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Ottawa, January 28, 2011
2011-009

GOVERNMENT PROPOSES CHANGES TO CERTAIN GST/HST RULES RELATING TO FINANCIAL INSTITUTIONS

Related Documents:

- [Backgrounder: Modifications to the Proposed Financial Institution \(FI\) Rules for the Harmonized Sales Tax \(HST\)](#)
- [Draft Legislation and Draft Regulations](#)

The Department of Finance today released proposed changes to rules relating to the manner by which financial institutions calculate the provincial component of the Harmonized Sales Tax (HST).

Details relating to the vast majority of the proposed changes were previously announced in the May 19, 2010 document, [Financial Institution Rules for the Harmonized Sales Tax](#) and in the June 30, 2010 document, [Proposed Changes to Certain Harmonized Sales Tax Rules in Respect of Financial Institutions, Streamlined Accounting Methods and Interment Rights](#).

Modifications and clarifications to those previously announced changes are proposed, in response to comments received through consultations that followed the June 30, 2010 news release. They are reflected in the attached backgrounder, draft legislation and draft regulations.

The backgrounder also describes:

- Proposed changes and clarifications to the rules contained in the May 19th and June 30th releases for new investment plans or new series of an investment plan (including investment plans created through mergers). These proposed changes are not included in the attached draft legislation or draft regulations; and
- Issues that have been raised during consultations but which require further research, analysis and stakeholder consultations.

The proposed changes to the GST/HST rules relating to financial institutions are proposed to be submitted, at an early opportunity, for approval by the Governor in Council or tabled as proposed legislative amendments.

References in these documents to an Announcement Date should be read as references to today's date.

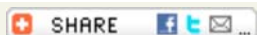
Comments on the proposals should be submitted by interested parties by March 31, 2011 to ConsultationsFI-LF@fin.gc.ca or to:

Tax Policy Branch
Department of Finance
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Ottawa, Ontario
K1A 0G5

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