

# Canadian Tax Form GST506 E Cover Sheet

## Instructions

1. Complete, sign, date, and print one original copy of the Form GST506 E. Please ensure an authorized representative of your company signs the form.

We encourage you to use the tax tips sheet included to help complete the forms accurately.

2. Mail the **original** signed Form GST506 E (03) to:

Apple Canada, Inc.  
c/o Apple Inc.  
MS 198-2RA  
12545 Riata Vista Circle  
Austin, TX 78727  
USA

Note: You must sign and deliver this form to Apple Canada, Inc. Failure to do so may result in your applications/books not being made available on the App Store/iBookstore, and/or your not receiving payments for any sales of applications/books in Canada.

If you have any questions or concerns, email [iTStax@apple.com](mailto:iTStax@apple.com).

## Tips for Completing Canadian Tax Form GST506 E (03)

### Part A – Identification of principal

- Fill in your complete name, address, and business number. If you've entered into your Paid Applications Agreement or eBook Agency Distribution Agreement as a company, print your company name as the Legal name. If you've entered as an individual, print your name as the Legal name.

### Part B – Identification of agent

- Completed by Apple Canada, Inc. Do not modify.

### Part C – Election

- Please fill in the Effective date of election of Ongoing supplies section. **It is recommended that you complete the Effective date of election with the same date as the Effective Date of your Paid Applications Agreement (Schedule 2 of the Developer Agreement)/eBook Agency Distribution Agreement.**
- Ignore the remainder of this section, as Apple Canada, Inc. will complete.

### Part D – Certification of election by principal

- Print your complete name. This should match what you entered in Part A.
- Have an authorized person of your company **sign and date** with his/her title.

### Part E – Certification of election by agent

- Please leave this section blank, as Apple Canada, Inc. will complete.

### Part F – Revocation of election

- This section is only applicable when there is a revocation. Please leave it blank.

**Note:** The tips included in this document are based upon our experience and knowledge of what has been deemed acceptable by the Canadian Tax Authority. *The information provided within this document should not be relied upon as tax advice, nor does it intend to cover every circumstance. If you require additional tax or legal advice, please contact your personal tax advisor or attorney.*

ELECTION AND REVOCATION OF AN ELECTION BETWEEN AGENT AND PRINCIPAL

Use this form if you are an agent and a registrant for GST/HST purposes, and you make a taxable supply (not by auction) to a recipient on behalf of a principal who is required to collect GST/HST on that supply. With this form, agent and principal jointly elect for the agent to account for the GST/HST on the supply instead of the principal. To make an election, complete parts A, B, C, D, and E. To revoke an election, complete parts A, B, and F. This election also applies to billing agents. For more information, see the back of this form.

**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.

<b>Part A – Identification of principal</b>									
Legal name						Business Number (if applicable)			
Trading name (if different from legal name)									
Mailing address									
City				Province			Postal code		
<b>Part B – Identification of agent (must be a GST/HST registrant)</b>									
Legal name						Business Number			
Trading name (if different from legal name)									
Mailing address									
City				Province			Postal code		
<b>Part C – Election</b>									
<input type="checkbox"/> We, the agent and principal, 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 in this election are jointly and severally, or solidarily, liable for all applicable GST/HST obligations that relate to any supply for which the election is in effect.									
Describe the nature of the supply or supplies to which this election applies (any additional information may be attached on a separate sheet)									
Indicate the duration of this election (check one box only):									
<div> <input type="checkbox"/> <b>Single supply</b> (election in effect for one supply only) <div> Date of transaction: <div> <div>Year</div> <div>Month</div> <div>Day</div> </div> </div> </div>									

☐ **Ongoing supplies**  
(election in effect from the effective date, until you jointly revoke it in writing)

Effective date of election:

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)

Effective from:

Year

Month

Day

to:

Year

Month

Day

<b>Part F – Revocation of election</b>																					
Describe the nature of the supply or supplies to which this revocation applies (any additional information may be attached on a separate sheet)																					
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <input type="checkbox"/> Revocation of the election for certain supplies </div> <div style="text-align: center;">or</div> <div style="text-align: center;"> <input type="checkbox"/> Revocation of the election for all supplies </div> </div>																					
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Effective date of the election:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 25%;">Year</th> <th style="width: 25%;">Month</th> <th style="width: 25%;">Day</th> </tr> <tr> <td style="border-bottom: 1px solid black; text-align: center;"> </td> <td style="border-bottom: 1px solid black; text-align: center;"> </td> <td style="border-bottom: 1px solid black; text-align: center;"> </td> </tr> </table> </div> <div style="width: 45%;"> <p>Effective date of the revocation:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 25%;">Year</th> <th style="width: 25%;">Month</th> <th style="width: 25%;">Day</th> </tr> <tr> <td style="border-bottom: 1px solid black; text-align: center;"> </td> <td style="border-bottom: 1px solid black; text-align: center;"> </td> <td style="border-bottom: 1px solid black; text-align: center;"> </td> </tr> </table> </div> </div>										Year	Month	Day				Year	Month	Day			
Year	Month	Day																			
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 supplies described in Part C of that election or as described above.																					
Signature of principal or authorized person				Title			<table style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 25%;">Year</th> <th style="width: 25%;">Month</th> <th style="width: 25%;">Day</th> </tr> <tr> <td style="border-bottom: 1px solid black; text-align: center;"> </td> <td style="border-bottom: 1px solid black; text-align: center;"> </td> <td style="border-bottom: 1px solid black; text-align: center;"> </td> </tr> </table>			Year	Month	Day									
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## GENERAL INFORMATION

### General rule (without an election)

Under the general rule, the principal has to collect GST/HST on a taxable supply made on its behalf by the agent, and the agent has to collect 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 the agent to account for and remit tax

An election may be made when a principal is required to collect and remit GST/HST but would prefer that the agent, a GST/HST registrant, be responsible for doing so. The election must be made jointly by the principal, who would normally be required to collect GST/HST, and the agent, who makes the supply (not by auction) on behalf of the principal. The agent still has to charge and remit GST/HST on the commission and services it provides to the principal that relate to the supply.

### Billing agents

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.

Under proposed amendments, and **only** for purposes of this election, if a billing agent that is a registrant acts as agent for a supplier in charging and collecting the amount due for a supply, we consider the billing agent to also be acting as agent in making the supply on the supplier's behalf. This means that the billing agent and the supplier (principal) can use this form to jointly elect for the billing agent to account for the GST/HST on the supply instead of the principal.

### Effect of the election

Once this election is made for a supply that the agent makes on the principal's behalf, the agent has to collect, report, and remit the tax on the supply. Also, under proposed amendments (generally effective for supplies made after December 20, 2002), the following rules apply to agents and principals who make this election:

- The agent has to account for, and remit as required, any amount charged or collected as or on account of tax.
- The rules pertaining to refunds, credits, or adjustments of tax to the customer apply to the agent and not to the principal.

- The rules pertaining to bad debt adjustments and recovery of bad debts now apply to the agent.
- The agent and principal are jointly and severally, or solidarily liable for all tax obligations for the supply (including net tax remittance, bad debt adjustments, recovery of bad debts, and penalty and interest charged for overpayment of net tax refund or underpayment of net tax).
- If the agent uses the Quick Method, the agent has to include in the net tax calculation any amount of tax recovered on the recovery of bad debts and can deduct an amount of tax for a bad debt adjustment.
- The agent has to include the amount for the supply in the calculation of its threshold amount to determine its reporting period. The principal does not include that amount in its threshold calculation.

### Effect of a revocation

Under proposed amendments, an agent and principal can jointly revoke an election they previously made for a supply. If you revoke an election for a supply, the election is considered never to have been made for that supply. This means that the general GST/HST rules will apply.

The principal is responsible for collecting and accounting for the GST/HST on the supply, and the agent is responsible for collecting and accounting for the GST/HST on services it provided to the principal that relate to the supply. Also, the principal, and not the agent, may be eligible for any deductions relating to that supply if the conditions for deduction (for example, for a bad debt) are met. The agent and principal can backdate a revocation so as to accommodate, for example, a situation where the parties had originally made the election to have the agent report the tax on the supplies in question but the supplier in fact reported the tax.

### Books and records

Do not send us this form. The principal and agent must each keep a completed 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.

### Additional information

If you would like more information, call our Business Enquiries line at **1-800-959-5525**.