



## **GST/HST Relief for: Foreign Representatives, Diplomatic Missions, Consular Posts, International Organizations; and International Bridge and Tunnel Authorities**

This publication replaces GST/HST Technical Information Bulletin B-050R, *GST Treatment of Diplomatic Organizations and Officials*, dated August 8, 1995. It also cancels and replaces the following publications: GST Memorandum 300-3-8, *International Organizations and Officials*, and GST Memorandum 300-3-8A, *NOTICE OF CHANGE to GST Memorandum 300-3-8*.

This memorandum provides an overview of the relief from the GST/HST available to foreign representatives, diplomatic missions, consular posts, and international organizations. It also provides an overview of the application of the GST/HST to supplies of property or services to international bridge or tunnel authorities for use in the construction of an international bridge or tunnel.

All legislative references in this publication are to the *Excise Tax Act* (the Act) unless otherwise specified. The information in this publication does not replace the law found in the Act and its regulations.

If this information does not completely address your particular situation, you may wish to refer to the Act or relevant regulation, or call GST/HST Rulings at 1-800-959-8287 for additional information. If you require certainty with respect to any particular GST/HST matter, you may request a ruling. GST/HST Memorandum 1.4, *Excise and GST/HST Rulings and Interpretations Service*, explains how to obtain a ruling or an interpretation and lists the GST/HST rulings centres.

If you are located in Quebec and wish to request a ruling related to the GST/HST, please call Revenu Québec at 1-800-567-4692. You may also visit the Revenu Québec website at [www.revenuquebec.ca](http://www.revenuquebec.ca) to obtain general information.

For listed financial institutions that are selected listed financial institutions (SLFIs) for GST/HST or Quebec sales tax (QST) purposes or both, whether or not they are located in Quebec, the CRA administers the GST/HST and the QST. If you wish to make a technical GST/HST or QST enquiry related to SLFIs, please call 1-855-666-5166.

### **GST/HST Rates**

Reference in this publication is made to supplies that are subject to the GST or the HST. The HST applies in participating provinces at the following rates: 13% in Ontario, New Brunswick and Newfoundland and Labrador, 14% in Prince Edward Island and 15% in Nova Scotia. The GST applies in the rest of Canada at the rate of 5%. If you are uncertain as to whether a supply is made in a participating province, see GST/HST Technical Information Bulletin B-103, *Harmonized Sales Tax – Place of Supply Rules for Determining Whether a Supply is Made in a Province*.

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Allégement de la TPS/TVH - Représentants étrangers, missions diplomatiques, postes consulaires, organisations internationales et administrations de ponts ou de tunnels internationaux



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## Definitions

1. For purposes of this Memorandum, the following definitions apply:
  - “consular employee” is any person employed in the administrative or technical service of a consular post;
  - “consular officer” is any person, including the head of a consular post, entrusted in that capacity with the exercise of consular functions; it excludes honorary consular officers who are Canadian citizens or permanent residents of Canada;
  - “consular post” means a consulate-general, consulate, vice-consulate, or consular agency;
  - “designated official of an international organization” normally refers to a senior official of an international organization;
  - “diplomatic agent” means the head of a diplomatic mission or a member of the diplomatic staff of a diplomatic mission;
  - “diplomatic mission”, also referred to as “embassy” or “high commission”, represents its State’s national interests in Canada;
  - “domestic purchases” means property and services acquired in Canada;
  - “domestic worker” is a person who is in the domestic service of a member of a diplomatic mission or consular post and is not an employee of the sending State;
  - “foreign representative” refers to the following personnel (and does not include anyone who is a Canadian citizen or a permanent resident of Canada):
    - a diplomatic agent and family members forming part of his/her household;
    - a member of the administrative and technical staff of a diplomatic mission and family members forming part of his/her household;
    - a consular officer and family members forming part of his/her household;
    - a consular employee of a consular post and family members forming part of his/her household; and
    - a designated official of an international organization and family members forming part of his/her household;
  - “international organization” means an intergovernmental organization of which two or more states are members;
  - “member of the administrative and technical staff” is a member of the staff of a diplomatic mission employed in the administrative and technical service of the diplomatic mission;
  - “member of the service staff” is a member of the staff of a diplomatic mission or consular post employed in the domestic service of the diplomatic mission or consular post, including the residence of the head of a diplomatic mission or consular post;
  - “reciprocity” refers to a treaty agreement or non-legally binding arrangement negotiated between Canada and a foreign state with the objective of providing comparable duty and tax relief treatment for diplomatic missions, consular posts, and related personnel in their respective states. The privileges enjoyed by international organizations and their officials are not subject to reciprocity.

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## **GST/HST on taxable supplies**

2. In general, persons who make taxable supplies of property or services in Canada are required to charge and collect the GST/HST at the applicable rate (based on the province in which the supply is made) on the consideration for those supplies. This includes taxable supplies of property and services acquired by foreign representatives, diplomatic missions, consular posts, and international organizations.

## **Eligibility for GST/HST relief**

3. Foreign representatives, diplomatic missions, consular posts, and international organizations may be eligible for certain privileges and immunities, including relief from the GST/HST, under the authority of the *Foreign Missions and International Organizations Act* (FMIOA). Global Affairs Canada is responsible for administering the FMIOA and for determining eligibility for GST/HST relief of foreign representatives, diplomatic missions, consular posts, and international organizations. Decisions regarding eligibility for GST/HST relief are based on the FMIOA, its regulations, bilateral agreements, and other arrangements Canada has entered into with other countries, based on reciprocity. For further information, visit the Global Affairs Canada website at [www.international.gc.ca](http://www.international.gc.ca) or contact the Global Affairs Canada Office of Protocol.

4. GST/HST relief is provided by way of rebate (see paragraph 8), or at point of entry (see paragraph 15). Relief from the GST/HST does not apply to supplies of real property acquired for personal use. However, a GST/HST new housing rebate may be available, subject to the normal rules in the Act and its regulations. For more information, refer to Guide RC4028, *GST/HST New Housing Rebate*.

## ***Foreign representatives***

5. In general, foreign representatives are relieved from the GST/HST on domestic purchases acquired for personal use, except supplies of real property. It is important to note that honorary consular officers, members of the service staff, and domestic workers are not eligible for such GST/HST relief.

## ***Diplomatic missions and consular posts***

6. In general, diplomatic missions and consular posts are relieved from the GST/HST on domestic purchases acquired for official use, including supplies of real property acquired for use as the official premises of a diplomatic mission or consular post, which includes an official residence.

## ***International organizations***

7. In general, international organizations are relieved from the GST/HST on domestic purchases acquired for official use, including supplies of real property acquired for use as the official premises of an international organization, to the extent specified in the related *Privileges and Immunities Order*. The list of such Orders, also known as regulations, is available on the Department of Justice Canada website at [www.laws.justice.gc.ca/eng/regulations](http://www.laws.justice.gc.ca/eng/regulations).

## **GST/HST rebate procedures**

8. Foreign representatives, diplomatic missions, consular posts, and international organizations are required to pay the GST/HST charged by suppliers on taxable domestic purchases at the point of sale. However, they may be eligible to recover the GST/HST they paid on domestic purchases by means of a rebate. Eligibility for a rebate is determined by Global Affairs Canada, and all questions relating to eligibility for GST/HST relief should be addressed to the Global Affairs Canada Office of Protocol.

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9. Eligible foreign representatives, diplomatic missions, consular posts, and international organizations based in all provinces except Quebec may claim rebates on domestic purchases using Form GST498, *GST/HST Rebate Application for Foreign Representatives, Diplomatic Missions, Consular Posts, International Organizations, or Visiting Forces Units*.<sup>1</sup>

10. Rebate claims require specific information including:

- where the GST/HST rebate is being claimed by a foreign representative, the number on the identification card issued to him/her by Global Affairs Canada;
- a code to identify the reason for requesting a rebate:
  - Reason code 2 is for foreign representatives claiming a rebate of the GST/HST paid on property and services acquired for personal use;
  - Reason code 3 is for diplomatic missions, consular posts, and international organizations claiming a rebate of the GST/HST paid on property and services acquired for official use; and
- details of domestic purchases for which a rebate of the GST/HST is being claimed, supported by copies of corresponding receipts.

11. The CRA does not return any receipts or supporting documentation submitted with a rebate claim.

12. It should be noted that a foreign representative cannot obtain point-of-sale relief from the GST/HST on domestic purchases by presenting an identification card, issued by Global Affairs Canada, to a supplier.

## ***Filing deadline***

13. Applications for GST/HST rebates must be filed **within two years** after the date the GST/HST was paid.

14. No more than one application for a GST/HST rebate may be submitted by each rebate applicant per calendar month.

## **Importations**

15. Generally, GST/HST relief on importations of taxable property and services is provided at the point of entry into Canada, as follows:

- diplomatic agents, consular officers, designated officials of an international organization, and members of their respective families forming part of their households, on importations of property or services for personal use;
- members of the administrative and technical staff of a diplomatic mission, consular employees, and members of their respective families forming part of their households, on importations of property or services for personal use, only for a period not to exceed six months after their arrival in Canada, unless a Global Affairs Canada Order in Council indicates otherwise;
- diplomatic missions and consular posts, on importations of property or services for official use; and
- international organizations, on importations of property or services for official use.

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<sup>1</sup> Eligible foreign representatives, diplomatic missions, consular posts, and international organizations based in Quebec should use Form FPZ-2498-V, *Application for a Rebate of Taxes and Duties for a Foreign Representative, Diplomatic Mission, Consular Post, Office of a Political Division of a Foreign State, International Organization or Visiting Forces Unit*.

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16. For further information concerning GST/HST relief on importations, visit the Canada Border Services Agency website at [www.cbsa-asfc.gc.ca](http://www.cbsa-asfc.gc.ca).

## **GST/HST application to commercial activities**

17. In general, foreign representatives are not permitted to engage in commercial activities. For more information on this subject, contact the Global Affairs Canada Office of Protocol.

18. However, in limited circumstances where foreign representatives are permitted to engage in commercial activities, they are subject to the provisions of the Act and its regulations and are required to register for and collect the GST/HST on their taxable supplies if their annual world-wide sales of taxable property and services exceed \$30,000 (the small supplier threshold for an individual). For additional information concerning GST/HST registration and small suppliers, refer to Guide RC4022, *General Information for GST/HST Registrants*, GST/HST Memorandum 2.1, *Required Registration*, and GST/HST Memorandum 2.2, *Small Suppliers*.

## **Supplies to an international bridge or tunnel authority**

19. A supply of property or a service to an international bridge or tunnel authority for use in the construction of a bridge or tunnel that crosses the boundary between Canada and the United States is zero-rated (taxable at the rate of 0%) under section 2 of Part VIII of Schedule VI to the Act.

20. Supplies to an international bridge or tunnel authority that are essential to major reconstruction projects on an international bridge or tunnel are also zero-rated under section 2 of Part VIII of Schedule VI to the Act.

21. However, the zero-rating does not apply in respect of other taxable supplies purchased by an international bridge or tunnel authority, including purchases for the maintenance of or repairs to an international bridge or tunnel.

22. A supplier that makes zero-rated supplies under section 2 of Part VIII of Schedule VI to the Act must obtain written certification from the international bridge or tunnel authority that the supplies are being purchased for use in the construction or major reconstruction of an international bridge or tunnel within the wording of that provision. This documentation may be requested and reviewed by the CRA in the course of a GST/HST audit of the supplier.

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### Further information

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

To make a GST/HST enquiry by telephone:

- for general GST/HST enquiries, call Business Enquiries at 1-800-959-5525
- for technical GST/HST enquiries, call GST/HST Rulings at 1-800-959-8287

If you are located in Quebec, call Revenu Québec at 1-800-567-4692 or visit their website at [www.revenuquebec.ca](http://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 the QST, go to [www.cra.gc.ca/slfi](http://www.cra.gc.ca/slfi) or

- for general GST/HST or QST enquiries, call Business Enquiries at 1-800-959-5525
- for technical GST/HST or QST enquiries, call GST/HST Rulings SLFI at 1-855-666-5166

To make an enquiry about eligibility or reciprocity of GST/HST relief,\* call the Global Affairs Canada Office of Protocol at one of the following numbers:

- Deputy Director, Privileges, Immunities and Accreditation at 343-203-3021; or
- Manager, Privileges and Immunities at 343-203-3013.

\*You may also wish to refer to the Global Affairs Canada policy guidelines on Rebate Procedures (XDC-1433).