

Election and Revocation of an Election Between Agent and Principal

Use this form if you are a principal and a registrant, acting as an agent in making a taxable supply (**not** by auction) for the principal who has to collect tax on that supply, to jointly elect to have the agent account for the GST/HST on that supply.

Note

Do **not** make this election for a supply if the only reason the supply is considered taxable is because the agent and principal have already made a different joint election in writing to have the supply considered taxable.

To make an election, fill out parts A, B, C, D, and E.

To revoke an election, fill out parts A, B, and F.

This election also applies to billing agents.

For more information, see page 4.

Part A – Principal's identification

Legal name:

Business number (if applicable):

Part B – Identification of agent (must be a GST/HST registrant)

Legal name:

Business number:

Part C – Election

☐ We, the principal and agent, jointly elect for the agent to account for the GST/HST on the supply or supplies described below instead of the principal. We understand that **both** parties to this election are jointly and severally or solidarily, liable for certain GST/HST obligations as explained under "Joint liability" on page 4.

Describe the nature of the supply or supplies to which this election applies. (Any additional information can be attached on a separate sheet):

Part C – Election (continued)

Indicate the duration of this election (tick only **one** box):

One supply or multiple supplies

(Election in effect for one day).

☐ Date:

| | | | | | | | |
|------|--|--|--|-------|--|-----|--|
| Year | | | | Month | | Day | |
| | | | | | | | |

Ongoing supplies

(Election in effect from the effective date, until you jointly revoke it in writing).

☐ From:

| | | | | | | | |
|------|--|--|--|-------|--|-----|--|
| Year | | | | Month | | Day | |
| | | | | | | | |

Supplies made for a specific period

(Election in effect from the effective date to the end date you specify, unless you jointly revoke it in writing).

☐ From:

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|------|--|--|--|-------|--|-----|--|
| Year | | | | Month | | Day | |
| | | | | | | | |

 to

| | | | | | | | |
|------|--|--|--|-------|--|-----|--|
| Year | | | | Month | | Day | |
| | | | | | | | |

Part D – Principal's certification of the election

I certify that the information given on this form and in any attached documents is correct and complete, and that I am the principal or that I am authorized to sign on behalf of the principal.

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|------------------|-----------|---|--|-------|--|-----|--|-------|--|-----|--|--|--|--|--|--|--|--|--|
| Name (print) | | Title | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| Telephone number | Extension | Signature of principal or authorized person | <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td colspan="4">Year</td><td colspan="2">Month</td><td colspan="2">Day</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table> | Year | | | | Month | | Day | | | | | | | | | |
| Year | | | | Month | | Day | | | | | | | | | | | | | |
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Part E – Certification of election by agent

I certify that the information given on this form and in any attached documents is correct and complete, and that I am the agent or that I am authorized to sign on behalf of the agent.

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|------------------|-----------|---|--|-------|--|-----|--|-------|--|-----|--|--|--|--|--|--|--|--|--|
| Name (print) | | Title | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| Telephone number | Extension | Signature of agent or authorized person | <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td colspan="4">Year</td><td colspan="2">Month</td><td colspan="2">Day</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table> | Year | | | | Month | | Day | | | | | | | | | |
| Year | | | | Month | | Day | | | | | | | | | | | | | |
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Part F – Revocation of election

Describe the nature of the supply or supplies to which this revocation applies. (Any additional information can be attached on a separate sheet):

Enter the effective date of the election:

| Year | | | | Month | | Day | |
|------|--|--|--|-------|--|-----|--|
| | | | | | | | |

Revocation of the election for the supply or certain supplies described in this part. ☐

or

Revocation of the election for all supplies described in this part or in Part C. ☐

Enter the effective date of the revocation election:

| Year | | | | Month | | Day | |
|------|--|--|--|-------|--|-----|--|
| | | | | | | | |

We, the agent and principal, jointly revoke the election we previously made for the agent to account for the GST/HST on the supply or certain supplies, as described in this part or on all supplies described in this part or in Part C of that election as indicated above.

Signature of principal or authorized person

| Year | | | | Month | | Day | |
|------|--|--|--|-------|--|-----|--|
| | | | | | | | |

Signature of agent or authorized person

| Year | | | | Month | | Day | |
|------|--|--|--|-------|--|-----|--|
| | | | | | | | |

Personal information is collected to administer or enforce Part IX of the Excise Tax Act, and related programs and activities including administering tax, rebates, elections, audit, compliance, and collection. The information collected may be used or disclosed for the purposes of other federal acts that provide for the imposition and collection of a tax or duty. It may also be disclosed to other federal, provincial, territorial, or foreign government institutions to the extent authorized by law. Failure to provide this information may result in paying interest or penalties, or in other actions. Under the Privacy Act, individuals have a right of protection, access to and correction of their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 241 on Info Source at canada.ca/cra-information-about-programs.

General information

General rule (without an election)

Under the general rule, a registrant principal has to collect and account for the GST/HST on a taxable supply (other than zero-rated) made for it by an agent, and the agent, if a registrant, has to collect and account for the GST/HST on the services it provides to the principal that relate to the supply. This general rule applies when the principal and agent are **both** GST/HST registrants and the supply is taxable (other than a zero-rated supply) and is **not** a sale made by auction.

Joint election for an agent to account for the GST/HST

A joint election can be made between a supplier (the principal) and a registrant agent when the principal is required to collect and account for tax but prefers that the agent be responsible for doing so. The agent still has to charge and account for the GST/HST on the commission and services it provides to the principal that relate to the supply. For more information, see "Effect of the election" and "Joint liability" on this page.

Joint election for a billing agent to account for the GST/HST

Generally, a billing agent acts as agent for a supplier in charging and collecting the amount due (including tax) for a supply made by the supplier. However, the billing agent may not be acting as agent in making the supply itself.

A registrant billing agent acting as an agent for a supplier in charging and collecting the amount due for a supply is considered to be acting as an agent in making the supply but **only** for the purposes of this election. This means that a supplier (principal) and a billing agent can jointly elect for the billing agent to account for the GST/HST charged or collected on the supply instead of the principal.

Effect of the election

When this election is in effect for a supply that an agent makes for a principal, the following rules apply to the agent (including a billing agent) and principal:

- In calculating net tax, the agent has to account for any amount charged or collected for tax.
- The rules pertaining to refunds, credits, or adjustments of tax to a recipient apply to the agent, **not** to the principal.
- The rules pertaining to bad debt adjustments and recovery of bad debts apply to the agent, **not** to the principal.
- The agent and principal are jointly and severally, or solidarily, liable for certain GST/HST obligations as explained under "Joint liability."
- If the agent uses the quick method of accounting for calculating its net tax, the quick method rates do **not** apply to the supplies covered by this election. For more information on these rules, see Guide RC4058, Quick Method of Accounting for GST/HST.
- The agent has to include the amount for the supply in the calculation of its threshold amount to determine the agent's reporting period. The principal does **not** include that amount in its threshold calculation.

Joint liability

The agent and the principal are jointly and severally, or solidarily, liable for all GST/HST obligations that result from **any** of the following:

- the tax becoming collectible
- any failure to account for or pay a net tax amount that is reasonably attributable to the supply
- any failure to account for or pay any overpayment of refund or interest received by the agent and that is reasonably attributable to the supply
- the agent claiming a bad debt deduction to which the agent was **not** entitled or was in excess of the amount to which the agent was entitled, including any failure to pay the amount of any underpayment of net tax and interest resulting from claiming that deduction
- after a refund, credit, or adjustment of tax to a recipient, the agent claiming an amount to which the agent was **not** entitled or was in excess of the amount to which the agent was entitled, including any failure to pay the amount of any underpayment of net tax and interest resulting from claiming that amount
- a recovery of all or part of a bad debt relating to the supply for which the agent had claimed a deduction, including any failure to pay the amount of any underpayment of net tax and interest resulting from that recovery

Effect of a revocation

An agent and a principal can jointly revoke an election they previously made for a supply. The parties decide on the effective date of a revocation. The effective date can be earlier or later than the current date. If you revoke an election for a supply, the election is considered never to have been made for that supply and the general GST/HST rules will apply.

Books and records

Do **not** send this form to the Canada Revenue Agency. The principal and agent must **each** keep a filled out copy with their books and records while the election is in effect and for six years after the end of the year to which an election relates.

If this form is a revocation of an election, it must also be kept by **each** party for six years after the end of the year to which the revocation relates.

If you need help

For more information on GST/HST, see Guide RC4022, General Information for GST/HST Registrants, go to canada.ca/gst-hst, or call 1-800-959-5525.