

GOWLING WLG QUÉBEC TAX FALL UPDATE

28 October 2019

As the fall season approaches, it is time for companies doing business or having customers in Québec to review whether certain new Québec tax measures apply to them.

Disclosure of Québec Nominee Agreements

All nominee agreements made as part of a transaction or series of transactions must be disclosed to Revenu Québec. Revenu Québec has now published form TP-1079.PN-V, Disclosure of a Nominee Agreement, which is to be used to make this disclosure.

Failure to comply with the New Disclosure Requirement will result in penalties, including penalties that accrue daily, as well as the suspension of the limitation period on assessments.

On Aug. 22, 2019, Revenu Québec announced that it has extended the deadline for disclosing nominee agreements to the later of the following dates:

- the 90th day following the conclusion of the nominee agreement; or
- the 90th day following the day the bill introducing the new measures receives assent (a bill has not yet been introduced).

For further details regarding these obligations, you may wish to read our previous article:

[Time is running out! Have you disclosed your nominee agreements to Revenu Québec?](#)

Obligation for Digital Suppliers to Register for

the QST

The Québec rules requiring non-residents of Québec to collect and remit Québec Sales Tax ("QST") on digital goods and services and, in certain cases, on tangible property came into effect in 2019. These new rules have consequences for transactions conducted with Québec consumers by businesses domiciled both in the rest of Canada and beyond its borders.

Under the new rules, assuming that the minimum threshold is satisfied, non-resident suppliers are required to register under a separate registration system and to collect and remit QST on taxable supplies made to Québec consumers. This collection requirement applies in respect of supplies of incorporeal movable property (intangible property) and services made by non-residents of Canada and, in the case of non-residents that are located in Canada but outside Québec, also applies to supplies of corporeal movable property (tangible property). Digital platforms that provide services to a non-resident supplier enabling it to make supplies of incorporeal movable property or services to Québec consumers are subject to the registration and QST collection requirements in the place of the non-resident supplier, where the platform controls the key elements of the transactions.

Revenu Québec publishes a list of entities that have already registered under the special QST regime:

[QST-registrant suppliers outside Québec](#)

For further details regarding the QST, you may wish to read:

[Québec moves to tax digital goods and the virtual marketplace](#)

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