

Foreign States, Representatives and Officials

About this Guide

The information in this *Guide* describes the Retail Sales Tax (RST) exemptions available to foreign states, representatives and officials. Please note that this *Guide* replaces the previous version dated January 2004. Revisions to previous content have been identified by a bar (|).

Foreign States, Representatives and Officials

Exemptions

The Department of Foreign Affairs and International Trade of Canada (DFAIT) provides authorization to certain entities and persons to receive an exemption from RST on the purchase of taxable goods or services. The exemption is based on an agreement between Canada and the country that the entity or person represents. The exemption is available to:

- entities of foreign states, i.e., a diplomatic mission (foreign embassy and high commission), a consular post, or a political subdivision
- an intergovernmental organization (“international organization” as defined by the *Foreign Missions and International Organizations Act (Canada)*, such as the United Nations agencies)
- a foreign representative or official, assigned to one of the above entities, who has been issued an identity card by DFAIT which indicates the individual is exempt from RST in Ontario
- a spouse or same-sex partner of a foreign representative or official, who has been issued an identity card by DFAIT which indicates the card holder is exempt from RST in Ontario.

Family members (e.g., children 16 years of age or older, parents, etc.) of a foreign representative or official are issued identity cards by DFAIT. However, only the representative or official, and their spouse or same-sex partner, may be authorized to receive the exemption from RST in Ontario.

Eligibility for exemption is determined at the time the identity card is issued by DFAIT. The identity cards of persons who qualify for an exemption in Ontario will have “ON” shown on the reverse of the identity card indicating Ontario as a province granting the exemption.

Identity Cards Issued to Foreign Representatives and Officials

DFAIT issues multi-coloured identity cards to recognize foreign representatives and officials in Canada.

Each identity card has the information noted below:

Front of Card	Back of Card
<ul style="list-style-type: none"> • photograph of the card holder • card holder's name • date of birth • expiry date of the card • designation/official title • signature of the Chief of Protocol 	<ul style="list-style-type: none"> • card identification number (letter "C", "D", "I" or "J" followed by seven numbers) • list of provinces where the card holder is exempt from paying tax (if tax is payable, the words "NIL" or "NO TAX EXEMPTION" will be inserted or the area is left blank) • information which can be read by machine • name of country/organization.

Note:

Not all card holders are entitled to an exemption from Retail Sales Tax (RST). The back of the identity card must indicate "ON" for the card holder to qualify for an RST exemption in Ontario.

Claiming an Exemption from RST

Individuals

To purchase taxable goods and/or services exempt from RST, foreign representatives and officials, and authorized spouses or same-sex partners, must show their identity cards to the vendor and the back of the card must indicate the card holder is exempt from RST in Ontario.

Entities

Entities of foreign states and intergovernmental organizations may purchase taxable goods or services exempt from RST by providing the vendor with a valid Purchase Exemption Certificate (PEC). (See ***RST Guide 204 - Purchase Exemption Certificates***)

Examples of Exempt Purchases

Some examples of goods and services that may be purchased or rented exempt from RST by an authorized entity of a foreign state, an intergovernmental organization, a foreign representative or official, and authorized spouses or same-sex partners, include:

- alcoholic beverages
- telephone, telegraph and telecommunication services
- labour charges to repair or maintain taxable goods
- personal goods
- prepared food products
- admission to places of amusement
- transient accommodation
- insurance premiums
- office materials and supplies
- motor vehicles (including tax for fuel conservation).

**Examples
of Exempt
Purchases
(continued)****Note:**

Materials to build or repair real property may be purchased exempt from Retail Sales Tax (RST) by entities of foreign states, intergovernmental organizations, foreign representatives or officials, and their spouses and same-sex partners. However, any person who contracts to build or repair real property for one of the above mentioned entities or persons must pay RST on the materials, as the contractor is considered to be the end user of the materials. (See *RST Guide 206 - Real Property and Fixtures*)

Vendor Requirements

Before making a tax-exempt sale, vendors should first check the back of their customer's identity card to verify the card holder is entitled to an RST exemption in Ontario. Vendors must also make sure the identity card is still valid by verifying the expiry date on the front of the card. These identity cards may only be used by the person to whom they have been issued.

To record tax-exempt sales, vendors should note in their records:

- the purchaser's card identification number,
- the purchaser's name and designation/official title, and
- a brief description of the goods sold.

These records must be kept for audit purposes.

Tax-exempt sales to entities of foreign states and intergovernmental organizations must be supported by a valid Purchase Exemption Certificate.

Legislative References

Retail Sales Tax Act, Subsections 7(5), 7(5.1) and 7(5.2)
Regulation 1012 under the Act, Subsection 6(3)
Regulation 1013 under the Act, Subsection 3(1)

For Further Information

To confirm the validity of an identity card or the card holder's status, please contact the Department of Foreign Affairs and International Trade (DFAIT) at 1-613-992-6882 (9:00 a.m. - 5:00 p.m.), or fax your request to 1-613-445-9944.

The information contained in this publication is only a guideline. For further information, please contact the nearest Ontario Ministry of Finance Tax Office listed under Taxes – Provincial (Retail) Sales Tax in the blue pages of your telephone directory, call our TAX FAX service at 1-877-4-TAX-FAX (1-877-482-9329), or visit our website at www.trd.fin.gov.on.ca.

*Ce guide est disponible en français sous le nom « États, représentants et fonctionnaires étrangers, n° 803F ».
Vous pouvez obtenir un exemplaire en appelant le 1-800-668-5821.*