



FOREIGN CONVENTION AND TOUR INCENTIVE PROGRAM Non-Resident Exhibitors: Application of GST/HST to Purchases and Rebate for Purchases

Note: This info sheet supersedes GST/HST Info Sheet GI-028, *Foreign Convention and Tour Incentive Program – Rebate for Non-Resident Non-Registered Exhibitors*, dated April 2007.

This info sheet explains how the GST/HST applies to items provided to non-resident exhibitors at conventions. It also explains how non-resident non-registered exhibitors attending domestic or foreign conventions can claim a rebate of the GST/HST paid for exhibition space and related convention supplies.

Effective January 1, 2008, the rates of the GST and the HST have been reduced. The rate of the GST has been reduced from 6% to 5%. The rate of the HST has been reduced from 14% to 13%.

In this publication, the “GST” means the 5% goods and services tax and the “HST” means the 13% harmonized sales tax.

“Convention” means a formal meeting or assembly that is not open to the general public. It excludes a meeting or assembly the principal purpose of which is

- to provide any type of amusement, entertainment or recreation,
- to conduct contests or games of chance, or
- to transact the business of the convenor or attendees in the course of a trade show that is open to the general public, or otherwise than in the course of a trade show.

“Domestic convention” means a convention that is not a foreign convention.

“Foreign convention” means a convention where

- it is reasonably expected that at least 75% of the admissions are to be provided to non-residents at

the time the sponsor determines the amount to be charged for the admissions, and

- the sponsor is an organization whose head office is situated outside Canada, or if the organization has no head office, the member or majority of members having management and control of the organization is, or are, non-residents.

“Exclusively” generally means 90% or more for persons that are not financial institutions.

“Exhibitor” means a person that rents exhibition space exclusively for use as a site for the promotion at a convention of the property or services provided by the exhibitor or its business.

“Non-resident” means a person not resident in Canada and could be an individual, a business or an organization.

“Registrant” means a person who is registered, or is required to be registered, for GST/HST purposes.

“Related convention supplies” when provided to exhibitors means most property or services acquired, imported or brought into a participating province by the exhibitor exclusively to be consumed or used in connection with a convention. It could include, for example, displays, balloons and banners; audio-visual services; equipment rental; and short-term accommodation.

The following property and services are not related convention supplies:

- entertainment,

La version française de la présente publication est intitulée *Programme d'incitation pour congrès étrangers et voyages organisés – Exposants non résidents : application de la TPS/TVH aux achats, et remboursement.*



- transportation, other than chartered group transportation services used solely to transport convention attendees between any of the convention facilities, places of lodging or transportation terminals, and
- food, beverages and items provided under a contract for catering, including any gratuities charged.

For more information on what qualifies as related convention supplies, see guide RC4036, *GST/HST Information for the Travel and Convention Industry*.

“Sponsor” means the person who convenes and sells admissions to the convention. A sponsor might sometimes be referred to as the host of the convention.

Persons that support an event through sponsorship opportunities are not sponsors for GST/HST purposes. These persons may be exhibitors if they rent exhibition space at a convention exclusively for use as a site for the promotion of their properties or services, or their business.

Background

Effective April 1, 2007, the Visitor Rebate Program was cancelled and the Foreign Convention and Tour Incentive Program was introduced. This change did not affect how the GST/HST applies to items provided to exhibitors or how non-resident non-registered exhibitors of foreign and domestic conventions can claim a rebate of the tax paid for exhibition space and related convention supplies. Consequently, the following rules apply to purchases made and rebates claimed before and after April 1, 2007.

How the GST/HST applies to items provided to non-resident exhibitors

Sponsors of domestic and foreign conventions that provide exhibition space to non-resident exhibitors do not charge the GST/HST on the exhibition space and related convention supplies to be consumed or used by the exhibitor. This is the case even if the sponsor and/or the non-resident exhibitor are registrants.

If a sponsor charges the GST/HST in error, the exhibitor can ask the sponsor for a refund or a credit of this amount. Otherwise, the exhibitor can apply for a rebate for an amount paid in error by filing a rebate claim with the CRA, using form GST189, *General Application for Rebate of GST/HST*, using Code 1. For more information, see guide RC4033, *General Application for GST/HST Rebates*.

Non-resident exhibitors have to pay the GST/HST on exhibition space and related convention supplies rented or purchased from a registrant that is not a sponsor.

Rebate available to non-resident non-registered exhibitors

Non-resident non-registered exhibitors can claim a rebate of the GST/HST paid on exhibition space rented from a registrant that is not the sponsor of the convention. Exhibitors can also claim a rebate of the GST/HST paid on related convention supplies rented or purchased from a registrant that is not the sponsor of the convention.

Example

A non-resident non-registered exhibitor attended a three-day convention in Ontario. The exhibitor stayed at the hotel for two nights before and one night after the convention to assemble and disassemble her booth and displays. The exhibitor also stayed at the same hotel for another four nights after the convention.

Listed below are her expenses:

Expenses	Vendor	Cost	GST
Exhibition space	Sponsor	\$500	\$ 0
Displays	Registrant supplier	200	10
Banners	Registrant supplier	300	15
Equipment rental	Convention centre	400	20
Lodging (10 nights)	Hotel	1,000	50
Food/beverages	Hotel	200	10
Total		\$2,600	\$105

The exhibitor has to determine which items qualify for a rebate:

- **Exhibition space:** The GST was not payable on the exhibition space because it was provided by the sponsor. No rebate is available because no tax was paid.
- **Displays, banners and equipment rental:** The exhibitor can claim a rebate of the GST paid on the displays, banners and equipment rental because they are related convention supplies purchased in Canada from a person other than the sponsor exclusively for consumption or use in connection with the convention.

- **Lodging:** The exhibitor can claim a rebate of the GST paid on six nights of short-term accommodation used exclusively in connection with the convention because the accommodation is a related convention supply purchased in Canada from a person other than the sponsor. The exhibitor cannot claim a rebate for the tax paid on the remaining four nights' accommodation because this accommodation is not a related convention supply.

However, a rebate for short-term accommodation may still be available under the Visitor Rebate Program if the four nights' accommodation was purchased under an agreement in writing entered into before September 25, 2006, and first made available before April 2009. See GST/HST Info Sheet GI-026, *Visitor Rebate Program – Non-Residents Purchasing Accommodation: When is the Rebate Still Available?*, for more information on restrictions.

- **Food/beverages:** The exhibitor is not entitled to claim a rebate of the GST paid on food and beverages because they are not related convention supplies for the exhibitor.

The exhibitor can claim a rebate as follows:

Expenses	GST paid	Rebate
Displays	\$10	\$10
Banners	15	15
Equipment rental	20	20
Lodging	50	30
Total	\$95	\$75

Applying for a rebate

Non-resident non-registered exhibitors can apply for a rebate of the GST/HST paid on exhibition space and related convention supplies by filing a

rebate claim with the CRA, using form GST386, *Rebate Application for Foreign Conventions*, within one year after the day the convention ends. An exhibitor can make only one rebate claim per convention.

Proof

Exhibitors must provide the following documents to support their claim for a rebate:

- the convention agenda, itinerary or event program;
- copies of invoices or receipts showing the GST/HST paid;
- a document showing that the exhibition space was rented, even if there was no GST/HST payable; and
- if a rebate is available for short-term accommodation, complete hotel folios.

If the exhibitor does not provide the required supporting documents with its claim, the rebate will be denied.

Additional information

See guide RC4036, *GST/HST Information for the Travel and Convention Industry*, for more information on how the GST/HST applies to the convention industry.

This info sheet does not replace the law found in *the Excise Tax Act* (the Act) and its Regulations. It is provided for your reference. As it may not completely address your particular operation, you may wish to refer to the Act or appropriate regulation, or contact any CRA GST/HST Rulings Centre for additional information. These centres are listed in GST/HST Memorandum 1.2, *Canada Revenue Agency GST/HST Rulings Centres*. If you wish to make a technical enquiry on the GST/HST by telephone, please call the toll-free number 1-800-959-8287. A ruling should be requested for certainty in respect of any particular GST/HST matter.

If you are located in Quebec and wish to make a technical enquiry or request a ruling related to the GST/HST, please contact Revenu Québec by calling the toll-free number 1-800-567-4692, or visit their Web site at www.revenu.gouv.qc.ca.

All GST/HST publications are available on the CRA Web site at www.cra-arc.gc.ca/tax/technical/gsthst-e.html.

Reference in CRA publications is made to the harmonized sales tax (HST) that applies to property and services provided in Nova Scotia, New Brunswick, and Newfoundland and Labrador (the "participating provinces") at a rate of 13%. The goods and services tax rate is 5%.