



Consolidated Filing for Investment Plans that Are Selected Listed Financial Institutions

This notice provides information on consolidated filing of GST/HST or QST returns or both for groups of investment plans that are selected listed financial institutions (SLFIs) for GST/HST or QST purposes or both. The reporting requirements are different depending on whether the investment plan is an SLFI for GST/HST or QST purposes or both. For more information on the definition of SLFI for GST/HST purposes refer to GST/HST Memorandum 17.6.1, *Definition of "Selected Listed Financial Institution"* or for QST purposes, go to www.cra.gc.ca/slfi.

The information provided in this notice is based on the *Excise Tax Act* (ETA); the *Selected Listed Financial Institution Attribution Method (GST/HST) Regulations* (SLFI Regulations); *An Act Respecting the Québec Sales Tax* (ARQST); and Amendments to the ARQST introduced in Quebec Bill 13, *An Act to give effect to the Budget Speech delivered on 4 June 2014 and to various other fiscal measures*, on December 4, 2014 (Quebec Bill 13).

Any commentary in this publication should not be taken as a statement by the CRA and Revenu Québec that the proposed amendments to the ARQST will be enacted in their current form.

Who can file returns on a consolidated basis?

In order to file returns on a consolidated basis a consolidated filing election must be in effect between a group of investment plans that are SLFIs and their manager. In general terms, the effect of making a consolidated filing election is that it allows an investment plan manager to file consolidated returns for its investment plans that are SLFIs using a group registration number and these investment plans will no longer be required to file separate returns. There are three types of groups of SLFI investment plans that can file returns for GST/HST or QST purposes or both on a consolidated basis:

1. **HST SLFIs** are SLFIs for GST/HST purposes but are not SLFIs for QST purposes. Investment plans that are HST SLFIs can file returns for GST/HST purposes on a consolidated basis.
2. **QST/HST SLFIs** are SLFIs for both GST/HST purposes and QST purposes. Investment plans that are QST/HST SLFIs can file returns for GST/HST and QST purposes on a consolidated basis.
3. **QST SLFIs** are SLFIs for QST purposes but are not SLFIs for GST/HST purposes. Investment plans that are QST SLFIs can file returns for QST purposes on a consolidated basis.

The information below provides more details on the requirements of consolidated filing for each type of group of SLFI investment plans.

HST SLFIs

Requirements for consolidated filing

Two or more investment plans that **are SLFIs for GST/HST purposes but that are not SLFIs for QST purposes** (HST SLFIs) must each have a reporting entity election for GST/HST purposes under subsection 53(1) of the SLFI Regulations in effect before they can make a consolidated filing election for

La version française de la présente publication est intitulée *Déclaration consolidée pour les régimes de placement qui sont des institutions financières désignées particulières*.



GST/HST purposes under section 54(1) of the SLFI Regulations. For more information on these elections, see Form RC4601, *GST/HST Reporting Entity Election for a Selected Listed Financial Institution and Notice of Revocation* and Form RC4604, *GST/HST Consolidated Filing Election for a Selected Listed Financial Institution and Notice of Revocation*.

Registration

A group of investment plans that are HST SLFIs and that have jointly made a consolidated filing election for GST/HST purposes must be part of a group registration for GST/HST purposes only. For more information on the group registration, see Form RC4602, *Request for a Group GST/HST Registration Number for Selected Listed Financial Institutions with Consolidated Filing*.

Any investment plan in the group that is required to be registered or that wants to be registered for QST purposes is required to have a separate registration number provided by the CRA for QST purposes. Until a new registration form is available, the investment plan can register for QST purposes by filing Form RC1, *Request for a Business Number* or Form RC1A, *Business Number – GST/HST Account Information* depending on the particular circumstances and indicating directly on the form or in an attached letter (signed by a person that would be authorized to sign the related form) that the registration request is for QST purposes only.

To facilitate processing, the consolidated filing election, the reporting entity election, the request for group registration, any requests for separate QST registration and any other relevant documents should all be sent in one package to the following address:

Canada Revenue Agency
Summerside Tax Centre
275 Pope Road
Summerside PE C1N 6A2

Reporting requirements

HST SLFI investment plans that have a consolidated filing election for GST/HST purposes only in effect and that are annual filers would file Form GST494, *Goods and Services Tax/Harmonized Sales Tax (GST/HST) Final Return for Selected Listed Financial Institutions* on a consolidated basis. If the HST SLFI investment plans are monthly or quarterly filers, generally Form GST34, *Goods and Services Tax/Harmonized Sales Tax Return (GST/HST) for Registrants* would be filed on a consolidated basis as their interim returns and Form GST494 would be filed on a consolidated basis as their final return.

Any investment plan in the group that has QST reporting requirements must fulfil these reporting requirements separately from the group, for example, by filing separate QST returns with the CRA under its own registration number provided by the CRA for QST purposes. The investment plan would generally file Form RC7200, *Goods and Services Tax/Harmonized Sales Tax (GST/HST) and Quebec Sales Tax (QST) Return for Selected Listed Financial Institutions* for its QST reporting only.

Only returns that are required to be filed under section 238 of the ETA can be filed on a consolidated basis. For example, GST/HST rebate applications cannot be filed on a consolidated basis.

QST/HST SLFIs and, in some cases, HST SLFIs

Requirements for consolidated filing

Two or more investment plans that are **SLFIs for GST/HST and QST purposes** (QST/HST SLFIs) must have a reporting entity election for GST/HST purposes under subsection 53(1) of the SLFI Regulations in effect before they can make a consolidated filing election for GST/HST purposes under subsection 54(1)

of the SLFI Regulations. For more information on these elections, see Form RC4601, *GST/HST Reporting Entity Election for a Selected Listed Financial Institution and Notice of Revocation* and Form RC4604, *GST/HST Consolidated Filing Election for a Selected Listed Financial Institution and Notice of Revocation*.

It is proposed that where the reporting entity and consolidated filing elections are in effect for GST/HST purposes, and two or more of the investment plans in the group are QST/HST SLFIs, these investment plans will be treated as if they have equivalent elections in effect for QST purposes. Further details are included in proposed sections 470.2 and 470.5 of the ARQST in Quebec Bill 13.

It is important to note that there will be no requirement that all of the SLFIs that are part of the consolidated filing election for GST/HST purposes also be SLFIs for QST purposes for the investment plans that are QST/HST SLFIs to be treated under the ARQST as if they have a consolidated filing election in effect. In other words, only the investment plans in the group that are QST/HST SLFIs that are a party to a consolidated filing for GST/HST purposes will be treated as if they have a consolidated filing election in effect for QST purposes. However, there must be at least two investment plans that are QST/HST SLFIs for any of the QST/HST SLFI investment plans in the group to be treated under the ARQST as if they have a consolidated filing election in effect for QST purposes. For example, where a group consists of 50 investment plans that are SLFIs for GST/HST purposes, and that have a consolidated filing election in effect for GST/HST purposes, 30 of which are also SLFIs for QST purposes, the 30 investment plans that are SLFIs for both GST/HST and QST purposes will be treated under the ARQST as if they have a consolidated filing election and a reporting entity election in effect for QST purposes.

Until new GST/HST and QST election forms are available, a reporting entity election can be made by filing Form 4601 and a consolidated filing election can be made by filing Form RC4604 or Form RC4604-1, *Election for a Selected Listed Financial Institution to Join a GST/HST Consolidated Filing Election* depending on the particular circumstances and indicating directly on Form RC4601, Form RC4604, Form RC4604-1 or in an attached letter (signed by the person authorized to sign the related forms) that a particular investment plan listed in Part A or A1 of the form, as applicable, is also an SLFI for QST purposes.

Registration

Where a group consists only of investment plans that are QST/HST SLFIs that have a consolidated filing election for GST/HST purposes in effect, it is proposed that all of the investment plans be treated as if they also have a consolidated filing election for QST purposes and be part of the group registration for both GST/HST and QST purposes. Further details are included in proposed sections 470.5 and 407.6.1 and proposed amendments to section 410.1 of the ARQST in Quebec Bill 13.

Until new GST/HST and QST group registration forms are available, a request can be made by filing Form RC4602, *Request for a Group GST/HST Registration Number for Selected Listed Financial Institutions with Consolidated Filing* or Form RC4602-1, *Request to be Added to a Group GST/HST Registration for Selected Listed Financial Institutions with Consolidated Filing* depending on the particular circumstances and indicating directly on Form RC4602 or Form RC4602-1 or in an attached letter (signed by the person authorized to sign the related forms) that the investment plans listed on the particular form are all SLFIs for both GST/HST and QST purposes.

Where a group consists of two or more investment plans that are QST/HST SLFIs and one or more investment plans that are HST SLFIs that together have a consolidated filing election for GST/HST purposes in effect, it is proposed that the investment plans that are QST/HST SLFIs be treated as if they also have a consolidated filing election for QST purposes and be part of a group registration for QST purposes in addition to being part of a group registration for GST/HST purposes. Further details are included in proposed sections 470.5 and 407.6.1 and proposed amendments to section 410.1 of the ARQST in Quebec Bill 13.

Until new GST/HST and QST group registration forms are available, a request can be made by filing Form RC4602 or depending on the particular circumstances and indicating directly on the form or in an attached letter Form 4602-1, (signed by the person authorized to sign the related forms) which investment plans in the group are SLFIs for QST purposes.

Any investment plan that is an HST SLFI that is required to be registered or wants to be registered for QST purposes is required to have a separate registration number provided by the CRA for QST purposes.

If there is only one investment plan in the group that is a QST/HST SLFI, that investment plan is required to be registered for QST purposes and to have a separate registration number provided by the CRA for QST purposes. Until a new registration form is available, an investment plan can register for QST purposes by filing Form RC1, *Request for a Business Number* or Form RC1A, *Business Number – GST/HST Account Information* depending on the particular circumstances and indicating directly on the form or in an attached letter (signed by a person authorized to sign the form) that the registration request is for QST purposes only.

To facilitate processing, the consolidated filing election, the reporting entity election, the request for group registration, any requests for separate QST registration and any other relevant documents should all be sent in one package to the following address:

Canada Revenue Agency
Summerside Tax Centre
275 Pope Road
Summerside PE C1N 6A2

Reporting requirements

A group consisting of only QST/HST SLFI investment plans that are filing on a consolidated basis for GST/HST and QST purposes and that are annual filers would file Form RC7294, *Goods and Services Tax/Harmonized Sales Tax (GST/HST) and Quebec Sales Tax (QST) Final Return for Selected Listed Financial Institutions* on a consolidated basis. If the QST/HST SLFI investment plans in the group are monthly or quarterly filers, generally Form RC7200, *Goods and Services Tax/Harmonized Sales Tax (GST/HST) and Quebec Sales Tax (QST) Return for Selected Listed Financial Institutions* would be filed on a consolidated basis as their interim returns and Form RC7294 would be filed on a consolidated basis as their final return.

A group consisting of two or more investment plans that are QST/HST SLFIs and one or more investment plans that are HST SLFIs that together have a consolidated filing election for GST/HST purposes in effect and that are annual filers would file Form RC7294 on a consolidated basis. If the investment plans in the group are monthly or quarterly filers, generally Form RC7200 would be filed on a consolidated basis as their interim returns and Form RC7294 would be filed on a consolidated basis as their final return. It is important to note that these returns should only include QST reporting for investment plans in the group that are QST/HST SLFIs.

Any investment plan in the group that is an HST SLFI and that has QST reporting requirements must separately fulfil these reporting requirements, for example, by filing separate QST returns with the CRA under its own registration number provided by the CRA for QST purposes. The investment plan would generally file Form RC7200 for its QST reporting only.

If there is only one investment plan in the group that is a QST/HST SLFI, that plan cannot file on a consolidated basis for QST purposes and must file separate QST returns with the CRA under its own registration number provided by the CRA for QST purposes. If the investment plan is an annual filer, it would file Form RC7294 for its QST reporting only. If the investment plan is a monthly or quarterly filer,

it would generally file Form RC7200 as its interim returns and Form RC7294 as its final return for its QST reporting only. A group consisting of HST SLFI investment plans and only one QST/HST SLFI that together have a consolidated filing election for GST/HST purposes only in effect and that are annual filers would file Form GST494, *Goods and Services Tax/Harmonized Sales Tax (GST/HST) Final Return for Selected Listed Financial Institutions* on a consolidated basis. If the HST SLFI investment plans and the one QST/HST SLFI in the group are monthly or quarterly filers, generally Form GST34, *Goods and Services Tax/Harmonized Sales Tax Return (GST/HST) for Registrants* would be filed on a consolidated basis as their interim returns and Form GST494 would be filed on a consolidated basis as their final return.

No requirement to file new forms

Where a group of investment plans has a consolidated filing election in effect for GST/HST purposes and contains two or more QST/HST SLFIs, there is no requirement to file new or additional election or registration forms with respect to the QST/HST SLFIs filing on a consolidated basis for QST purposes. However, the group would have the same reporting requirements that are discussed in the previous section, based on whether the group consists only of QST/HST SLFI investment plans or consists of two or more investment plans that are QST/HST SLFIs and one or more that are HST SLFIs. In order to ensure the group is properly identified in the CRA's records, an authorized person should advise the CRA in writing which investment plans in the group are also SLFIs for QST purposes.

Only returns that are required to be filed under section 238 of the ETA or paragraph 2 of section 468 and sections 470 and 470.1 of the ARQST can be filed on a consolidated basis. For example, GST/HST or QST rebate applications cannot be filed on a consolidated basis.

QST SLFIs

Requirements for consolidated filing

It is proposed that two or more investment plans that are **SLFIs for QST purposes but not for GST/HST purposes** (QST SLFIs) each of which has a reporting entity election in effect for QST purposes, be permitted to make a consolidated filing election for QST purposes. It is important to note that to make a consolidated filing election for QST purposes all of the investment plans making the election must be QST SLFIs.

It is also proposed that an investment plan that is a QST SLFI be permitted to make a reporting entity election for QST purposes with its manager if the QST SLFI is registered for GST/HST purposes. Further details on the reporting entity and consolidated filing elections for QST purposes are included in proposed sections 470.2 and 470.5 of the ARQST in Quebec Bill 13.

Until new GST/HST and QST election forms are available, a reporting entity election for QST purposes can be made by filing Form RC4601, *GST/HST Reporting Entity Election for a Selected Listed Financial Institution and Notice of Revocation* and a consolidated filing election for QST purposes can be made by filing Form RC4604, *GST/HST Consolidated Filing Election for a Selected Listed Financial Institution and Notice of Revocation* or Form RC4604-1, *Election for a Selected Listed Financial Institution to Join a GST/HST Consolidated Filing Election* depending on the particular circumstances and indicating directly on Form RC4601, Form RC4604, Form RC4604-1 or in an attached letter (signed by the person authorized to sign the related forms) that the investment plans listed in Part A or A1 of the form, as applicable, are SLFIs for QST purposes only and that the elections are being made for QST purposes only.

Registration

It is proposed that a group of investment plans that are QST SLFIs that have jointly made a consolidated filing election for QST purposes be required to register with the CRA for QST purposes as a group and be assigned a group registration number for QST purposes only.

Further details related to group registrations for investment plans that are QST SLFIs are included in sections 407.6.1 and 415.0.2 of the ARQST in Quebec Bill 13.

In order to make a consolidated filing election for QST purposes, each QST SLFI that is part of the consolidated filing election must be registered for GST/HST purposes (a condition for making a reporting entity election for QST purposes) and as such, is required to have a separate registration number provided by the CRA for GST/HST purposes. This condition is included in proposed section 470.2 of the ARQST in Quebec Bill 13.

To register for GST/HST purposes, the QST SLFI should file Form RC1, *Request for a Business Number* or Form RC1A, *Business Number - GST/HST Account Information* as applicable.

Until new GST/HST and QST group registration forms are available, a request for QST purposes can be made by filing Form RC4602, *Request for a Group GST/HST Registration Number for Selected Listed Financial Institutions with Consolidated Filing* or Form RC4602-1, *Request to be Added to a Group GST/HST Registration for Selected Listed Financial Institutions with Consolidated Filing* depending on the particular circumstances and indicating directly on the form or in an attached letter (signed by the person authorized to sign the related form) that all investment plans in the group are SLFIs for QST purposes only and that the group is requesting a group registration for QST purposes only.

To facilitate processing, the consolidated filing election, the reporting entity election, the request for group registration, requests for separate GST registration and any other relevant documents should all be sent in one package to the following address:

Canada Revenue Agency
Summerside Tax Centre
275 Pope Road
Summerside PE C1N 6A2

Reporting requirements

QST SLFI investment plans that have a consolidated filing election for QST purposes only in effect and that are annual filers would file Form RC7294, *Goods and Services Tax/Harmonized Sales Tax (GST/HST) and Quebec Sales Tax (QST) Final Return for Selected Listed Financial Institutions* to report their QST on a consolidated basis. If the QST SLFIs are monthly or quarterly filers, generally Form RC7200, *Goods and Services Tax/Harmonized Sales Tax (GST/HST) and Quebec Sales Tax (QST) Return for Selected Listed Financial Institutions* would be filed on a consolidated basis as their interim returns and Form RC7294 would be filed on a consolidated basis as their final return to report their QST.

As each of the investment plans in the group are required to be registered for GST/HST purposes, each investment plan must separately file its GST/HST returns with the CRA under its own GST/HST registration number, generally using Form GST34, *Goods and Services Tax/Harmonized Sales Tax (GST/HST) Return for Registrants*.

Only returns that are required to be filed under paragraph 2 of section 468 and sections 470 and 470.1 of the ARQST can be filed on a consolidated basis. For example, GST/HST or QST rebate applications and an annual information return for financial institutions that is required to be filed under section 273.2 of the ETA cannot be filed on a consolidated basis.
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No offset of GST/HST and QST amounts for selected listed financial institutions with a consolidated filing election

Generally, a person that is an SLFI for GST/HST or QST purposes or both that is filing a return that relates to both the GST/HST and QST is allowed to use an amount of the GST/HST or QST that is owed to that person in the reporting period for which the return is filed to reduce an amount of the QST or GST/HST that is payable by that person in the same reporting period. This ability to offset these two separate taxes is provided for under the agreement with respect to the CRA's administration of the QST on behalf of Revenu Québec. However, the agreement does not provide for an offset of GST/HST and QST amounts where returns for the GST/HST and QST are filed on a consolidated basis by investment plans that are SLFIs for GST/HST or QST purposes or both.

Specifically, investment plans that are SLFIs for both GST/HST and QST purposes (QST/HST SLFIs) that are filing on a consolidated basis for GST/HST and QST purposes cannot use an amount of the GST/HST that is owed to the group in the reporting period for which the return is filed to reduce an amount of QST payable by the group in the same reporting period. For example, investment plans that are SLFIs for both GST/HST and QST purposes and that are filing the GST/HST and QST on a consolidated basis that owe \$100,000 with respect to the GST/HST and are entitled to a refund of \$75,000 with respect to the QST for a particular reporting period, must make a payment to the CRA of \$100,000 for the GST/HST amount owing and the CRA will issue the QST refund. Similarly, investment plans that are SLFIs for both GST/HST and QST purposes that are filing the GST/HST and QST on a consolidated basis that owe \$100,000 with respect to the QST and are entitled to a refund of \$75,000 with respect to the GST/HST for a particular reporting period, must make a payment to the CRA of \$100,000 for the QST amount owing and the CRA will issue the GST/HST refund.

It is important to remember that in situations where a group of investment plans that are SLFIs for GST/HST purposes only (HST SLFIs) are filing on a consolidated basis for GST/HST purposes, a return that relates to both the GST/HST and QST will not be filed. As previously explained, the GST/HST return will be filed on a consolidated basis and, if required, a QST return will be filed by each investment plan separately. Similarly, in situations where a group of investment plans that are SLFIs for QST purposes only (QST SLFIs) are filing on a consolidated basis for QST purposes, a return that relates to both the GST/HST and QST will not be filed. As previously explained a QST return will be filed on a consolidated basis and a GST/HST return will be filed separately by each investment plan. Amounts of GST/HST and QST cannot be offset in either situation.

Further information

All GST/HST technical publications are available on the CRA website at www.cra.gc.ca/gsthstech.

To make an enquiry on the GST/HST by telephone, call one of the following numbers:

- for general enquiries, call the Business Enquiries line at 1-800-959-5525;
- for technical enquiries, call 1-800-959-8287.

If you are located in Quebec, contact Revenu Québec at 1-800-567-4692 or visit their website at www.revenuquebec.ca.

If you are a selected listed financial institution (whether or not you are located in Quebec) and require information on the GST/HST or QST, call one of the following numbers:

- for general enquiries, call 1-800-959-5525;
- for technical enquiries, call 1-855-666-5166.