

# Get Ready for New QST Rules!



Currently a permanent establishment in Quebec is required to register to collect QST however, new changes are coming to QST starting on January 1, 2019. Essentially, the new rules require suppliers with no physical or significant presence in Québec to collect and remit the QST on taxable supplies of intangible property and services they supply in Québec to specified consumers. In addition, suppliers with no physical or significant presence in Québec that are located in Canada will be required to collect and remit the QST on taxable property they supply in Québec to specified consumers. A “specified Quebec consumer” is one who is a resident in Quebec and not registered for QST.

Affected businesses need to act quickly to get ready for the fast-approaching deadlines. Before then, suppliers outside Quebec and operators of digital platforms for the distribution of intangible property or services need to determine whether they are required to use the registration service and, if so,

register for the QST using that service. They must then collect the QST on certain taxable supplies made in Quebec to consumers, and report and remit the QST collected.

The rules are aimed at levelling the playing field between Quebec businesses and non-Quebec businesses selling “taxable supplies of incorporeal movable property and services,” which include cloud services and downloads of digital software, music and entertainment products. Non-resident operators of certain digital platforms are also affected by these rules.

Businesses also need to identify which of their customers have a usual place of residence in Quebec but are not QST-registered so that they can determine whether to charge QST under the new system.

*If you have any questions, please feel free to contact us at (905) 549-8463*