:
- i) using the services of a third-party service provider; or
  - ii) transmitting directly from the registrant's computer to the CCRA using EDI technology the registrant has developed or EDI software that the registrant has purchased.

### Third-party service provider

- Third-party service provider
29. A third-party service provider is a financial institution or other company that has been approved by the CCRA to provide an electronic filing and remitting service to businesses registered for the GST/HST. The third-party service provider will transmit electronically the GST/HST return and remittance to the CCRA on the registrant's behalf. Registrants can choose only those third-party service providers that have successfully completed testing with the CCRA.

For a complete and current list of all the products and third-party service providers approved for the EDI program please go to the CCRA Internet site at this address:  
<http://www.ccra-adrc.gc.ca/eservices/gsthst-edi/products-e.html>

- Registrant's responsibility
30. Although the CCRA tests the output of the software products and services offered by third-party service providers, the CCRA is not responsible for the product or service itself. The registrant remains responsible for ensuring that returns are filed and remittances are made as required.

### Registrant transmitting directly

- Registrant transmitting directly
31. If the registrant chooses to file electronically directly with the CCRA, the registrant must either purchase a software product that can generate EDI transmissions that meet CCRA requirements for GST/HST, or use the registrant's own software that can generate the EDI transmissions.

- GST/HST Electronic Filing and Remitting Manual
32. If the registrant wishes to develop EDI technology that will be used to generate and transmit GST/HST filing and remitting information from the registrant's own computer, the CCRA will provide the registrant with a copy of the *GST/HST Electronic Filing and Remitting Manual*. The manual gives all the technical specifications and procedural information needed to send to the CCRA the required transaction sets. A copy of this manual can be requested by writing to the address indicated in paragraph 35 of this memorandum.

- Testing
33. EDI-capable registrants must complete compatibility and transmission testing with the CCRA. Compatibility testing ensures that the registrant's transmissions meet CCRA specifications and other functional and processing requirements. Transmission testing ensures that the CCRA can receive a registrant's transmissions and that registrants can receive CCRA acknowledgements.

## 7.5 Electronic Filing and Remitting

---

- Acknowledgement
34. Once the registrant's system output is successfully tested, the CCRA will provide the following information, in writing, to the registrant:
- an acknowledgement of acceptance for electronic filing and remittance; and
  - the start date after which the registrant can start transmitting the GST/HST returns and remittances.

### Further information

35. For more information on electronic filing and remitting, contact your CCRA tax services office, visit our Internet site at [www.cca-adrc.gc.ca/eservices/menu-e.html](http://www.cca-adrc.gc.ca/eservices/menu-e.html) or write to the following address:

Canada Customs and Revenue Agency  
GST/HST Returns Processing  
750 Heron Road  
9<sup>th</sup> Floor, East Tower  
Ottawa ON K1V 1A7

36. For information regarding electronic filing in Quebec, please contact the Ministère du Revenu du Québec at (418) 652-5281.

37. The addresses and telephone numbers of CCRA offices are listed in the government section of telephone books and on the “Contact us” page on the CCRA Internet site.

### Enquiries

If you wish to make a **technical enquiry** on the GST/HST by telephone, please call one of the following toll-free numbers:

1-800-959-8287 (English service)

1-800-959-8296 (French service)

**General enquiries** about the GST/HST should be directed to Business Enquiries at one of the following toll-free numbers:

1-800-959-5525 (English service)

1-800-959-7775 (French service)

If you are in the Province of Québec, please call the following toll-free number:

1-800-567-4692 (Ministère du Revenu du Québec)

All GST/HST memoranda and other Canada Customs and Revenue Agency publications are available on Internet at the CCRA site <http://www.ccr-aadrc.gc.ca/> under the heading "Technical Information" in "Tax".