

## Notice of Ways and Means Motion to Amend the *Excise Tax Act*

That it is expedient to amend the *Excise Tax Act* as follows:

### GST/HST and Purely Cosmetic Procedures

1. (1) Section 1 of Part II of Schedule V to the *Excise Tax Act* is amended by adding the following in alphabetical order:

“cosmetic service supply”  
« *fourniture de services esthétiques* »

“cosmetic service supply” means a supply of property or a service that is made for cosmetic purposes and not for medical or reconstructive purposes;

(2) Subsection (1) applies in respect of

(a) a supply made after March 4, 2010; and

(b) a supply made on or before that day if

(i) all of the consideration for the supply becomes due after March 4, 2010, or is paid after that day without having become due, or

(ii) any consideration for the supply became due, or was paid, on or before that day, unless the supplier did not, on or before that day, charge, collect or remit any amount as or on account of tax in respect of the supply under Part IX of the Act.

2. (1) Part II of Schedule V to the Act is amended by adding the following after section 1:

1.1 For the purposes of this Part, other than section 9, a cosmetic service supply and a supply, in respect of a cosmetic service supply, that is not made for medical or reconstructive purposes are deemed not to be included in this Part.

(2) Subsection (1) applies in respect of

(a) a supply made after March 4, 2010; and

(b) a supply made on or before that day if

(i) all of the consideration for the supply becomes due after March 4, 2010, or is paid after that day without having become due, or



(ii) any consideration for the supply became due, or was paid, on or before that day, unless the supplier did not, on or before that day, charge, collect or remit any amount as or on account of tax in respect of the supply under Part IX of the Act.

3. (1) Section 2 of Part II of Schedule V to the Act is replaced by the following:

2. A supply of an institutional health care service made by the operator of a health care facility if the institutional health care service is rendered to a patient or resident of the facility.

(2) Subsection (1) applies in respect of

(a) a supply made after March 4, 2010; and

(b) a supply made on or before that day if

(i) all of the consideration for the supply becomes due after March 4, 2010, or is paid after that day without having become due, or

(ii) any consideration for the supply became due, or was paid, on or before that day, unless the supplier did not, on or before that day, charge, collect or remit any amount as or on account of tax in respect of the supply under Part IX of the Act.

4. (1) Section 5 of Part II of Schedule V to the Act is replaced by the following:

5. A supply of a consultative, diagnostic, treatment or other health care service that is rendered by a medical practitioner to an individual.

(2) Subsection (1) applies in respect of

(a) a supply made after March 4, 2010; and

(b) a supply made on or before that day if

(i) all of the consideration for the supply becomes due after March 4, 2010, or is paid after that day without having become due, or

(ii) any consideration for the supply became due, or was paid, on or before that day, unless the supplier did not, on or before that day, charge, collect or remit any amount as or on account of tax in respect of the supply under Part IX of the Act.

**5. (1) Section 2 of Part VI of Schedule V to the Act is amended by striking out “or” at the end of paragraph (n), by adding “or” at the end of paragraph (o) and by adding the following after paragraph (o):**

(p) property or a service

(i) the supply of which

(A) is a cosmetic service supply (as defined in section 1 of Part II of this Schedule), or

(B) is in respect of a cosmetic service supply referred to in clause (A) and is not made for medical or reconstructive purposes, and

(ii) the supply of which would be included in Part II of this Schedule or Part II of Schedule VI if Part II of this Schedule were read without reference to section 1.1 or Part II of Schedule VI were read without reference to section 1.2, as the case may be.

**(2) Subsection (1) applies in respect of**

**(a) a supply made after March 4, 2010; and**

**(b) a supply made on or before that day if**

**(i) all of the consideration for the supply becomes due after March 4, 2010, or is paid after that day without having become due, or**

**(ii) any consideration for the supply became due, or was paid, on or before that day, unless the supplier did not, on or before that day, charge, collect or remit any amount as or on account of tax in respect of the supply under Part IX of the Act.**

**6. (1) Part II of Schedule VI to the Act is amended by adding the following after section 1.1:**

**1.2.** For the purposes of this Part, a cosmetic service supply (as defined in section 1 of Part II of Schedule V) and a supply, in respect of a cosmetic service supply, that is not made for medical or reconstructive purposes are deemed not to be included in this Part.

**(2) Subsection (1) applies in respect of**

**(a) a supply made after March 4, 2010; and**

**(b) a supply made on or before that day if**



(i) all of the consideration for the supply becomes due after March 4, 2010, or is paid after that day without having become due, or

(ii) any consideration for the supply became due, or was paid, on or before that day, unless the supplier did not, on or before that day, charge, collect or remit any amount as or on account of tax in respect of the supply under Part IX of the Act.

**7. (1) Section 34 of Part II of Schedule VI to the Act is replaced by the following:**

**34.** A supply of a service (other than a service the supply of which is included in any provision of Part II of Schedule V except section 9 of that Part) of installing, maintaining, restoring, repairing or modifying a property the supply of which is included in any of sections 2 to 32 and 37 to 41 of this Part, or any part for such a property if the part is supplied in conjunction with the service.

**(2) Subsection (1) applies in respect of**

**(a) a supply made after March 4, 2010; and**

**(b) a supply made on or before that day if**

(i) all of the consideration for the supply becomes due after March 4, 2010, or is paid after that day without having become due, or

(ii) any consideration for the supply became due, or was paid, on or before that day, unless the supplier did not, on or before that day, charge, collect or remit any amount as or on account of tax in respect of the supply under Part IX of the Act.

## Simplification of the GST/HST for the Direct Selling Industry

8. (1) The Act is amended by adding the following after section 177:

### *Network Sellers*

#### Definitions

178. (1) The following definitions apply in this section and section 236.5.

“network commission”  
« *commission de réseau* »

“network commission” of a sales representative of a person means an amount that is payable by the person to the sales representative under an agreement between the person and the sales representative

(a) as consideration for a supply of a service, made by the sales representative, of arranging for the sale of a select product or a sales aid of the person; or

(b) solely as a consequence of a supply of a service, made by any sales representative of the person described in paragraph (a) of the definition “sales representative”, of arranging for the sale of a select product or a sales aid of the person.

“network seller”  
« *vendeur de réseau* »

“network seller” means a person notified by the Minister of an approval under subsection (5).

“sales aid”  
« *matériel de promotion* »

“sales aid” of a particular person that is a network seller or a sales representative of a network seller means property (other than a select product of any person) that

(a) is a customized business form or a sample, demonstration kit, promotional or instructional item, catalogue or similar personal property acquired, manufactured or produced by the particular person for sale to assist in the promotion, sale or distribution of select products of the network seller; and

(b) is neither sold nor held for sale by the particular person to a sales representative of the network seller that is acquiring the property for use as capital property.



“sales representative”

« *représentant commercial* »

“sales representative” of a particular person means

(a) a person (other than a person that is an employee of the particular person or that acts, in the course of its commercial activities, as agent in making supplies of select products of the particular person on behalf of the particular person) that

(i) has a contractual right under an agreement with the particular person to arrange for the sale of select products of the particular person, and

(ii) does not arrange for the sale of select products of the particular person primarily at a fixed place of business of the person other than a private residence; or

(b) a person (other than a person that is an employee of the particular person or that acts, in the course of its commercial activities, as agent in making supplies of select products of the particular person on behalf of the particular person) that has a contractual right under an agreement with the particular person to be paid an amount by the particular person solely as a consequence of a supply of a service, made by a person described in paragraph (a), of arranging for the sale of a select product or a sales aid of the particular person.

“select product”

« *produit déterminé* »

“select product” of a person means tangible personal property that

(a) is acquired, manufactured or produced by the person for supply by the person for consideration, otherwise than as used property, in the ordinary course of business of the person; and

(b) is ordinarily acquired by consumers by way of sale.

Qualifying network seller

(2) For the purposes of this section, a person is a qualifying network seller throughout a fiscal year of the person if

(a) all or substantially all of the total of all consideration, included in determining the income from a business of the person for the fiscal year, for supplies made in Canada by way of sale is for



- (i) supplies of select products of the person, made by the person, by way of sales that are arranged for by sales representatives of the person (in this subsection referred to as “select supplies”), or
- (ii) where the person is a direct seller (as defined in section 178.1), supplies by way of sale of exclusive products (as defined in that section) of the person made by the person to independent sales contractors (as defined in that section) of the person at any time when an approval of the Minister for the application of section 178.3 to the person is in effect;

(b) all or substantially all of the total of all consideration, included in determining the income from a business of the person for the fiscal year, for select supplies is for select supplies made to consumers;

(c) all or substantially all of the sales representatives of the person to which network commissions become payable by the person during the fiscal year are sales representatives, each having a total of such network commissions of not more than the amount determined by the formula

$$\$30,000 \times A/365$$

where

A is the number of days in the fiscal year; and

(d) the person and each of its sales representatives have made joint elections under subsection (4).

### Application

(3) A person may apply to the Minister, in prescribed form containing prescribed information, to have subsection (7) apply to the person and each of its sales representatives, beginning on the first day of a fiscal year of the person, if the person

(a) is registered under Subdivision d of Division V and is reasonably expected to be, throughout the fiscal year,

- (i) engaged exclusively in commercial activities, and
- (ii) a qualifying network seller; and

(b) files the application in prescribed manner before

- (i) in the case of a person that has never made a supply of a select product of the person, the day in the fiscal year on which the person first makes a supply of a select product of the person, and
- (ii) in any other case, the first day of the fiscal year.



### Joint election

(4) If subsection (3) applies to a person or a person is a network seller, the person and a sales representative of the person may jointly elect, in prescribed form containing prescribed information, to have subsection (7) apply to them at all times when an approval granted under subsection (5) is in effect.

### Approval or refusal

(5) If the Minister receives an application under subsection (3) from a person, the Minister may approve the application of subsection (7) to the person and each of its sales representatives beginning on the first day of a fiscal year of the person or may refuse the application and the Minister shall notify the person in writing of the approval and the day on which it becomes effective or of the refusal.

### Evidence of joint elections

(6) Every network seller shall maintain evidence satisfactory to the Minister that the network seller and each of its sales representatives have made joint elections under subsection (4).

### Effect of approval

(7) For the purposes of this Part, if, at any time when an approval granted under subsection (5) in respect of a network seller and each of its sales representatives is in effect, a network commission becomes payable by the network seller to a sales representative of the network seller as consideration for a taxable supply (other than a zero-rated supply) of a service made in Canada by the sales representative, the taxable supply is deemed not to be a supply.

### Sales aids

(8) For the purposes of this Part, if, at any time when an approval granted under subsection (5) in respect of a network seller and each of its sales representatives is in effect, the network seller or a sales representative of the network seller makes in Canada a taxable supply by way of sale of a sales aid of the network seller or of the sales representative, as the case may be, to a sales representative of the network seller, the taxable supply is deemed not to be a supply.

## Host gifts

(9) For the purposes of this Part, if, at any time when an approval granted under subsection (5) in respect of a network seller and each of its sales representatives is in effect, the network seller or a particular sales representative of the network seller makes a supply of property to an individual as consideration for the supply by the individual of a service of acting as a host at an occasion that is organized for the purpose of allowing a sales representative of the network seller or the particular sales representative, as the case may be, to promote, or to arrange for the sale of, select products of the network seller, the individual is deemed not to have made a supply of the service and the service is deemed not to be consideration for a supply.

## Notification of refusal

(10) If the Minister notifies a person of a refusal under subsection (5) at any time when the person and a sales representative of the person have made a joint election under subsection (4), the person shall forthwith notify the sales representative of the refusal in a manner satisfactory to the Minister.

## Revocation by Minister

(11) The Minister may revoke an approval granted under subsection (5) in respect of a network seller and each of its sales representatives, effective on the first day of a fiscal year of the network seller, if, before that day, the Minister notifies the network seller of the revocation and the day on which it becomes effective and if

- (a) the network seller fails to comply with any provision of this Part;
- (b) it can reasonably be expected that the network seller will not be a qualifying network seller throughout the fiscal year;
- (c) the network seller requests in writing that the Minister revoke the approval;
- (d) the notice referred to in subsection 242(1) has been given to, or the request referred to in subsection 242(2) has been filed by, the network seller; or
- (e) it can reasonably be expected that the network seller will not be engaged exclusively in commercial activities throughout the fiscal year.



### Deemed revocation

(12) If an approval granted under subsection (5) in respect of a network seller and each of its sales representatives is in effect at any time in a particular fiscal year of the network seller and, at any time during the particular fiscal year, the network seller ceases to be engaged exclusively in commercial activities or the Minister cancels the registration of the network seller, the approval is deemed to be revoked, effective on the first day of the fiscal year of the network seller immediately following the particular fiscal year, unless, on that first day, the network seller is registered under Subdivision d of Division V and it is reasonably expected that the network seller will be engaged exclusively in commercial activities throughout that following fiscal year.

### Effect of revocation

(13) If an approval granted under subsection (5) in respect of a network seller and each of its sales representatives is revoked under subsection (11) or (12), the following rules apply:

- (a) the approval ceases to have effect immediately before the day on which the revocation becomes effective;
- (b) the network seller shall forthwith notify each of its sales representatives in a manner satisfactory to the Minister of the revocation and the day on which it becomes effective; and
- (c) a subsequent approval granted under subsection (5) in respect of the network seller and each of its sales representatives shall not become effective before the first day of a fiscal year of the network seller that is at least two years after the day on which the revocation became effective.

### Failure to notify on revocation

(14) For the purposes of this Part, a taxable supply (other than a zero-rated supply) of a service made in Canada by a sales representative of a network seller is deemed not to be a supply if

- (a) the consideration for the taxable supply is a network commission that becomes payable by the network seller to the sales representative at any time after an approval granted under subsection (5) in respect of the network seller and each of its sales representatives ceases to have effect as a consequence of a revocation on the basis of any of paragraphs (11)(a) to (c);
- (b) the approval could not have been revoked on the basis of paragraph (11)(d) or (e) and would not have otherwise been revoked under subsection (12);

(c) at the time the network commission becomes payable, the sales representative

(i) has not been notified of the revocation by the network seller, as required under paragraph (13)(b), or by the Minister, and

(ii) neither knows, nor ought to know, that the approval ceased to have effect; and

(d) an amount has not been charged or collected as, or on account of, tax in respect of the taxable supply.

#### Failure to notify on revocation

(15) Subsection (16) applies if the following conditions are satisfied:

(a) the consideration for a taxable supply (other than a zero-rated supply) of a service made in Canada by a sales representative of a network seller is a network commission that becomes payable by the network seller to the sales representative at any time after an approval granted under subsection (5) in respect of the network seller and each of its sales representatives ceases to have effect as a consequence of a revocation under subsection (11) or (12);

(b) the approval was, or could at any time otherwise have been, revoked on the basis of paragraph (11)(d) or (e) or was, or would at any time otherwise have been, revoked under subsection (12);

(c) at the time the network commission becomes payable, the sales representative

(i) has not been notified of the revocation by the network seller, as required under paragraph (13)(b), or by the Minister, and

(ii) neither knows, nor ought to know, that the approval ceased to have effect; and

(d) an amount has not been charged or collected as, or on account of, tax in respect of the taxable supply.

#### Failure to notify on revocation

(16) If the conditions described in paragraphs (15)(a) to (d) are satisfied, the following rules apply for the purposes of this Part:

(a) section 166 shall not apply in respect of the taxable supply described in paragraph (15)(a);

(b) tax that becomes payable or that would, in the absence of section 166, become payable in respect of the taxable supply shall not be included in determining the net tax of the sales representative referred to in paragraph (15)(a); and



(c) the consideration for the taxable supply shall not, in determining whether the sales representative is a small supplier, be included in the total referred to in paragraph 148(1)(a) or (2)(a).

#### Sales aids on revocation

(17) For the purposes of this Part, a taxable supply of a sales aid of a particular sales representative of a network seller made in Canada by way of sale to another sales representative of the network seller is deemed not to be a supply if

(a) the consideration for the taxable supply becomes payable at any time after an approval granted under subsection (5) in respect of the network seller and each of its sales representatives ceases to have effect as a consequence of a revocation under subsection (11) or (12);

(b) at the time the consideration becomes payable, the particular sales representative

(i) has not been notified of the revocation by the network seller, as required under paragraph (13)(b), or by the Minister, and

(ii) neither knows, nor ought to know, that the approval ceased to have effect; and

(c) an amount has not been charged or collected as, or on account of, tax in respect of the taxable supply.

#### Restriction on input tax credits

(18) If

(a) a registrant that is a network seller in respect of which an approval granted under subsection (5) is in effect acquires or imports property (other than a select product of the network seller) or a service or brings it into a participating province for supply to a sales representative of the network seller or an individual related to the sales representative,

(b) tax becomes payable in respect of the acquisition, importation or bringing in, as the case may be,

(c) the property or service is so supplied by the registrant for no consideration or for consideration that is less than the fair market value of the property or service, and

(d) the sales representative or individual is not acquiring the property or service for consumption, use or supply exclusively in the course of commercial activities of the sales representative or individual, as the case may be,

the following rules apply:

- (e) no tax is payable in respect of the supply, and
- (f) in determining an input tax credit of the registrant, no amount shall be included in respect of tax that becomes payable, or is paid without having become payable, by the registrant in respect of the property or service.

#### Appropriations for sales representatives

(19) For the purposes of this Part, if a registrant that is a network seller in respect of which an approval granted under subsection (5) is in effect appropriates, at any time, property (other than a select product of the network seller) that was acquired, manufactured or produced, or any service acquired or performed, in the course of commercial activities of the registrant, to or for the benefit of a sales representative of the network seller, or any individual related to the sales representative, that is not acquiring the property or service for consumption, use or supply exclusively in the course of commercial activities of the sales representative or individual, in any manner (otherwise than by way of supply for consideration equal to the fair market value of the property or service), the registrant shall be deemed

- (a) to have made a supply of the property or service for consideration paid at that time equal to the fair market value of the property or service at that time; and
- (b) except where the supply is an exempt supply, to have collected, at that time, tax in respect of the supply calculated on that consideration.

#### Exception

(20) Subsection (19) does not apply to property or a service appropriated by a registrant if the registrant was not entitled to claim an input tax credit in respect of the property or service because of section 170.

#### Ceasing to be a registrant

(21) If, at any time when an approval granted under subsection (5) in respect of a network seller and each of its sales representatives is in effect, a sales representative of the network seller ceases to be a registrant, paragraph 171(3)(a) does not apply to sales aids of the sales representative that were supplied to the sales representative by the network seller or another sales representative of the network seller at any time when the approval was in effect.



### Non-arm's length supply

(22) Section 155 does not apply to the supply described in subsection (9) made to an individual acting as a host.

(2) Subsection (1) applies in respect of any fiscal year of a person that begins on or after January 1, 2010, except that, for the purposes of applying section 178 of the Act, as enacted by subsection (1), in respect of a fiscal year of a person that begins during 2010, the following rules also apply:

(a) a person may, despite subparagraphs 178(3)(b)(i) and (ii) of the Act, as enacted by subsection (1), apply under subsection 178(3) of the Act, as enacted by subsection (1), to have subsection 178(7) of the Act, as enacted by subsection (1), apply to the person and each of its sales representatives, beginning on a day in 2010 that the person specifies in the application, if the person files the application before that day and that day is the first day of a reporting period of the person that begins during the fiscal year;

(b) if the person makes an application in accordance with paragraph (a),

(i) each reference in subsections 178(2), (3), (5) and (11) of the Act, as enacted by subsection (1), to “fiscal year” is to be read as a reference to “qualifying period”, and

(ii) each reference in subsection 178(12) of the Act, as enacted by subsection (1), to “particular fiscal year” is to be read as a reference to “qualifying period”; and

(c) “qualifying period” of a person means the period beginning on the day specified in an application made by the person in accordance with paragraph (a) and ending on the last day of the fiscal year.

9. (1) The Act is amended by adding the following after section 236.4:

### First and second variant years

236.5 (1) For the purposes of this section, a fiscal year of a network seller in respect of which an approval granted under 178(5) is in effect is

(a) the first variant year of the network seller if the network seller

(i) fails to meet the condition referred to in paragraph 178(2)(c) in respect of the fiscal year, and

- (ii) meets the condition referred to in paragraph 178(2)(c) for each fiscal year of the network seller, in respect of which an approval granted under 178(5) is in effect, preceding the fiscal year; and
- (b) the second variant year of the network seller if
  - (i) the fiscal year is after the first variant year of the network seller,
  - (ii) the network seller fails to meet the condition referred to in paragraph 178(2)(c) in respect of the fiscal year, and
  - (iii) the network seller meets the condition referred to in paragraph 178(2)(c) for each fiscal year (other than the first variant year) of the network seller, in respect of which an approval granted under 178(5) is in effect, preceding the fiscal year.

#### Adjustment by network seller if conditions not met

(2) Subject to subsections (3) and (4), if a network seller fails to satisfy any condition referred to in paragraphs 178(2)(a) to (c) for a fiscal year of the network seller in respect of which an approval granted under subsection 178(5) is in effect and, at any time during the fiscal year, a network commission would, if this Part were read without reference to subsection 178(7), become payable by the network seller to a sales representative of the network seller as consideration for a taxable supply (other than a zero-rated supply) made in Canada by the sales representative, the network seller shall, in determining the net tax for the first reporting period of the network seller following the fiscal year, add an amount equal to interest, at the prescribed rate, on the total amount of tax that would be payable in respect of the taxable supply if tax were payable in respect of the taxable supply, computed for the period beginning on the earliest day on which consideration for the taxable supply is paid or becomes due and ending on the day on or before which the network seller is required to file a return for the reporting period that includes that earliest day.

#### No adjustment for first variant year

(3) In determining the net tax for the first reporting period of a network seller following the first variant year of the network seller, the network seller is not required to add an amount in accordance with subsection (2) if

- (a) the network seller satisfies the conditions referred to in paragraphs 178(2)(a) and (b) for the first variant year and for each fiscal year, in respect of which an approval granted under subsection 178(5) is in effect, preceding the first variant year; and



(b) the network seller would meet the condition referred to in paragraph 178(2)(c) for the first variant year if the reference in that paragraph to “all or substantially all” were read as a reference to “at least 80%”.

#### No adjustment for second variant year

(4) In determining the net tax for the first reporting period of the network seller following the second variant year of the network seller, the network seller is not required to add an amount in accordance with subsection (2) if

(a) the network seller satisfies the conditions referred to in paragraphs 178(2)(a) and (b) for the second variant year and for each fiscal year, in respect of which an approval granted under subsection 178(5) is in effect, preceding the second variant year;

(b) the network seller would meet the condition referred to in paragraph 178(2)(c) for each of the first variant year and the second variant year if the reference in that paragraph to “all or substantially all” were read as a reference to “at least 80%”; and

(c) within 180 days after the beginning of the second variant year, the network seller requests in writing that the Minister revoke the approval.

#### Adjustment by network seller due to notification failure

(5) If, at any time after an approval granted under subsection 178(5) in respect of a network seller and each of its sales representatives ceases to have effect as a consequence of a revocation under subsection 178(11) or (12), a network commission would, if this Part were read without reference to subsection 178(7), become payable as consideration for a taxable supply (other than a zero-rated supply) made in Canada by a sales representative of the network seller that has not been notified, as required under paragraph 178(13)(b), of the revocation and an amount is not charged or collected as, or on account of, tax in respect of the taxable supply, the network seller shall, in determining the net tax for the particular reporting period of the network seller that includes the earliest day on which consideration for the taxable supply is paid or becomes due, add an amount equal to interest, at the prescribed rate, on the total amount of tax that would be payable in respect of the taxable supply if tax were payable in respect of the taxable supply, computed for the period beginning on that earliest day and ending on the day on or before which the network seller is required to file a return for the particular reporting period.

(2) Subsection (1) applies in respect of any fiscal year of a person that begins on or after January 1, 2010, except that, if the person makes an application in accordance with paragraph 8(2)(a) in respect of a qualifying period (as defined in paragraph 8(2)(c)), for the purposes of applying subsections 236.5(1) to (4) of the Act, as enacted by subsection (1), each reference in those subsections to “fiscal year” is to be read, in respect of a fiscal year of the person that begins in 2010, as a reference to “qualifying period”.

**10. (1) Section 242 of the Act is amended by adding the following after subsection (2.2):**

Request for cancellation

(2.3) If, at any time when an approval granted under subsection 178(5) in respect of a network seller (as defined in subsection 178(1)) and each of its sales representatives (as defined in that subsection) is in effect, a sales representative of the network seller would be a small supplier if the approval had been in effect at all times before that time and the sales representative files with the Minister in prescribed manner a request, in prescribed form containing prescribed information, to have the registration of the sales representative cancelled, the Minister shall cancel the registration of the sales representative.

**(2) Subsection (1) is deemed to have come into force on January 1, 2010.**

## Financial Services

**11. (1) Paragraph (l) of the definition “financial service” in subsection 123(1) of the Act is replaced by the following:**

- (l) the agreeing to provide, or the arranging for, a service that is
  - (i) referred to in any of paragraphs (a) to (i), and
  - (ii) not referred to in any of paragraphs (n) to (t), or

**(2) The definition “financial service” in subsection 123(1) of the Act is amended by adding the following after paragraph (q):**

- (q.1) an asset management service,



**(3) The definition “financial service” in subsection 123(1) of the Act is amended by adding the following after paragraph (r.2):**

(r.3) a service (other than a prescribed service) of managing credit that is in respect of credit cards, charge cards, credit accounts, charge accounts, loan accounts or accounts in respect of any advance and is provided to a person granting, or potentially granting, credit in respect of those cards or accounts, including a service provided to the person of

- (i) checking, evaluating or authorizing credit,
- (ii) making decisions on behalf of the person in relation to a grant, or an application for a grant, of credit,
- (iii) creating or maintaining records for the person in relation to a grant, or an application for a grant, of credit or in relation to the cards or accounts, or
- (iv) monitoring another person’s payment record or dealing with payments made, or to be made, by the other person,

(r.4) a service (other than a prescribed service) that is preparatory to the provision or the potential provision of a service referred to in any of paragraphs (a) to (i) and (l), or that is provided in conjunction with a service referred to in any of those paragraphs, and that is

- (i) a service of collecting, collating or providing information, or
- (ii) a market research, product design, document preparation, document processing, customer assistance, promotional or advertising service or a similar service,

(r.5) property (other than a financial instrument or prescribed property) that is delivered or made available to a person in conjunction with the rendering by the person of a service referred to in any of paragraphs (a) to (i) and (l),

**(4) Subsection 123(1) of the Act is amended by adding the following in alphabetical order:**

“asset management service”  
« *service de gestion des actifs* »

“asset management service” means a service (other than a prescribed service) rendered by a particular person in respect of the assets or liabilities of another person that is a service of

- (a) managing or administering the assets or liabilities, irrespective of the level of discretionary authority the particular person has to manage some or all of the assets or liabilities,
- (b) providing research, analysis, advice or reports in respect of the assets or liabilities,
- (c) determining which assets or liabilities are to be acquired or disposed of, or
- (d) acting to realize performance targets or other objectives in respect of the assets or liabilities;

“management or administrative service”  
« *service de gestion ou d’administration* »

“management or administrative service” includes an asset management service;

**(5) Subsections (1) to (4) are deemed to have come into force on December 17, 1990, except that, for the purposes of Part IX of the Act, other than Division IV of that Part, subsections (1) to (4) do not apply in respect of a service rendered under an agreement, evidenced in writing, for a supply if**

- (a) all of the consideration for the supply became due or was paid on or before December 14, 2009;
- (b) the supplier did not, on or before December 14, 2009, charge, collect or remit any amount as or on account of tax under Part IX of the Act in respect of the supply; and



(c) the supplier did not, on or before December 14, 2009, charge, collect or remit any amount as or on account of tax under Part IX of the Act in respect of any other supply that is made under the agreement and that includes the provision of a service referred to in any of paragraphs (q), (q.1) and (r.3) to (r.5) of the definition “financial service” in subsection 123(1) of the Act, as amended by subsections (1) to (4).

(6) Despite section 298 of the Act, the Minister of National Revenue may assess, reassess or make an additional assessment of any amount payable or remittable by a person in respect of a supply of a service referred to in any of paragraphs (q), (q.1) and (r.3) to (r.5) of the definition “financial service” in subsection 123(1) of the Act, as amended by subsections (2) to (4), at any time on or before the later of the day that is one year after the day on which this Act is assented to and the last day of the period otherwise allowed under that section for making the assessment, reassessment or additional assessment.