



## Conventions

Note: This version replaces the one dated April 1995.

This memorandum provides information with respect to foreign and domestic conventions. It explains the eligibility requirements that sponsors and non-registered organizers of foreign conventions have to meet to claim a GST/HST rebate in respect of supplies of the convention facility and related convention supplies. It also explains how non-resident non-registered exhibitors attending conventions in Canada may claim a GST/HST rebate in respect of the tax paid on the acquisition of exhibition space at a convention and related convention supplies. It provides details on how Canadian suppliers can pay to, or credit in favour of, sponsors and non-registered organizers of foreign conventions an amount on account of a rebate. It also explains how the GST/HST applies to supplies made by sponsors of domestic conventions, including admissions and supplies made to exhibitors.

**Disclaimer** The information in this memorandum does not replace the law found in the *Excise Tax Act* (the 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 RC4405, *GST/HST Rulings - Experts in GST/HST Legislation*. If you wish to make a technical enquiry on the GST/HST by telephone, please call 1-800-959-8287.

If you are located in Quebec and wish to make a technical enquiry on the GST or obtain a ruling, please call Revenu Québec at 1-800-567-4692. For general information, please visit their Web site at [www.revenu.gouv.qc.ca](http://www.revenu.gouv.qc.ca).

**Note – HST** Reference in this publication is made to supplies taxable at 5% (the rate of the GST) or 13% (the rate of the HST). The HST applies to supplies made in Nova Scotia, New Brunswick, and Newfoundland and Labrador (the “participating provinces”). If you are uncertain as to whether a supply is made in a participating province, you may refer to GST/HST Technical Information Bulletin B-078, *Place of Supply Rules Under the HST*.

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**Characterizing the supply**

- Convention ss 123(1)
1. The term “convention” means a formal meeting or assembly that is not open to the general public, but does not include a meeting or assembly the principal purpose of which is:
    - (a) to provide any type of amusement, entertainment or recreation;
    - (b) to conduct contests or games of chance; or
    - (c) to transact the business of the convenor or attendees,
      - (i) in the course of a trade show that is open to the general public, or
      - (ii) otherwise than in the course of a trade show.
  
  2. One cannot assume that every formal meeting or assembly that is not open to the general public is a convention for GST/HST purposes. As in any transaction, it is important to properly characterize what is being supplied in order to determine how tax applies to the particular transaction. The nature and purpose of the formal meeting or assembly has to be considered in order to determine whether it is a convention or something else. For example, a formal meeting the purpose of which is to provide instruction (e.g., a workshop, seminar or training session) is not, by itself, a convention. As well, an awards ceremony or a cocktail reception is not, by itself, a convention.
  
  3. A formal meeting or assembly must meet the requirements of the definition, as explained below, to be a convention for GST/HST purposes.

***Meaning of “formal meeting or assembly that is not open to the general public”***

- Meaning of “formal meeting or assembly”
4. The expression “formal meeting or assembly” is not defined in the Act. Administratively, it is interpreted to mean a gathering of people that is organized and structured (i.e., planned in advance and with an agenda or a program) and held for a specific, identified purpose such as exchanging information or discussing and making decisions regarding issues and concerns of interest to the group.
- Meaning of “not open to the general public”
5. The expression “not open to the general public” is not defined in the Act. Administratively, it is interpreted to mean that admittance to a formal meeting or assembly is restricted to members of an organization or a targeted audience of the public having a particular interest in, or special connection with, the event.
- Factors to consider
6. The following factors may be considered in determining whether a formal meeting or assembly is not open to the general public:
    - the nature of the meeting or assembly;
    - who usually attends; and
    - how it is publicized.

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The nature of the meeting or assembly	7. The nature of the meeting or assembly, the content of the presentations and the subject matter of the discussions may indicate whether the event is not open to the general public. For example, the general public would normally not be interested in attending a formal meeting or assembly the purpose of which is to exchange information of a scientific nature or to discuss technical issues on a specific subject, such as recent developments in aeronautics.
Who usually attends	8. Who usually attends a formal meeting or assembly may indicate whether the event is not open to the general public. For example, participants to a convention are usually members of associations or organizations sharing the same goal, or people having the same interest in a particular field. Generally, only these people would be targeted to attend the formal meeting or assembly, and not the general public.
How it is publicized	9. The means of communicating the invitation to a formal meeting or assembly may indicate whether the event is not open to the general public. For example, personal invitations by mail or e-mail, advertisements in specialized publications, and posters displayed in selected places targeting only people who may have an interest in the formal meeting or assembly are indicators that the event is not open to the general public.  10. The fact that the information and registration form for a formal meeting or assembly are on the Internet does not necessarily indicate that the event is open to the general public. Programs, agendas and registration forms could be posted on the Internet to facilitate the dissemination of information to participants and to facilitate registration to the formal meeting or assembly.
Example	A medical association holds a formal assembly to which health care practitioners and researchers are invited to discuss progress in the research and treatment of a particular disease. The event is advertised in medical publications and posters are displayed in doctors' lounges of hospitals. The association's Web site provides the program and registration form.  This formal assembly is not open to the general public because the nature of the event is only of interest to professionals in a particular field, and the event is advertised in specialized publications and posters are displayed in hospitals targeting practitioners and researchers. Although the program and registration form are on the Internet, the association is not targeting the general public.
Meeting or assembly open to the general public	11. Posters displayed in public places may be an indication that the general public is invited to the formal meeting or assembly.
Example	An association places posters in shopping centres inviting people to attend a formal meeting to discuss the effects of global warming on the environment. Because this event is advertised in public places, this is an indication that the general public is invited.
Registration – Not an indicator	12. The meaning of “convention” does not require attendees to register to attend the formal meeting or assembly. Therefore, registration to a formal meeting or assembly does not automatically mean that the event is not open to the general public. Alternatively, the lack of registration does not necessarily mean that a formal meeting or assembly is open to the general public.
Example	An association is holding a formal assembly to which its volunteers are invited. As the people who will attend the event are known, the association does not require them to register. The lack of registration is not an indicator that the assembly is open to the general public.

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## What is not a convention

Exclusions ss 123(1) 13. The meaning of “convention” excludes a formal meeting or assembly the principal purpose of which is:

- (a) to provide any type of amusement, entertainment or recreation;
- (b) to conduct contests or games of chance; or
- (c) to transact the business of the convenor or attendees,
  - (i) in the course of a trade show that is open to the general public, or
  - (ii) otherwise than in the course of a trade show.

Meaning of “principal” 14. The term “principal” is not defined in the Act but it is generally regarded as being synonymous with the words “chief” or “main”.

Meaning of “to transact the business of the convenor or attendees” 15. The expression “to transact the business of the convenor or attendees” is not defined in the Act. Administratively, it is interpreted to mean conducting or carrying out the operation or management of a business. This includes, for example, business meetings that the convenor or attendees would normally conduct at their place of business, such as sales meetings, board of directors meetings, or contract negotiations.

Example A company is holding a business meeting with its sales representatives to discuss strategies and determine sales targets for the upcoming year. The meeting is not a convention for GST/HST purposes as its principal purpose is to transact the business of the convenor.

Incentive trips that include business meetings 16. An incentive trip that includes business meetings is usually not a convention. As the definition of “convention” excludes a formal meeting or assembly the principal purpose of which is to transact the business of the convenor or attendees, incentive trips which have business meetings as their principal purpose are excluded from the definition of convention.

Example A company offers incentive trips to reward its salespeople who generate the most sales. The incentive trips include business meetings to discuss sales targets for the upcoming year. The incentive trip, or any part of it, is not a convention because the definition of “convention” excludes a formal meeting or assembly the principal purpose of which is to transact the business of the convenor or attendees.

17. Where it is established that a formal meeting or assembly is a convention for GST/HST purposes, it is then important to determine who is the sponsor of the convention. This is necessary, in part, to determine whether the convention is a foreign or domestic convention.

## Sponsors

Meaning of “sponsor” ss 123(1) 18. The term “sponsor” of a convention means the person who convenes the convention and supplies admissions to it.

Question of fact 19. The matter of who is the sponsor of a convention is a question of fact. However, the person must meet the requirements of the definition, as explained below, in order to be a sponsor of a convention for GST/HST purposes.

First requirement – Sponsor is a person ss 123(1) 20. A sponsor must be a “person” as defined in the Act. A “person” means an individual, a partnership, a corporation, the estate of a deceased individual, a trust, or a body that is a society, union, club, association, commission or other organization of any kind.

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Second requirement – Sponsor convenes the convention	21. To be a sponsor of a convention, the person must convene the convention. The term “convene” is not defined in the Act. Administratively, it is interpreted to mean the summoning or calling of people to come together for the convention.
Third requirement – Sponsor supplies admissions ss 123(1)	22. To be a sponsor of a convention, the person must supply the admissions to the convention. The term “supply”, as defined in the Act, means the provision of property or a service in any manner, including sale, transfer, barter, exchange, licence, rental, lease, gift or disposition.
Meaning of “admission” ss 123(1)	23. The term “admission” in respect of a place of amusement or a seminar, an activity or an event, means a right of entry or access to, or attendance at, the place of amusement or the seminar, activity or event.
	24. There is no legislative requirement that a sponsor of a convention charge a fee for the supply of admissions. Supplying admissions for no consideration does not preclude a person from being a sponsor.
Other meaning of sponsor	25. A “sponsor”, as defined in the Act, should not be confused with a person who financially supports an event by purchasing property or services for use in publicizing the person’s business. A person that supports an event through sponsorship opportunities is not a sponsor of a convention for GST/HST purposes. However, this person may be an exhibitor.
	26. After it has been determined that a formal meeting or assembly is a convention and who is the sponsor, it is then important to determine whether the event is a foreign or a domestic convention. The distinction is important for determining which legislative provisions apply to supplies made or acquired in connection with the convention.
<b>Is the convention a domestic or a foreign convention?</b>	
Domestic convention	27. The term “domestic convention” is not used in the Act. It is an administrative term used to refer to a convention that is not a foreign convention, as defined in paragraph 28. Refer to paragraphs 94 to 106 of this memorandum for more information on domestic conventions.
Foreign convention ss 123(1)	28. The term “foreign convention” means a convention: <ul style="list-style-type: none"> <li>(a) at least 75% of the admissions to which are, at the time the sponsor of the convention determines the amount to be charged as consideration therefor, reasonably expected to be supplied to non-resident persons; and</li> <li>(b) the sponsor of which is an organization whose head office is situated outside Canada or, where the organization has no head office, the member, or majority of members, of which having management and control of the organization is or are non-resident.</li> </ul>
	29. A convention held in Canada is a foreign convention for GST/HST purposes when both requirements of the definition, as explained below, have been met. Whether the sponsor of the convention is a registrant or a non-registrant for GST/HST purposes is irrelevant for the purposes of determining whether the convention is a foreign convention.

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Paragraph (a) of the definition of “foreign convention”	30. To determine if the first requirement of the definition of “foreign convention” has been met, the sponsor has to determine the percentage of admissions that are reasonably expected to be supplied to non-residents. This determination has to be done at the time the sponsor determines the consideration for the supplies of the admissions. If the percentage of admissions that are reasonably expected to be supplied to non-residents is at least 75%, the convention would have met the first requirement of the definition of “foreign convention”.
Meaning of “non-resident” ss 123(1)	31. The term “non-resident” means not resident in Canada. For more information on how to determine residence status, please refer to GST/HST Memorandum 3.4, <i>Residence</i> .
Determining percentage of admissions	32. Any reasonable method can be used to determine whether at least 75% of the admissions are reasonably expected to be supplied to non-residents. For example, the sponsor can use the percentage of admissions supplied to non-residents who: <ul style="list-style-type: none"> <li>• attended previous conventions;</li> <li>• are usually invited to attend the convention; or</li> <li>• are listed as members of the organization.</li> </ul>
Corporate memberships	33. Where corporate memberships are involved, the sponsor must consider the number of admissions reasonably expected to be supplied to individuals within the corporation(s).
Actual number of non-resident attendees	34. If, at the time of determining the amount to be charged as consideration for the admission, the sponsor determines that at least 75% of the admissions are reasonably expected to be supplied to non-residents, and discovers at a later time that less than 75% of the admissions were supplied to non-residents, the convention would still be a foreign convention.
Documentation ss 286(1)	35. Sponsors must maintain documents supporting their calculation of the percentage of admissions reasonably expected to be supplied to non-residents in order to prove that a convention was a foreign convention, and make these documents available to the CRA on request. These documents must be in English or French, or a translation provided, and they must be kept in Canada unless the sponsor gets permission from the CRA to maintain them outside Canada. More information on books and records is available in GST/HST Memorandum 15.1, <i>General Requirements for Books and Records</i> .
Paragraph (b) of the definition of “foreign convention”	36. Paragraph (b) of the definition of “foreign convention” requires the sponsor to be an organization whose head office is situated outside Canada. If the organization has no head office, then the member, or the majority of the members, having management and control of the organization have to be non-residents.

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Example

An association has decided to hold its next convention in Toronto. The association, whose head office is situated in the United States, has 3,280 members of which 2,752 are Americans and 528 are Canadians. At the time the sponsor determines the amount of the admission fee to be charged to persons attending the convention in Toronto, the sponsor uses the following statistics from the previous five conventions to determine the percentage of admissions reasonably expected to be supplied to non-residents.

Convention location	U.S. admissions	Canadian admissions	Total admissions	% of U.S. admissions
Atlanta	1,196	103	1,299	92.1%
Houston	1,212	111	1,323	91.6%
New York	1,224	118	1,342	91.2%
San Francisco	1,026	69	1,095	93.7%
Montreal	970	203	1,173	82.7%

As the percentage of non-resident individuals (i.e., persons not resident in Canada) who purchased admissions to each of the previous five conventions exceeds 75%, the association determines that at least 75% of the admissions to the convention in Toronto are reasonably expected to be supplied to non-residents of Canada. Therefore, the convention has met the first requirement of the definition of “foreign convention”. Also, as the association’s head office is situated outside Canada, the convention has met the second requirement of the definition of “foreign convention”. Since both of the requirements are met, the convention in Toronto qualifies as a foreign convention for GST/HST purposes.

## Organizers

37. A sponsor of a convention may be unable to co-ordinate all aspects of a convention and may contract another person to perform certain activities with respect to the convention. This person may be an organizer.

Meaning of “organizer”  
ss 123(1)

38. The term “organizer” of a convention means a person who acquires the convention facility or related convention supplies and who organizes the convention for another person who is the sponsor of the convention.

Question of fact

39. The matter of who is the organizer of a convention is a question of fact. However, the person must meet the requirements of the definition, as explained below, in order to be the organizer of a convention for GST/HST purposes.

### ***First requirement: Person who acquires the convention facility or related convention supplies***

First requirement

40. First, to be the organizer of a convention, the person must acquire the convention facility or related convention supplies.

Convention facility  
ss 123(1)

41. The term “convention facility” means real property that is acquired by way of lease, licence or similar arrangement by the sponsor or organizer of a convention for use exclusively as the site for the convention. The meaning of “lease, licence or similar arrangement” is discussed in GST/HST Memorandum 19.1, *Real Property and the GST/HST*.

Site used for other  
activities

42. The real property must be used exclusively as the site for the convention. When a site used to hold a convention is also used to hold other events such as a dinner or dance in conjunction with the convention, the site is still a convention facility.

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Related convention  
supplies  
ss 123(1)

43. The term “related convention supplies” means property or services acquired, imported or brought into a participating province by a person exclusively for consumption, use or supply by the person in connection with a convention, but does not include:

- (a) transportation services, other than a chartered service acquired by the person solely for the purpose of transporting attendees of the convention between any of the convention facilities, places of lodging of the attendees or transportation terminals;
- (b) entertainment;
- (c) except for the purposes of subsection 167.2(1) (supplies to non-residents of admissions to a domestic convention – see paragraphs 98 to 100 of this memorandum for more information) and section 252.4 (rebates for sponsors and organizers in respect of foreign conventions – see paragraphs 55 to 64 for more information), property or services that are food or beverages or are supplied to the person under a contract for catering; or
- (d) property or services supplied by the person in connection with the convention for consideration that is separate from the consideration for the admission to the convention, unless the recipient of the supply is acquiring the property or services exclusively for consumption or use in the course of promoting, at the convention, property or services supplied by, or a business of, the recipient.

Examples of related  
convention supplies

44. Refer to Appendix 1 to this memorandum for examples of related convention supplies.

***Second requirement: Person who organizes the convention for the sponsor***

Second requirement

45. Second, to be the organizer of a convention, the person must organize the convention for another person who is the sponsor of the convention.

46. Generally, an organizer is a person who arranges, prepares, or puts the convention on or together for the sponsor. An organizer could be a consultant or a meeting planner. Generally, an organizer supplies a service to the sponsor and usually charges a fee for that service.

Exclusions

47. An in-house planner or a person acting as an agent of the sponsor is not an organizer for GST/HST purposes. As well, a person engaged as a subcontractor to provide equipment and/or labour, but who does not organize the convention for the sponsor, is not an organizer for GST/HST purposes.

Example

The sponsor of a foreign convention hires a Canadian company to provide audio-visual equipment and labour for the convention. Although the Canadian company supplies related convention supplies to the sponsor, it is not an organizer for GST/HST purposes as it does not also organize the convention for the sponsor.

**Supplies made by sponsors of foreign conventions**

Supplies made by  
sponsors  
s 189.2

48. Certain supplies made by a sponsor of a foreign convention, as listed below, are deemed to have been made otherwise than in the course of a commercial activity of the sponsor. Consequently, the sponsor of a foreign convention does not charge and account for the GST/HST on the following supplies, even if the sponsor is a GST/HST registrant:

para 189.2(a)

- (a) a supply of an admission to the convention;



para 189.2(b)	(b) a supply by way of lease, licence or similar arrangement of real property for use by the recipient of the supply exclusively as the site for the promotion, at the convention, of property or services supplied by, or a business of, the recipient; or
para 189.2(c)	(c) a supply of related convention supplies to a recipient of a supply referred to in paragraph 189.2(b).
	49. The provisions of section 189.2 apply to supplies made both to residents of Canada and to non-residents.
	50. Refer to GST/HST Memorandum 19.1, <i>Real Property and the GST/HST</i> for information on leases, licences and similar arrangements.
Exhibitors	51. With respect to paragraphs 189.2(b) and (c), the recipient of the supply is generally referred to as an exhibitor. The term “exhibitor” is not defined in the Act. Administratively, it is interpreted to mean a person who rents exhibition space exclusively for use as a site for the promotion at a convention of the property or services provided by the exhibitor or its business.
Example	<p>A non-resident organization having commercial activities in Canada is registered for GST/HST purposes. The organization is the sponsor of a foreign convention in Saskatchewan and charges \$225 per admission to the convention. The sponsor also charges resident and non-resident exhibitors \$800 per day for the rent of exhibition space and a \$100 fee for setting up the display area.</p> <p>The sponsor does not charge and account for the GST on admissions because supplies of admissions to a foreign convention are deemed to be made otherwise than in the course of the sponsor’s commercial activities. The supplies of admissions are not subject to tax regardless of whether they are made to residents of Canada or non-residents.</p> <p>The sponsor does not charge and account for the GST on exhibition space because supplies of real property for use by exhibitors exclusively as the site for the promotion, at the convention, of property or services supplied by the exhibitors or their businesses are deemed to be made otherwise than in the course of the sponsor’s commercial activities. The supplies of exhibition space are not subject to tax regardless of whether they are made to exhibitors who are residents of Canada or non-residents.</p> <p>The sponsor does not charge and account for the GST on the service of setting up the displays. Supplies of related convention supplies made to exhibitors who rented exhibition space from the sponsor for use exclusively as the site for the promotion, at a convention, of property or services supplied by the exhibitors or their businesses are deemed to be made otherwise than in the course of the sponsor’s commercial activities. The supplies of related convention supplies are not subject to tax regardless of whether they are made to exhibitors who are residents of Canada or non-residents.</p>
Effect of s 189.2	<p>52. As a result of the deeming provisions in section 189.2:</p> <ul style="list-style-type: none"> <li>• sponsors of foreign conventions are not required to register for GST/HST purposes under subsection 240(2) as a result of making supplies of admissions to a convention in Canada;</li> <li>• registrant sponsors of foreign conventions treat the supplies included in section 189.2 separately from their commercial activities and do not charge and account for GST/HST on those supplies included in section 189.2; and</li> <li>• registrant sponsors of foreign conventions are not entitled to any input tax credits in respect of the GST/HST paid or payable on any property or services acquired, imported or brought into a participating province, as the case may be, for consumption, use or supply in connection with the supplies included in section 189.2.</li> </ul>

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Supplies not included in s 189.2

53. Taxable supplies of property and services that are not included in section 189.2 are subject to GST/HST. For example, a registrant sponsor of a foreign convention must charge and account for the GST/HST on taxable supplies of property or services that:

- are not included in the supply of admissions (e.g., educational materials or souvenirs); or
- are not related convention supplies and that are supplied to exhibitors (e.g., property or services that are food or beverages or supplied under a contract for catering).

54. A non-registrant sponsor that makes taxable supplies that are not included in section 189.2 may have to register and charge tax on these supplies. The usual rules of the Act (including the place of supply rules in section 143) apply in determining whether the sponsor should be registered for the purposes of those supplies. More information on these rules is available in GST/HST Memorandum 3.3, *Place of Supply*.

### **GST/HST rebate for sponsors and organizers of foreign conventions**

Rebates for foreign conventions ss 252.4(1), (3)

55. Sponsors and non-registered organizers of foreign conventions held in Canada are eligible for a rebate of the GST/HST paid in respect of the convention facility and related convention supplies.

In-house planner

56. An in-house planner, such as an employee, acquiring related convention supplies on behalf of a sponsor is not an organizer for purposes of the rebate. The sponsor is the person acquiring the supplies, and consequently is the person who is eligible to claim a rebate.

Organizer acting as agent

57. An organizer of a foreign convention may act as an agent in acquiring related convention supplies on behalf of the sponsor, who in turn reimburses the organizer for the cost of the supplies plus the tax paid. In this situation, the sponsor is the person acquiring the supplies and is the person who is eligible to claim a rebate. For more information on agency, see GST/HST Policy Statement P-182R, *Agency*.

### **Rebate to sponsors of foreign conventions**

ss 252.4(1)

58. A GST/HST rebate is available to a sponsor of a foreign convention where the sponsor has paid the GST/HST in respect of:

- (a) a supply of property or services relating to the convention made by a registrant who is the organizer of the convention;
- (b) a supply, made by a registrant who is not the organizer of the convention, of property or services that are acquired for consumption, use or supply by the sponsor as related convention supplies or of the convention facility; or
- (c) property that is imported or brought into a participating province by the sponsor, or an imported taxable supply (as defined in section 217) of property or services that are acquired by the sponsor, for consumption, use or supply by the sponsor as related convention supplies.

Imported taxable supplies 217

59. An imported taxable supply includes a supply of intangible personal property, services or certain tangible personal property for use otherwise than exclusively in commercial activities.

Rebate for supplies made by organizer para 252.4(1)(d)

60. In the case of a supply made by an organizer, a sponsor is entitled to claim a rebate equal to the total of:

- the tax paid by the sponsor calculated on that part of the consideration for the supply that is reasonably attributable to the convention facility or related convention supplies other than property or services that are food or beverages or are supplied under a contract for catering; and
- 50% of the tax paid by the sponsor calculated on that part of the consideration for the supply that is reasonably attributable to related convention supplies that are food or beverages or are supplied under a contract for catering.

Example

The registrant organizer of a foreign convention held in New Brunswick charges the following amounts to the sponsor of the convention:

Expenses	Consideration	HST
Meeting rooms	\$15,000	\$1,950
Organizer's fee	5,000	650
Equipment rentals	6,000	780
Catering services	<u>4,000</u>	<u>520</u>
<b>Total</b>	<b>\$30,000</b>	<b>\$3,900</b>

The sponsor is entitled to a rebate of 100% of the HST paid on the meeting rooms (i.e., convention facility) and on the organizer's fee and equipment rentals (i.e., related convention supplies). The rebate for the related convention supplies that are property and services supplied under a contract for catering is limited to 50% of the HST paid. Therefore, the sponsor is entitled to a rebate for the amount of \$3,640 which represents:

- 100% of the HST paid on the convention facility and related convention supplies (\$3,380); and
- 50% of the HST paid on catering services (\$260).

61. Sometimes, an organizer charges the sponsor an all-inclusive price to organize a convention. Items that are not eligible for the rebate may be included in the consideration. The sponsor determines the rebate using the amount of the GST/HST calculated on that part of the consideration that is reasonably attributable to the items that qualify, and then claims a rebate on those items.

Example

A registrant organizer charges \$20,000 plus \$1,000 GST to the sponsor of a foreign convention held in British Columbia. The amount includes the rental of the convention facility, advertising, convention materials, equipment rentals, food, beverages and entertainment.

The sponsor is entitled to a rebate of 100% of the GST paid on the convention facility and the related convention supplies that are not food and beverages. The rebate is limited to 50% of the GST paid on related convention supplies that are food or beverages. There is no rebate for the GST paid on entertainment as it is not a related convention supply (see paragraph 43 for more information). As a result, the sponsor has to determine the amount of GST that is reasonably attributable to the items that qualify for the rebate. If the sponsor determines that 60% of the expenses relate to the convention facility and the related convention supplies other than the food and beverages, 25% to food and beverages, and 15% to entertainment, the sponsor would calculate the rebate amount as follows:

Food and beverages	$\$1,000 \times 25\% \times 50\%$	\$125
Convention facility and other related convention supplies	$\$1,000 \times 60\%$	\$600
<b>Total rebate</b>		<b>\$725</b>

Rebate in any other case  
para 252.4(1)(e)

62. In any other case (i.e., where a supply is not made by an organizer), the sponsor is entitled to claim a rebate equal to:

- if the property or service is food or beverages or is supplied under a contract for catering, 50% of the tax paid by the sponsor in respect of the supply or importation of the property or service, or the bringing into a participating province of the property; and
- in any other case, the tax paid by the sponsor in respect of the supply or importation of the property or service, or the bringing into a participating province of the property.

Example

The sponsor of a foreign convention held in Nova Scotia acquired from different suppliers the following supplies in connection with the convention:

<b>Expenses</b>	<b>Consideration</b>	<b>HST</b>
Meeting rooms	\$3,000	\$390
Equipment rentals	4,500	585
Convention materials	2,000	260
Meals/catering	5,000	650
Entertainment	<u>2,500</u>	<u>325</u>
<b>Total</b>	<b>\$17,000</b>	<b>\$2,210</b>

The sponsor is entitled to a rebate of 100% of the HST paid on the meeting rooms (i.e., convention facility), and on the equipment rentals and convention materials (i.e., related convention supplies). The rebate for property and services that are meals and are supplied under a contract for catering is limited to 50% of the HST paid. There is no rebate of the HST paid on entertainment as it is not a related convention supply (see paragraph 43 for more information).

The sponsor is entitled to a rebate as follows:

<b>Expenses</b>	<b>HST</b>	<b>Rebate</b>
Meeting rooms	\$390	\$390
Equipment rentals	585	585
Convention materials	260	260
Meals/catering	<u>650</u>	<u>325</u>
<b>Total</b>	<b>\$1,885</b>	<b>\$1,560</b>

Rebate for  
accommodation

63. A sponsor of a foreign convention may be entitled to claim a rebate of the GST/HST paid in respect of short-term and/or camping accommodation acquired exclusively for consumption, use or supply in connection with a convention (i.e., where the accommodation is a related convention supply). However, non-resident attendees to a convention in Canada are no longer entitled to claim a rebate for the GST/HST paid on short-term and/or camping accommodation.

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### ***Rebate to non-registered organizers of foreign conventions***

Rebate for non-registered organizers  
ss 252.4(3)

64. If a non-registered organizer of a foreign convention pays GST/HST in respect of a supply of a convention facility or a supply, importation or bringing into a participating province of related convention supplies, the organizer is entitled to a rebate equal to the total of:

- the tax paid by the organizer calculated on that part of the consideration for the supply or on that part of the value of property that is reasonably attributable to the convention facility or related convention supplies other than property or services that are food or beverages or are supplied under a contract for catering; and
- 50% of the tax paid by the organizer calculated on that part of the consideration for the supply or on that part of the value of property that is reasonably attributable to related convention supplies that are food or beverages or are supplied under a contract for catering.

Example

A non-registered organizer incurred the following expenses in connection with a foreign convention held in Manitoba:

<b>Expenses</b>	<b>Consideration</b>	<b>GST</b>
Meals and catering	\$20,000	\$1,000
Convention centre rental	40,000	2,000
Local tours for attendees	5,000	250
Advertising	2,000	100
Convention show services	<u>20,000</u>	<u>1,000</u>
<b>Total</b>	<b>\$87,000</b>	<b>\$4,350</b>

The non-registered organizer is entitled to a rebate of 100% of the GST paid on the rental of the convention centre (i.e., convention facility), and on advertising and convention show services (i.e., related convention supplies). The rebate for property or services that are meals and beverages and are supplied under a contract for catering is limited to 50% of the GST paid. There is no rebate for the local tours for attendees as they are not related convention supplies (see paragraph 43 for more information).

The non-registered organizer is entitled to a rebate as follows:

<b>Expenses</b>	<b>GST</b>	<b>Rebate</b>
Meals and catering	\$1,000	\$500
Convention centre rental	2,000	2,000
Advertising	100	100
Convention show services	<u>1,000</u>	<u>1,000</u>
<b>Total</b>	<b>\$4,100</b>	<b>\$3,600</b>

### **Rebate procedures for sponsors and non-registered organizers of foreign conventions**

65. Sponsors and non-registered organizers of foreign conventions may obtain the rebate amount to which they are entitled by:

- filing a rebate application with the CRA; or
- being paid or credited an amount on account of the rebate by eligible suppliers. See paragraph 72 of this memorandum for information on eligible suppliers.

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### **Filing a rebate application**

Form GST386 s 262(1)	66. Sponsors and non-registered organizers of foreign conventions can apply to the CRA for a rebate of GST/HST by using the rebate application Form GST386, <i>Rebate Application for Foreign Conventions</i> .
Filing deadline ss 252.4(1), (3)	67. The rebate application must be filed within one year after the day the foreign convention ends. For example, if the convention ended on September 16, 2008, the application must be received by the CRA no later than September 16, 2009.
One rebate application ss 262(2)	68. When a sponsor or a non-registered organizer files a rebate application with the CRA, only one rebate application can be filed per foreign convention.
Required documents	69. When a sponsor or non-registered organizer of a foreign convention files a rebate application with the CRA, the following documents must be provided with the application: <ul style="list-style-type: none"><li>• a convention agenda, itinerary or event program;</li><li>• copies of invoices or receipts showing the GST/HST paid; and</li><li>• a complete hotel folio.</li></ul>
Proof that tax was paid	70. The documents must prove that the sponsor or non-registered organizer has paid the GST/HST on the supplies. An invoice that only indicates the tax payable (but not paid) is not sufficient.
Rebate denied	71. The CRA will deny any rebate if the sponsor or non-registered organizer does not provide the required documents with the rebate application.

### **Rebate paid or credited by eligible suppliers**

	72. Certain registrant suppliers can pay to, or credit in favour of, a sponsor or non-registered organizer of a foreign convention an amount on account of a rebate. The amount that can be paid or credited is equal to the amount to which the sponsor or non-registered organizer would be entitled under subsection 252.4(1) or (3), as the case may be, if the sponsor or organizer had paid the tax to the supplier and had filed a rebate application with the CRA.
Rebate amount paid or credited by organizer 252.4(2)	73. A registrant organizer of a foreign convention can pay to, or credit in favour of, a sponsor an amount on account of a rebate under subsection 252.4(1) in respect of the supply of the convention facility and related convention supplies made by the organizer. Refer to paragraph 60 for information on the rebate to which a sponsor is entitled in respect of supplies made by an organizer.
Rebate amount paid or credited by operator of convention facility 252.4(4)	74. An operator of a convention facility who is not the organizer of a foreign convention can pay to, or credit in favour of, a sponsor or a non-registered organizer of the convention an amount on account of a rebate to which the sponsor or organizer would have been entitled under subsection 252.4(1) or (3) in respect of a supply made by the operator of the convention facility. Refer to paragraphs 62 and 64 for information on the rebate to which a sponsor or non-registered organizer is entitled in respect of supplies made by an operator of a convention facility.

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Rebate amount paid or credited by supplier of accommodation 252.4(4)	75. A registrant supplier of short-term or camping accommodation who is not the organizer of a foreign convention can pay to, or credit in favour of, a sponsor or a non-registered organizer of the convention an amount on account of a rebate to which the sponsor or organizer would have been entitled under subsections 252.4(1) and (3) in respect of a supply made by the supplier of the accommodation.
Eligible suppliers	76. The suppliers referred to in paragraphs 73 to 75 are subsequently referred to as “eligible suppliers” in this memorandum.  77. Sponsors or non-registered organizers of foreign conventions that are paid or credited an amount on account of a rebate by an eligible supplier cannot claim the amount, or any part of it, by filing a rebate application with the CRA. However, if they are paid or credited an amount on account of a rebate, and they have other related convention supplies that qualify for a rebate and for which they were not paid or credited, they may file a rebate application for these qualifying items with the CRA.
No entitlement to rebate, refund, remission ss 252.4(2), (4)	78. Sponsors or non-registered organizers of foreign conventions that are paid or credited an amount on account of a rebate by an eligible supplier are not entitled to any rebate, refund or remission in respect of the tax to which the amount relates.
Documentary evidence ss 286(1)	79. When an eligible supplier pays to, or credits in favour of, a sponsor or non-registered organizer of a foreign convention an amount on account of a rebate, the supplier has to keep documentary evidence that the sponsor or organizer would be entitled to the rebate if the sponsor or organizer had paid tax and filed a rebate application with the CRA.  80. Before paying or crediting an amount on account of a rebate, an eligible supplier should verify that the sponsor or non-registered organizer satisfies the eligibility conditions. Appendix 2 to this memorandum provides an example of a form that could be used to confirm that the formal meeting or assembly for which an eligible supplier is paying or crediting an amount on account of a rebate is a foreign convention. This form is not required under the Act. The CRA will determine at the time of audit whether an eligible supplier could have paid or credited an amount on account of a rebate and claimed a deduction in determining its net tax.
Supplier may claim deduction ss 252.4(2), (4)	81. An eligible supplier that pays or credits an amount on account of a rebate to a sponsor or non-registered organizer of a foreign convention may claim a deduction under subsection 234(2) in respect of the amount paid or credited.
Deadline for claiming deduction ss 234(2)	82. Where an eligible supplier pays to, or credit in favour of, a sponsor or non-registered organizer of a foreign convention an amount on account of a rebate, the eligible supplier may deduct the amount in determining its net tax for: <ul style="list-style-type: none"> <li>• the reporting period that includes the particular day which is, for the purposes of claiming the deduction, the later of <ul style="list-style-type: none"> <li>○ the last day on which any tax to which the rebate relates became payable, and</li> <li>○ the day on which the amount is paid or credited; or</li> </ul> </li> <li>• any subsequent reporting period of the eligible supplier for which a return is filed within one year after this particular day.</li> </ul>

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83. The eligible supplier may claim the deduction on line 107 of its GST/HST return.

Example

A registrant organizer of a foreign convention held in Newfoundland and Labrador charges the following amounts to the sponsor of the convention and agrees to credit the rebate amount to the sponsor:

Expenses	Consideration	HST	Rebate
Organizer's fee	\$2,500	\$325	\$325
Convention facility	3,000	390	390
Equipment rentals	5,000	650	650
Convention materials	1,500	195	195
Catering	4,000	520	260
Entertainment	<u>2,000</u>	<u>260</u>	<u>0</u>
<b>Total</b>	<b>\$18,000</b>	<b>\$2,340</b>	<b>\$1,820</b>

The sponsor is entitled to a rebate of 100% of the HST paid on the organizer's fee, the convention facility, the equipment rentals, the convention materials and 50% of the HST paid on the catering. There is no rebate for entertainment as it is not a related convention supply (see paragraph 43 for more information).

The organizer's invoice to the sponsor shows the following:

Amount charged to the sponsor	\$18,000
HST (\$18,000 × 13%)	<u>2,340</u>
Subtotal	\$20,340
Less credit of HST rebate amount	<u>1,820</u>
<b>Net amount payable</b>	<b>\$18,520</b>

With respect to this particular transaction, the organizer includes the following amounts on its GST/HST return for the reporting period in which the tax was charged:

Sales and other revenue (line 101)	\$18,000	
GST/HST collected (line 103)	\$2,340	
Adjustments (line 104)	0	
Total GST/HST and adjustments (line 105)		\$2,340
Input tax credits (line 106)	0	
Adjustments (line 107)	\$1,820	
Total input tax credits and adjustments (line 108)		\$1,820
Net tax (line 109)		\$520

Filing of information  
schedule  
ss 252.4(5)

84. An eligible supplier that pays or credits an amount on account of a rebate and claims a deduction under subsection 234(2) in respect of the amount paid or credited has to file the information schedule Form GST106, *Schedule 2 – Information on Claims Paid or Credited for Foreign Conventions and Tour Packages* with the CRA on or before the day on or before which the eligible supplier's GST/HST return for the reporting period in which the amount is deducted is required to be filed.



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Implementation	<p>85. The information schedule must be filed for any supply related to a foreign convention for which</p> <ul style="list-style-type: none"> <li>• the applicable GST/HST becomes payable after March 2007, and</li> <li>• the eligible supplier claimed an amount as a deduction under subsection 234(2) in respect of an amount that the supplier paid to, or credited in favour of, a sponsor or non-registered organizer after March 2007.</li> </ul> <p>86. There are consequences for not filing the information schedule which depend on whether the eligible supplier files the information schedule before or after a particular day.</p>
Meaning of “particular day” for filing Form GST106 para 234(2.1)(a)	<p>87. For the purposes of subsection 234(2.1), the particular day means the earlier of:</p> <ul style="list-style-type: none"> <li>• the day that is four years after the day on or before which the eligible supplier was required under section 238 to file a return for the reporting period in which the supplier claimed the deduction; and</li> <li>• the day stipulated by the CRA in a demand to file the information.</li> </ul>
Late filing para 234(2.1)(a)	<p>88. Where an eligible supplier files the information schedule on a day (referred to as the filing day) that is after the day on or before which the eligible supplier is required to file its return for the reporting period in which the supplier claimed the deduction under subsection 234(2) in respect of the amount paid or credited and before the particular day, the supplier must, in determining the net tax for the reporting period that includes the filing day, add an amount equal to interest, at the prescribed rate, on the amount claimed as a deduction computed for the period:</p> <ul style="list-style-type: none"> <li>• beginning on the day on or before which the eligible supplier was required to file the prescribed information under subsection 252.4(5); and</li> <li>• ending on the filing day.</li> </ul>
Failure to file before the particular day para 234(2.1)(b)	<p>89. Where an eligible supplier fails to file the information schedule before the particular day, the supplier must, in determining the net tax for the reporting period that includes the particular day, add an amount equal to the total of the amount claimed as a deduction under subsection 234(2) and interest, at the prescribed rate, on that amount computed for the period:</p> <ul style="list-style-type: none"> <li>• beginning on the day on or before which the eligible supplier was required to file the information under subsection 252.4(5); and</li> <li>• ending on the day on or before which the supplier is required under section 238 to file a return for the reporting period that includes the particular day.</li> </ul> <p>90. The amount required under paragraphs 234(2.1)(a) and (b) to be added in determining the eligible supplier’s net tax must be included on line 104 of the supplier’s GST/HST return. The amount must also be reported on the information schedule (Form GST106).</p> <p>91. The prescribed interest rates can be found at <a href="http://www.cra.gc.ca/interestrates">www.cra.gc.ca/interestrates</a>.</p>

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### **Liability for amount paid or credited**

Jointly and severally liable  
para 252.5(c)

92. When, at a particular time, an eligible supplier pays or credits an amount on account of a rebate, and at that time the eligible supplier knew or ought to have known that:

- the sponsor or non-registered organizer, as the case may be, did not satisfy the eligibility conditions for claiming a rebate; or
- the amount paid or credited exceeded the rebate to which the sponsor or non-registered organizer, as the case may be, would have been entitled;

the eligible supplier and the sponsor/non-registered organizer are jointly and severally liable to pay to the Receiver General under section 264 the amount or excess amount, as the case may be, as if it had been paid at the particular time as a rebate to the supplier and the sponsor/organizer.

Sponsor or non-registered  
organizer is liable  
para 252.5(d)

93. When, at a particular time, an eligible supplier pays or credits an amount on account of a rebate and, at that time the eligible supplier did not know, and could not reasonably be expected to have known that:

- the sponsor or non-registered organizer, as the case may be, did not satisfy the eligibility conditions for claiming a rebate; or
- the amount paid or credited exceeded the rebate to which the sponsor or non-registered organizer, as the case may be, would have been entitled;

the sponsor/non-registered organizer is liable to pay to the Receiver General under section 264 the amount or excess amount, as the case may be, as if it had been paid at the particular time as a rebate under Division VI (Rebates) to the sponsor/organizer.

### **Domestic conventions**

94. As mentioned in paragraph 27, a domestic convention is a convention that is not a foreign convention. Sponsors of domestic conventions are subject to special rules with respect to supplies of admissions to non-resident attendees and supplies of real property and related convention supplies to non-resident exhibitors.

### **Registration**

Registration required  
ss 240(2)

95. Every person who enters Canada for the purposes of making taxable supplies of admissions in respect of a place of amusement, a seminar, an activity or an event (e.g., a convention) is required to be registered for GST/HST purposes and must apply for registration before making any such supplies.

Small supplier provisions  
do not apply  
ss 148(3)

96. The small supplier provisions of section 148 do not apply to a non-resident person who makes a supply in Canada of admissions in respect of a place of amusement, a seminar, an activity or an event (e.g., a convention) and whose only business carried on in Canada is the making of such supplies.

More information

97. For more information on registration, refer to GST/HST Memorandum 2.5, *Non-Resident Registration*, GST/HST Memorandum 2.1, *Required Registration* and GST/HST Memorandum 2.3, *Voluntary Registration*.

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## **Supplies of admissions**

Supplies of admissions to non-resident attendees ss 167.2(1)

98. A registrant sponsor of a domestic convention must charge the GST/HST on its taxable supplies of admissions to the convention regardless of whether the admission is supplied to a resident of Canada or a non-resident. However, when sponsors make taxable supplies of admissions to non-residents, special rules apply to determine the amount of tax to be charged to the non-residents. Please note that supplies of admissions by sponsors that are charities or public institutions may be exempt supplies under either Part V.1 or VI of Schedule V to the Act, and therefore, not subject to the following rules.

Calculating the tax payable ss 167.2(1)

99. If a sponsor of a domestic convention makes a taxable supply of an admission to the convention to a non-resident, the following is not included in calculating the tax payable in respect of the supply:

- (a) that portion of the consideration for the admission that is reasonably attributable to the provision of the convention facility or related convention supplies other than property or services that are food or beverages or are supplied under a contract for catering; and
- (b) 50% of that portion of the consideration for the admission that is reasonably attributable to the provision of related convention supplies that are food or beverages or are supplied under a contract for catering.

Calculating the GST/HST amount

100. Sponsors of domestic conventions can calculate the amount of GST/HST to charge non-residents by adding the total costs that are reasonably attributable to the provision of the convention facility and related convention supplies (including only 50% of the costs for food, beverages and catering services) and then calculating this amount as a percentage of the total convention costs. The percentage is then subtracted from 100% to determine the percentage of the admission that is subject to GST/HST.

Example

A sponsor incurs the following expenses on a domestic convention in Alberta:

<b>Expenses</b>	<b>Consideration</b>
Convention facility	\$20,000
Food and beverages	10,000
Other related convention supplies	15,000
Entertainment	<u>5,000</u>
<b>Total expenses</b>	<b>\$50,000</b>

Of these total expenses, the portion that is reasonably attributable to the provision of the convention facility and related convention supplies, including 50% of the amount attributable to food and beverages, is as follows:

Convention facility	\$20,000
Food and beverages (\$10,000 × 50%)	5,000
Other related convention supplies	<u>15,000</u>
<b>Total expenses</b>	<b>\$40,000</b>

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The percentage of the total expenses attributable to the provision of the convention facility and related convention supplies, including 50% of the amount attributable to food and beverages, is calculated as follows:

Portion that is reasonably attributable to convention facility and related convention supplies, including 50% of the amount attributable to food and beverages	\$40,000
Divided by total expenses	÷ \$50,000
Percentage	80%

Therefore, the percentage of the admission that is subject to GST is 20% (100% – 80%).

The sponsor charges \$100 for admission to the domestic convention. The portion of the admission charged to a non-resident that is subject to GST is calculated as follows:

$$\$100 \times 20\% = \$20$$

Therefore, the amount of GST to be charged to a non-resident is \$1 (\$20 × 5%). The amount of GST to be charged to residents of Canada is \$5 (\$100 × 5%).

### **Supplies to exhibitors**

Supplies to non-resident exhibitors  
ss 167.2(2)

101. Where a sponsor of a domestic convention makes a taxable supply by way of lease, licence or similar arrangement to a non-resident person (i.e. an exhibitor) of real property that is acquired by the person exclusively for use as a site for the promotion, at the convention, of property or services supplied by, or of a business of, the person, no tax is payable in respect of:

- that supply to the person; or
- any supply by the sponsor to the person of property or services that are acquired by the person for consumption or use as related convention supplies in respect of the convention.

Refer to paragraph 51 of this memorandum for the meaning of “exhibitor”.

102. Refer to GST/HST Memorandum 19.1, *Real Property and the GST/HST* for information on leases, licences and similar arrangements.

103. Subsection 167.2(2) applies even if the sponsor and/or the non-resident exhibitor are registrants.

Related convention supplies  
ss 123(1)

104. Related convention supplies for a non-resident exhibitor do not include property or services that are food or beverages or supplied under a contract for catering. As these supplies are excluded from the definition of “related convention supplies” when they are made to an exhibitor, they are also excluded from the provisions of subsection 167.2(2). Consequently, the sponsor of a domestic convention must charge and account for the GST/HST when the sponsor makes those supplies to an exhibitor. Refer to paragraph 43 of this memorandum for more information on related convention supplies.

Tax paid in error  
ss 261(1), (3)

105. If a sponsor of a domestic convention charges an amount as or on account of GST/HST in error, the non-resident exhibitor can ask the sponsor to refund or credit the amount. If the non-resident exhibitor is not able to obtain a refund or credit from the sponsor, the exhibitor can apply to the CRA for a rebate for tax paid in error using Form GST189, *General Application for Rebate of GST/HST* under reason code 1. The exhibitor has to apply for the rebate within two years after the day the amount was paid by the exhibitor.

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## **GST/HST rebate for non-resident exhibitors**

106. Sponsors of conventions do not charge GST/HST on supplies of exhibition space and related convention supplies to non-resident exhibitors. Refer to paragraph 48 (foreign conventions) and paragraph 101 (domestic conventions) of this memorandum for more information.

107. A non-resident exhibitor (refer to paragraph 51 of this memorandum for the meaning of “exhibitor”) has to pay the GST/HST on exhibition space and related convention supplies rented or purchased from a registrant that is not the sponsor of the convention. However, the exhibitor may be entitled to a rebate for the GST/HST paid on such supplies.

Rebate for exhibitors  
s 252.3

108. A non-resident non-registered person (i.e. an exhibitor) who is the recipient of a supply by way of lease, licence or similar arrangement of real property that is acquired by the person exclusively for use as a site for the promotion, at a convention, of property or services supplied by, or a business of, the person, the person is entitled to a rebate equal to:

- (a) the tax paid by the person in respect of that supply; and
- (b) the tax paid by the person in respect of a supply to the person of related convention supplies in respect of the convention.

Related convention  
supplies

109. Property or services that are food or beverages or are supplied under a contract for catering are not related convention supplies when supplied to exhibitors. Refer to paragraph 43 of this memorandum for more information on related convention supplies.

110. A non-resident non-registered exhibitor may claim a rebate in respect of domestic and foreign conventions.

Form GST386

111. A non-resident non-registered exhibitor may apply for the rebate in respect of domestic and foreign conventions by using the rebate application Form GST386, *Rebate Application for Foreign Conventions*. Registrant suppliers cannot pay to, or credit in favour of, an exhibitor an amount on account of a rebate.

Filing deadline  
s 252.3

112. The rebate application must be filed within one year after the day the convention ends. For example, if the convention ended on September 16, 2008, the application must be received by the CRA no later than September 16, 2009.

One rebate application  
ss 262(2)

113. A non-resident non-registered exhibitor may only file one rebate application per convention.

Required documents

114. When a non-resident non-registered exhibitor files a rebate application with the CRA, the following documents must be provided with the application:

- a convention agenda, itinerary or event program;
- copies of invoices or receipts showing the GST/HST paid;
- a document showing that the exhibition space was rented, even if there was no GST/HST payable on that supply; and
- if a rebate is available for short-term accommodation, the complete hotel folio.

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Proof that tax was paid 115. The documents must prove that the exhibitor paid the GST/HST on the supplies. An invoice that only indicates the tax payable (but not paid) is not sufficient.

Rebate denied 116. The CRA will deny any rebate if the exhibitor does not provide the required documents with the rebate application.

Example A non-resident non-registered exhibitor attended a three-day convention in Saskatchewan. The exhibitor stayed at the hotel for two nights before and one night after the convention to assemble and disassemble the exhibition booth and displays.

The exhibitor's expenses are as follows:

<b>Expenses</b>	<b>Vendor</b>	<b>Consideration</b>	<b>GST</b>
Exhibition space	Sponsor	\$500	\$0
Displays	Registrant supplier	300	15
Brochures	Registrant supplier	200	10
Equipment rental	Convention centre	400	20
Accommodation (5 nights)	Hotel	700	35
Meals	Hotel	<u>200</u>	<u>10</u>
<b>Total</b>		<b>\$2,300</b>	<b>\$90</b>

The exhibitor cannot claim a rebate for the exhibition space in this case, as there is no GST payable for exhibition space when it is provided by the sponsor. The exhibitor cannot claim a rebate of the GST paid for the meals as food and beverages are excluded from the definition of related convention supplies when supplied to exhibitors.

The exhibitor can claim a rebate as follows:

<b>Expenses</b>	<b>GST</b>	<b>Rebate</b>
Displays	\$15	\$15
Brochures	10	10
Equipment rental	20	20
Accommodation	<u>35</u>	<u>35</u>
<b>Total</b>	<b>\$80</b>	<b>\$80</b>

### ***Rebate for an amount paid by an exhibitor's employee***

117. A non-resident non-registered exhibitor that is a company or an organization may send its employees to a convention. In some cases, employees are required to pay for their travel expenses, including the hotel accommodation and then may be reimbursed for some or all of these expenses by their employer. As the exhibitor would not be the recipient of the supplies, the conditions for claiming a rebate for expenses incurred by the employee in relation to the convention would not be met. However, if the conditions set out in subsection 175(1) are met, the non-resident non-registered exhibitor may be entitled to a rebate.

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Reimbursements  
ss 175(1)

118. When an employee of an employer acquires property or a service for consumption or use in relation to activities of the employer, the employee pays the GST/HST payable in respect of the supplies, and the employer reimburses an amount to the employee in respect of the property or service,

- the employer is deemed to have received a supply of the property or service,
- any consumption or use of the property or service by the employee is deemed to be consumption or use by the employer, and not the employee, and
- the employer is deemed to have paid, at the time the reimbursement is paid, tax in respect of the supply.

Amount deemed paid by  
the exhibitor

119. The amount of GST/HST the employer is deemed to have paid is equal to the amount determined on the formula

$$A \times B$$

where

A is the GST/HST paid by the employee in respect of the acquisition, importation, or bringing into a participating province of the property or service by the employee,

B is the lesser of

- (i) the percentage of the cost to the employee of the property or service that is reimbursed, and
- (ii) the extent (expressed as a percentage) to which the property or service was acquired, imported, or brought into a participating province by the employee for consumption or use in relation to the employer's activities.

120. For the purposes of subsection 175(1), a reimbursement is a payment made by one person to repay another person for amounts spent. An amount constitutes a reimbursement where the amount is fully accounted for by the person receiving the payment (i.e., evidenced by supporting vouchers or records). For more information on reimbursements, please refer to GST/HST Policy Statement P-075R, *Allowances and Reimbursements*.

121. As a result of the deeming provisions of subsection 175(1), a non-resident non-registered exhibitor that reimburses an employee for expenses incurred in relation to a convention is deemed to have paid the GST/HST. Consequently, if the other conditions for claiming a rebate under section 252.3 are met, the exhibitor may claim a rebate in respect of the GST/HST paid on supplies used exclusively in connection with a convention.

Time tax is deemed paid  
by exhibitor

122. Because subsection 175(1) deems the tax to be paid at the time the exhibitor reimburses the employee, the exhibitor meets the requirements for claiming a rebate only after the reimbursement of expenses.

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Required documents

123. In addition to the documents listed in paragraph 114, the non-resident non-registered exhibitor has to provide evidence that

- the person is an employee of the exhibitor,
- the amounts paid by the employee were for supplies used exclusively in connection with a convention, and
- the exhibitor has reimbursed the employee for all or part of the amounts paid by the employee, including the GST/HST.

124. Appendix 3 to this memorandum provides an example of a letter that could be used to prove that the conditions of subsection 175(1) have been met. The letter should be signed by the employee as well as an authorized person of the exhibitor, such as a manager or controller, who has the authority to sign on behalf of the exhibitor.

### Enquiries by telephone

**Technical enquiries on the GST/HST:** 1-800-959-8287

**General enquiries on the GST/HST:** 1-800-959-5525 (Business Enquiries)

**If you are located in Quebec:** 1-800-567-4692 (Revenu Québec)

All technical publications on GST/HST are available on the CRA Web site at [www.cra.gc.ca/gsthstech](http://www.cra.gc.ca/gsthstech).



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## **Appendix 1 — Examples of related convention supplies**

The following are examples of related convention supplies:

### **Accommodation**

- hotel accommodation for use by the sponsor, organizer or exhibitor, or supplied to attendees as part of the admission

### **Audio-visual**

- audio, audio–visual and video services, and equipment and labour associated with technical services

### **Business equipment**

- computers, photocopiers, desks and chairs

### **Convention materials**

- banners, flags, signs, papers, shields, floral arrangements, stand decorations, backdrops and other decorations, and office supplies

### **Convention show services**

- equipment and labour to install furnishing and items such as carpet, tables, chairs, exhibit booths, waste receptacles, decorator plants, draping, banners, displays and signs

### **Destination management services**

- local planning, management, and co-ordination services in organizing elements of the convention for the incoming organization

### **Electrical services**

- equipment and labour for electrical services

### **Food, beverages and catering services (limited to 50% of the GST/HST paid)**

- food, beverages and catering services related to the convention, including any gratuities charged

Note: A gratuity charge is a service charge that is applied to the price of the catered food and beverages and forms part of the consideration for the supply. A gratuity charge is a related convention supply only where the food, beverages or catering services to which they relate to also qualify as related convention supplies. In addition, any gratuity or tip that is given voluntarily (i.e., not charged) is not part of the consideration for a related convention supply and is not eligible for the rebate.

Note: Food, beverages and catering services, including any gratuity charge are not related convention supplies when supplied to exhibitors.

### **Memorabilia**

- lapel buttons, billfolds, key chains, pens, pencils, corsages, t-shirts, scarves, mugs, jewellery, badges and similar promotional items

### **Moving services**

- labour and equipment to deliver exhibit materials to an assigned space, including the storage of crates during the convention

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### On-site services

- personnel for on-site work such as the staffing of the registration desk, photographic services, and security services

### Printed matter

- identification badges
- information bulletins, on-site newsletters, booklets, programs, and memoranda relating to a convention or to products displayed at a convention

### Professional services

- customs brokerage, legal, accounting, and freight forwarders' services

### Simultaneous interpretation equipment

- simultaneous interpretation and audio-related equipment and labour

### Speakers and educational seminars

- facilitators and course materials

### Telecommunications

- telephone, facsimile, video, audio or computer link-ups

### Translators and interpreters

- individuals who translate and interpret the languages being used

### Transportation services between venues

- chartered group transportation services used solely to transport attendees of the convention between any of the convention facilities, places of lodging for the attendees, or transportation terminals (e.g., airport shuttle services)

**Appendix 2 — Confirmation of foreign convention**

This is an example of a form that could be used to confirm that the event for which an eligible supplier is paying or crediting a rebate amount is a foreign convention. The CRA will determine at the time of audit whether an eligible supplier could have paid or credited a rebate amount to a sponsor or a non-registered organizer of a foreign convention and claimed a deduction from its net tax.

Name of eligible supplier: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Name of the event: \_\_\_\_\_

Date of the event: from \_\_\_\_\_ to \_\_\_\_\_  
  YYYY-MM-DD  YYYY-MM-DD

Information on authorized representative of the sponsor or organizer signing this certification:

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

We certify that the above-mentioned event is a foreign convention for purposes of the *Excise Tax Act*. We also agree to provide any additional information required to verify the above.

If it is later proved that the event is not a foreign convention, we will pay back the rebate amount that the eligible supplier paid or credited for the convention facility and/or related convention supplies.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date (YYYY-MM-DD)

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**Appendix 3 — Confirmation that the exhibitor reimbursed an employee for expenses incurred in relation to a convention**

This is an example of a letter that could be used to confirm that a non-resident non-registered exhibitor has reimbursed an employee for all or part of the amounts paid by an employee of the exhibitor, including the GST/HST, for supplies used exclusively in connection with a convention.

Name of exhibitor: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Name of convention: \_\_\_\_\_

City: \_\_\_\_\_

Date of Convention: from \_\_\_\_\_ to \_\_\_\_\_  
YYYY-MM-DD YYYY-MM-DD

Name of employee attending convention: \_\_\_\_\_

We certify that we have met all of the following conditions necessary under subsection 175(1) of the *Excise Tax Act* so that the exhibitor is deemed to have paid the GST/HST incurred by the employee. Check the box if the condition has been met.

- The person is an employee of the exhibitor.
- The employee incurred expenses, including GST/HST, in attending the convention as the employee of the exhibitor.
- The exhibitor reimbursed the employee on \_\_\_\_\_ (date) for \_\_\_\_\_ (percentage) of the expenses incurred by the employee.
- The reimbursed expenses were used exclusively in connection with the convention.

We will provide any additional information required to verify the above.

\_\_\_\_\_  
Signature of employee (YYYY-MM-DD)

\_\_\_\_\_  
Signature of authorized person of exhibitor Printed name Title (YYYY-MM-DD)

An authorized person of the exhibitor is generally an employee who has authority to sign such declarations on behalf of the exhibitor, such as a manager or controller.