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Returns and Payments

From: [Canada Revenue Agency](#).

Excise Duty Memorandum EDM10-1-1

March 2024

This version replaces the one dated July 2013. This memorandum has been revised to clarify the requirements to file excise duty returns and make excise duty payments, to include information about cannabis and vaping product excise duty returns, and to make the information more helpful and easier to understand. It also cancels and replaces Excise Duty Notice EDN40, *Semi-Annual Reporting Period for Certain Licensees*.

This memorandum explains the procedures and requirements for filing excise duty returns and for making payments of excise duties owing for holders of cannabis licences, duty free shop licences, excise warehouse licences, special excise warehouse licences, spirits licences, tobacco licences, tobacco dealer licences, user licences, vaping product licences and wine licences under the *Excise Act, 2001*.

This memorandum applies to all licence types noted above. Information specific to filing returns and remitting excise duty on cannabis products and vaping products is also available by going to [Cannabis duty – Report and remit \(pay\) the duty on cannabis](#) and [Reporting and remitting the vaping duty](#), which also provides information on filing requirements for vaping prescribed persons.

Except as otherwise noted, all statutory references in this publication are to the provisions of the *Excise Act, 2001*. 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 refer to the Act or relevant regulation, or contact your CRA regional excise office for additional information. The offices are listed at [Contact Information – Excise and Specialty Tax Directorate](#).

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Requirement for licensees to file excise duty returns

General

1. Every person licensed under the Act is required to file an excise duty return with the Canada Revenue Agency (CRA) for each reporting period.
2. Where a licensee holds more than one type of licence under the Act, a separate return must be filed for each type of licence held.
3. A return must be filed for each reporting period even if there is no business activity or excise duty payable.
4. Excise duty returns must be filed using the approved form for each licence type. Approved forms are available by going to [Excise duty forms under the Excise Act, 2001](#).
5. Returns can be filed using one of the following methods:
 - electronically, using the “File a return” function in [My Business Account](#)
 - by mail, addressed to:

Canada Revenue Agency
Prince Edward Island Tax Centre
275 Pope Rd
Summerside PE C1N 6E7

Branches or divisions (multiple locations or separate premises)

6. If a licensee’s operations include branches or divisions with distinct locations or activities and the licensee maintains separate books and records and accounting systems for each, the licensee may request authorization to file separate excise duty returns and refund applications by filing [Form B269, Application or Revocation of the Authorization to File Separate Excise Duty Returns and Refund Applications for Branches or Divisions](#).
7. For an application to be approved, the CRA must be satisfied that each branch or division is separately identifiable by its location or the nature of its activities and that separate books and records and accounting systems are maintained for each.
8. The CRA will notify the licensee in writing when a request for authorization to file separate returns for branches or divisions has been approved or denied.

9. The CRA may revoke authorization when the licensee terminates operations at separate locations, ceases to carry on distinct activities, no longer maintains separate books and records or accounting systems for its branches or divisions, or requests in writing that the CRA revoke the authorization.

10. If authorization to file separate returns is revoked, the CRA will send the licensee a written notice that specifies the reason for the revocation and the effective date of the revocation.

Reporting periods

11. The reporting period for a licensee is generally a fiscal month unless the CRA has provided the licensee with written approval to use a different reporting period. For more information, refer to the “Eligibility for quarterly reporting for cannabis licensees” and “Eligibility for semi-annual reporting” sections of this memorandum.

12. For a cannabis or vaping product licensee, a fiscal month is a calendar month.

13. The fiscal months of a licensee other than a cannabis or vaping product licensee are either:

- the fiscal months established by the licensee for GST/HST purposes
- the fiscal months chosen by the licensee in accordance with the requirements established for GST/HST purposes
- calendar months

14. A licensee that has fiscal months that are not calendar months must notify the CRA if their fiscal months vary in length throughout their fiscal year or if month-end dates do not end on the last day of a calendar month. To request approval to use fiscal months that differ from the standard guidelines outlined in paragraph 13 of this memorandum, a licensee must file [Form B268, Notification of Fiscal Months](#).

15. To change their fiscal months, a licensee that has fiscal months that are not calendar months must send a letter to their CRA regional excise office with the following information:

- the licensee’s legal name, mailing address and 15-digit account number
- their current fiscal months
- their preferred fiscal months
- an explanation of the reason for the change in fiscal months

Eligibility for quarterly reporting for cannabis licensees

16. The CRA may authorize a cannabis licensee to file excise duty returns four times a year (that is, calendar quarter reporting periods instead of calendar month reporting periods).

17. To request authorization to file returns and remit excise duty on a quarterly basis, a cannabis licensee must submit a letter to their regional excise office.

18. A calendar quarter is based on calendar months:

- January 1 to March 31
- April 1 to June 30
- July 1 to September 30
- October 1 to December 31

19. The CRA may revoke an authorization for quarterly filing in either of the following circumstances:

- the licensee requests in writing that the CRA revoke the authorization
- the licensee fails to comply with any conditions of the Act

20. If authorization for quarterly filing is revoked, the CRA will send the licensee a written notice that specifies the reason for the revocation and the effective date of the revocation.

21. For more information specific to quarterly reporting, refer to [Excise Duty Notice EDN88, Budget 2023 – Quarterly Filing and Remitting for All Cannabis Licensees](#).

Eligibility for semi-annual reporting

22. A licensee holding a spirits licence, a wine licence, a user's licence, or an excise warehouse licence where no tobacco products are held in their excise warehouse may be eligible to receive authorization from the CRA to file excise duty returns twice a year (that is, semi-annual or fiscal half-year reporting periods) instead of monthly if the following conditions are met:

- the licensee has been licensed with the CRA for at least one year
- the licensee is in compliance with the Act, and all excise duty returns are filed up-to-date
- the total of all alcohol excise duties payable by the licensee and any associated licensees under Part 4 of the Act did not exceed \$120,000 in the current or previous fiscal year

23. In addition to these general conditions, the licensee must meet other specific conditions relating to the volume of alcohol added to their inventory or entered into their premises or warehouse each year, depending on what type of licence they hold. For more information, the licensee should contact their regional excise office at 1-866-330-3304.

24. A fiscal half-year period is:

- the first day of the fiscal year to the last day of the sixth fiscal month
- the first day of the seventh fiscal month to the last day of the fiscal year

25. To request authorization for semi-annual reporting, a licensee must file [Form B284, Election or Revocation of the Election for Semi-Annual Reporting](#). The CRA will notify the licensee in writing when an election for semi-annual reporting has been approved or denied.

26. An authorization for semi-annual filing will be deemed to be revoked where:

- the licensee exceeds the \$120,000 threshold or no longer meets the specific conditions outlined in paragraph 23 of this memorandum, effective the first day after the end of the six-month period in which the excess occurs or the conditions are no longer met
- an excise warehouse licensee begins holding tobacco products, effective the first day of the fiscal month in which the licensee begins to hold manufactured tobacco or cigars (that is, monthly reporting is required starting with the fiscal month during which the licensee enters tobacco products into their excise warehouse)

27. The CRA may revoke an authorization for semi-annual filing in any of the following circumstances:

- the licensee requests in writing that the CRA revoke the authorization
- the licensee fails to comply with any conditions of the Act
- the CRA considers the authorization is no longer required

28. If authorization for semi-annual filing is revoked, the CRA will send the licensee a written notice that specifies the reason for the revocation and the effective date of the revocation.

Completing an excise duty return

29. An excise duty return is used to report a licensee's activities under the *Excise Act, 2001*. Excise duty returns include identifying information and information on production, inventory and excise duty payable.

30. Every licensee is required to file an excise duty return and must calculate and report on their excise duty return the total amount of excise duty payable for the reporting period.

31. The following publications and web pages provide detailed instructions on completing excise duty returns:

- [Excise Duty Memorandum EDM10-1-2, Completing an Excise Duty Return – Duty Free Shop](#)
- [Excise Duty Memorandum EDM10-1-3, Completing an Excise Duty Return – Excise Warehouse Licensee](#)
- [Excise Duty Memorandum EDM10-1-4, Completing an Excise Duty Return – Licensed User](#)
- [Excise Duty Memorandum EDM10-1-5, Completing an Excise Duty Return – Special Excise Warehouse Licensee](#)
- [Excise Duty Memorandum EDM10-1-6, Completing an Excise Duty Return – Wine Licensee](#)
- [Excise Duty Memorandum EDM10-1-7, Completing an Excise Duty Return – Spirits Licensee](#)
- [Excise Duty Memorandum EDM10-1-8, Completing an Excise Duty Return – Tobacco Licensee](#)
- [Excise Duty Memorandum EDM10-1-9, Completing an Excise Duty Return – Tobacco Dealer](#)
- [Cannabis duty – Completing a cannabis duty return](#)
- [Completing a vaping duty and information return – Vaping product licensee](#)

Deductions for refunds

32. A licensee may deduct the amount of a refund payable to them under the Act from the total duty payable on their excise duty return, provided they claim the refund in an application filed together with the return.

33. For more information on refunds related to alcohol or tobacco, refer to [Excise Duty Memorandum EDM10-3-1, Refunds](#).

34. For refunds of cannabis duty, refer to [Form B301, Application for a Refund of Cannabis Duty under the Excise Act, 2001](#).

35. For more information on refunds related to vaping products, go to [Completing an application for a refund of vaping duty](#).

Small amounts payable or refundable

36. If the total amount payable to the CRA is \$2 or less, the amount owed is deemed to be nil and the person is not required to pay it.

37. If the total amount refundable by the CRA is \$2 or less, the CRA is not required to pay the person. The CRA may, however, deduct this amount from any amount payable by the person.

When to file

38. Excise duty returns are due on or before the last day of the month following the end of the reporting period to which the returns relate. When the due date of a return falls on a Saturday, a Sunday or a public holiday recognized by the CRA, the due date will be the following business day.

39. In the case of a return that is mailed, the postmark date is deemed to be the filing date of the return. The return is considered to be filed on time if the postmark date is on or before the due date of the return.

This procedure applies only to the filing date of excise duty returns; any amount owing must be received on or before the due date of the return.

Making payments

40. Amounts owing are due no later than the last day of the month following the end of the reporting period to which the returns relate.

41. Payments made by mail or at financial institutions or Canada Post retail outlets must be accompanied by Form RC159, *Remittance Voucher – Amount Owing*, which can be obtained by going to [Order remittance vouchers or payment forms](#) or by calling the CRA Business Enquiries line at 1-800-959-5525.

42. Effective January 1, 2024, payments of \$10,000 or more must be made by way of electronic payment at or through a financial institution. For more information about sending your payment to the CRA, go to [Make a payment](#).

Filing an excise duty return late or making a late payment

43. The CRA may charge penalties and interest if a licensee:

- does not file their excise duty return on time
- receives a demand to file an excise duty return and does not do so
- makes a false statement or an omission on their excise duty return

44. The CRA will charge interest if a licensee has an overdue amount payable or makes a late or insufficient payment.

45. The CRA may hold any refund or rebate to which a licensee is entitled until all outstanding returns and amounts owing are received. This includes returns that are required under other legislation administered by the CRA.

Further information

For all **technical publications** related to excise duties, go to [Excise duties technical information](#).

For information on how to make a **general** or **technical enquiry** on excise duties, go to [Contact Information – Excise and Specialty Tax Directorate](#).

For information on how to request a **ruling** or **interpretation** related to excise duties, go to [Requesting an Excise and Specialty Tax Ruling or Interpretation](#).

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