



**MEMORANDUM**

**To:** All Business Officers  
**From:** Russell Smith, Supervisor Accounting Services  
**Date:** February 16, 2011  
**Re:** Self Assess HST on Purchases – Reminder Updated

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The Financial Services Department would like to remind everyone of the correct HST treatment for Consulting Services, Electronic Subscriptions, Licenses and Conferences.

**Consulting Services:**

Foreign consultants providing services consumed within Canada are HST applicable. Generally, Canadian consultants will be charging HST on their invoices. For foreign based consultants, the HST must be self assessed unless the foreign consultant is an HST registrant and is charging HST on their invoice and has included an HST registrant number on their invoice.

*Self - Assessment Example – A US consultant is contracted to provide information that will assist in the completion of a report that is to be used in Canada. This will attract HST and require self assessment of HST. (AMS Tax Code ‘ES’ – HST 0% (Pur-S/A HST 13%:EFF Tax=3.41% after Rebate))*

*No Self Assessment Required – A US consultant is contracted to provide analysis on a piece of equipment that is located in the US. (AMS Tax Code ‘E0’ – HST exempt)*

**Electronic Subscriptions:**

Electronic subscriptions which provide access to a database for use within the University will attract HST as the services are consumed within Canada. When electronic subscriptions are purchased from a Canadian source, HST should be included on the invoice. When purchasing an electronic subscription from outside of Canada to be used and consumed within Canada, HST must be self assessed on the purchase, unless the foreign supplier is an HST registrant and is charging HST on their invoice and has included an HST registrant number on their invoice.



*Self - Assessment Example – An electronic subscription to a service in the UK is purchased and will be accessed by research staff located in Canada at the University. The service is being consumed within Canada, and HST should be self assessed. (AMS Tax Code ‘ES’ – HST 0% (Pur-S/A HST 13%:EFF Tax=3.41% after Rebate))*

*No Self - Assessment Required – An electronic subscription to a service in the UK is purchased and will be accessed by research staff located in the UK. The service is being consumed outside of Canada and is not subject to GST. (AMS Tax Code ‘E0’ – HST exempt)*

#### **Licenses:**

Licenses provide a user with access to software services, technical support or the right to use intellectual property. Licenses are taxable for HST purposes. A license agreement from a Canadian entity or vendor will attract HST and should be included on the invoice. When you purchase a license from a foreign source and the license will be used to provide a service within Canada, HST will need to be self assessed when making the payment. A foreign supplier may be an HST registrant and charge HST on the invoice, and then you do not have to self assess HST.

*Self - Assessment Example – A license to use software is purchased from a foreign source and used on the university campus. The right to use the software is being consumed within Canada, and HST should be self assessed. . (AMS Tax Code ‘ES’ – HST 0% (Pur-S/A HST 13%:EFF Tax=3.41% after Rebate))*

*No Self - Assessment Required – A license to use software is purchased from a foreign source and used on location in Africa. The right to use the software is being consumed outside of Canada and is not subject to HST. (AMS Tax Code ‘E0’ – HST exempt)*

#### **Conferences:**

Conference fees paid to attend conferences outside of Canada are subject to HST. The presumption is that the information learned in a conference situation will be useful and applicable to the individual within Canada, thus deemed consumed in Canada. . (AMS Tax Code ‘ES’ – HST 0% (Pur-S/A HST 13%:EFF Tax=3.41% after Rebate))