

## Prepare for Ontario's HST: #19 – Purchase Exemption Certificates

This information will help purchasers understand when a valid Purchase Exemption Certificate (PEC) may be used.

### Claiming RST Exemptions

Retail Sales Tax (RST) will continue to apply to premiums paid under a contract of insurance or benefits plan after June 30, 2010. Some purchasers may be entitled to an exemption from RST. To claim the exemption, the purchaser is required to provide the seller with a valid PEC.

Examples where a PEC may be used by the purchaser to acquire insurance products exempt from RST include:

- Contract of insurance on agricultural products, structures, equipment, livestock and recreational equipment purchased by a person actively engaged in the business of farming
- Cargo insurance for the portion where the risk is not in Ontario
- Contracts of insurance in respect of an aircraft where the purchaser of the aircraft is exempt from RST
- Contracts of Insurance entered into by Indian Bands or Band Councils.

### Information Required on a PEC

A valid PEC must show:

- Name of person or name of business
- Address
- Name of authorized person
- Vendor permit number, if it applies
- Reason exemption is being claimed
- Date the PEC is issued

See **RST Guide 204-Purchase Exemption Certificates** for more details on this topic.

### For More Information

- Call Ontario's Budget hotline at 1 800 337-7222 and Teletypewriter (TTY) 1 800 263-7776 or visit [ontario.ca/taxchange](http://ontario.ca/taxchange) for general information on the introduction of the HST in Ontario.
- To obtain a written interpretation on a specific situation not addressed in this publication, please send your request in writing to:

Ministry of Revenue  
Tax Advisory Services Branch  
Retail Sales Tax Section  
33 King Street West, 3rd Floor  
Oshawa ON L1H 8H5