



# **Greenhouse Gas Pollution Pricing Act**

## **Part 1 of the Act – Fuel Charge**

*September 2018 The information in this presentation is provided for reference purposes only. It does not replace the related provisions of the Greenhouse Gas Pollution Pricing Act or its regulations. Should there be any discrepancy between the information in this presentation, and that contained in the Act or its regulations, the legislative provisions apply.*

# Overview

- ▶ Background
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- ▶ Exemption Certificates
- ▶ Obligations
- ▶ Calculation of Charge
- ▶ Important Reminders
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- ▶ Rates for 2019

# Background

- ▶ The Federal Backstop has been enacted through the Greenhouse Gas Pollution Pricing Act (the Act), which received Royal Assent on June 21, 2018
- ▶ The Act is composed of 2 key pricing components: Fuel charge and the OBPS
- ▶ The expected implementation date of the Federal Backstop is January 1, 2019 in jurisdictions that are part of the Federal Backstop

# Legislation Part 1 – Fuel Charge

- ▶ Administered by the Canada Revenue Agency (CRA)
- ▶ Applies on producers, distributors, certain users, and carriers
- ▶ Includes registration and reporting requirements
- ▶ Provides for certain exemptions from the fuel charge

# Registration

- ▶ The registration under Part 1 includes
  - ▶ 12 registration types
  - ▶ Registrations that are required and some that are permitted
  - ▶ Possibility of holding more than one registration
  - ▶ Registered persons will have reporting requirements
  - ▶ Person responsible for a covered facility that has been issued a covered facility certificate number under Part 2 may register under Part 1 as an emitter
  - ▶ Registration with the CRA as an emitter will allow for the delivery of fuel, that will be used at that(those) covered facility(ies), on a charge out basis as long as an exemption certificate is provided
  - ▶ Other possible types of registration for people already registered as an emitter include: distributor, user, user of combustible waste and/or road carrier
- ▶ **REGISTRATION FORM IS A DRAFT ONLY. ADDITIONAL CHANGES MAY BE INCORPORATED IN THE FORM PRIOR TO FINAL RELEASE.**



# Fuel Charge Registration

under the Greenhouse Gas Pollution Pricing Act

Use this form if you have to register or you are permitted to register under the Greenhouse Gas Pollution Pricing Act. Depending on your type of registration, you may need to complete [Form L401, Certificate of Exemption on Fuel Charge](#). For more information, go to [canada.ca/fuelcharge](http://canada.ca/fuelcharge).

## 1. Registration

What is the type of registration?

- New
- Amendment (to find out which changes involve an amended registration, see page 3)

If you are filing an amended registration, enter the effective date of the change(s):

Year	Month	Day

## 2. Business information

Legal name:

\_\_\_\_\_

Operating, trading, or partnership name (if different from legal name):

\_\_\_\_\_

Business number (enter the first 9 digits of your business number):

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If you are requesting an amendment to your registration, enter your fuel charge number:

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Do you have covered facility certificate number(s) issued by the Minister of the Environment?

- No
- Yes. Enter your covered facility certificate number(s):

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

## Business activities

If you started operating your business on or after January 1, 2019, enter the date:

Year	Month	Day

## Physical business location

Unit No. – Street No. Street name, RR:

\_\_\_\_\_

City:

\_\_\_\_\_

Province/Territory/State:

\_\_\_\_\_

Postal or ZIP code:

\_\_\_\_\_

Country:

\_\_\_\_\_

Telephone number:

\_\_\_\_\_ Extension: \_\_\_\_\_

## Mailing address

Same as physical business location

Unit No. – Street No. Street name, PO Box, RR:

\_\_\_\_\_

City:

\_\_\_\_\_

Province/Territory/State:

\_\_\_\_\_

Postal or ZIP code:

\_\_\_\_\_

Country:

\_\_\_\_\_

**2. Business information** (continued)**Contact person information**

Provide the name of a contact person for **registration purposes only** (this contact person will not be considered an authorized representative). A contact person does not have authority unless they are also an authorized representative or a delegated authority. If a contact person does not have authority on the business number program account, they cannot change information and we cannot share information.

Last name: \_\_\_\_\_  
 First name: \_\_\_\_\_  
 Position or title: \_\_\_\_\_  
 Telephone number: \_\_\_\_\_ Extension: \_\_\_\_\_

**Books and records**

Enter the complete address where the books and records are maintained in Canada:

Unit No. – Street No. Street name, RR: \_\_\_\_\_  
 City: \_\_\_\_\_  
 Province/Territory: \_\_\_\_\_  
 Postal code: \_\_\_\_\_  
 Telephone number: \_\_\_\_\_ Extension: \_\_\_\_\_

**Listed provinces**

In which listed provinces do you operate?

**Email notification**

Enter your email address if you want to register to receive your Canada Revenue Agency mail online:

By providing an email address, you are agreeing to the terms of use. For the terms of use, go to [canada.ca/cra-business-email-notifications-terms](http://canada.ca/cra-business-email-notifications-terms).

**3. Registration type**

To indicate your registration type(s), the type(s) of fuel that you use, transfer, deliver, bring into, import in, or produce, and any combustible waste burned in each listed province, use [Form L400-1, Fuel Charge Registration Schedule](#).

**Notes**

If you are **required to register as a road carrier**, use [Form L400-2, Fuel Charge Registration Schedule – Road Carrier](#).

If you have more than one type of registration, **you don't** need to file a separate registration [Form L400](#).

**4. Certification**

As an authorized person, I certify that the information given on this form and any document(s) attached is correct and complete. It is a serious offence to make a false statement. Incomplete or incorrect information may delay the processing of your registration.

Name (print) \_\_\_\_\_ Title \_\_\_\_\_  
 Telephone number \_\_\_\_\_ Extension \_\_\_\_\_ Signature \_\_\_\_\_  
 Year \_\_\_\_\_ Month \_\_\_\_\_ Day \_\_\_\_\_

Personal information is collected under the Greenhouse Gas Pollution Pricing Act to administer the fuel charge. It may also be used for any purpose related to the enforcement of the Act such as audit, compliance and collection activities. It may be shared or verified with other federal, provincial, territorial or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the Privacy Act, individuals have a right of protection, access to, or correction of their personal information and to file a complaint with the Privacy Commissioner of Canada regarding our handling of their personal information. Personal information is described in the Personal Information Bank CRA PPU 224 on Info Source at [canada.ca/cra-info-source](http://canada.ca/cra-info-source).

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### Reasons to file an amended registration

- Add or remove fuel type(s)
- Add or remove listed province(s)

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### What to do once your form is completed

- Print and sign this form.
- Make a copy of this form for your records.
- You can file this form electronically by using the "Submit documents" function within My Business Account at [canada.ca/my-cra-business-account](http://canada.ca/my-cra-business-account) or send it to the following address:



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### What happens after you register

- For each reporting period, you have to send a completed [Form B400, Fuel Charge Return](#) and the applicable schedule(s) to the CRA.
  - You must notify us immediately if any information you provided in your registration is inaccurate or incomplete.
- For more information, go to [canada.ca/fuelcharge](http://canada.ca/fuelcharge) or call 1-XXX-XXX-XXXX.

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### Most requested services

- **My Business Account:** Use this service to access your accounts for GST/HST, payroll, corporation income tax, excise tax, excise duty, fuel charge and other levies, online. If you are not registered for My Business Account, you can register at [canada.ca/my-cra-business-account](http://canada.ca/my-cra-business-account).
- **Receiving your CRA mail online:** Sign up for email notifications to get most of your CRA mail, like your notice of assessment, online. For more information, go to [canada.ca/cra-business-email-notifications](http://canada.ca/cra-business-email-notifications).
- **Represent a Client:** This service lets an authorized representative access tax information for an individual or a business, including an employee. If you want to give a representative online access to your account(s), go to [canada.ca/taxes-representatives](http://canada.ca/taxes-representatives) or complete Form RC59, Business Consent for Access by Telephone and Mail.
- **Business Registration Online:** To set up a business number, use the Business Registration Online service at [businessregistration.gc.ca](http://businessregistration.gc.ca) or Form RC1, Request for a Business Number and Certain Program Accounts.

CRA online services make it faster and easier to handle your company's tax matters.



Clear Data

Protected B  
when completed

### Fuel Charge Registration Schedule

under the Greenhouse Gas Pollution Pricing Act

Use this schedule to show the type(s) of fuel that you are selecting for each registration type. If you are operating in more than one listed province, use a separate schedule for each additional listed province. Complete [Form L400-2, Fuel Charge Registration Schedule - Road Carrier](#), if you are registering only as a road carrier. Attach the schedule(s) to your [Form L400, Fuel Charge Registration](#).

#### 1. Business information

Legal name: \_\_\_\_\_ Business number (if you don't have a fuel charge number, enter only the first 9 digits of your business number): \_\_\_\_\_

#### 2. Registration type

Before filling out this chart, see [Fuel Charge Notice FCNXX](#), for information on registration.

Enter the listed province for which you are filling out this schedule: \_\_\_\_\_ Schedule \_\_\_\_\_ of \_\_\_\_\_

Type of fuel	Registration type										
	Registered distributor	Registered importer	Registered emitter (select all types of fuel)	Registered user of fuel	Registered user of combustible waste	Registered air carrier	Registered specified air carrier	Registered marine carrier	Registered specified marine carrier	Registered rail carrier	Registered specified rail carrier
Aviation gasoline	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>				
Aviation turbo fuel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
Bulane	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
Ethane	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
Gas liquids	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
Gasoline	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
Heavy fuel oil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>		
Kerosene	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Light fuel oil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Methanol	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
Naphtha	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
Petroleum coke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
Pentanes plus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
Propane	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
Coke oven gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
Marketable natural gas	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Non-marketable natural gas	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>							
Still gas	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>							
Coke	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>							
High heat value coal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
Low heat value coal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
Combustible waste					<input type="checkbox"/>						

#### 3. Certification

As an authorized person, I certify that the information given on this form and any document(s) attached is correct and complete. Missing or wrong information may delay the processing of your registration. It is a serious offence to make a false statement.

Name (print) \_\_\_\_\_ Title \_\_\_\_\_ Telephone number \_\_\_\_\_ Extension \_\_\_\_\_ Signature \_\_\_\_\_ Year \_\_\_\_\_ Month \_\_\_\_\_ Day \_\_\_\_\_

Personal information is collected under the Greenhouse Gas Pollution Pricing Act to administer the fuel charge. It may also be used for any purpose related to the enforcement of the Act such as audit, compliance and collection activities. It may be shared or verified with other federal, provincial, territorial or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the Privacy Act, individuals have a right of protection, access to, or correction of their personal information and to file a complaint with the Privacy Commissioner of Canada regarding our handling of their personal information. Personal information is described in the Personal Information Bank CRA PPU 224 on Info Source at [canada.ca/cra-info-source](#).



# Exemption Certificate

- ▶ Subparagraph 17(2)(ii) of the Act provides that fuel can be delivered to a person that is registered as an emitter, on a charge out basis, if an exemption certificate applies
- ▶ Subparagraph 36(1)(b)(v) enables a person registered as an emitter to use an exemption certificate for fuel delivered, for use at its covered facility
- ▶ These certificates are for indefinite time periods and must be provided to the supplier(s)
- ▶ The certificate must include a declaration by the person that the fuel is being delivered for purposes identified on the certificate

# Obligations

- ▶ Persons registered as emitters under Part 1 will be required
  - ▶ To file monthly returns and remit the fuel charge if fuel is diverted from its covered facility
  - ▶ Submit a “nil” return if there is no fuel charge to remit
  - ▶ Registrants must maintain adequate records to confirm fuel used at its covered facility and fuel used outside its covered facility

# Calculation of the Charge

## Net Fuel Volume

- ▶ Additions:
  - ▶ Fuel imported or brought into a listed province
  - ▶ Fuel diverted away from the registrant's covered facility for a use that is subject to the charge
- ▶ Reductions
  - ▶ Fuel removed from the listed province
  - ▶ Fuel brought to its covered facility

# Calculation of the Charge

## Net Fuel Charge

A X B where

A The Net Fuel Volume

**AND**

B the rate in respect of fuel of that type for the listed province applicable at the time the charge becomes payable

The rebates are netted out

The charge remitted is payable to the Receiver General

# Important Reminders

- ▶ CRA will issue a Registration Notice in October
- ▶ CRA will also issue detailed Notices of requirements for each type of registrant, required and permitted, under Part 1 of the Act
- ▶ Those registered under PART 2, that wish to register with the CRA, should do so as soon as the covered facility certificate number has been issued by ECCC
- ▶ You are required to be registered with the CRA to provide an exemption certificate and accept delivery of fuel, that will be for use at its covered facility, on a charge-out basis
- ▶ Important that the covered facility description on your certificate is accurate and clear – important for audit purposes under Part 1

# Example - Mining

- ▶ Extract raw material - issued covered facility certificate from ECCC.
- ▶ Purchases diesel (light fuel oil) and propane to be delivered in bulk tank on the covered facility.
- ▶ The OBPS participant registers with the CRA and provides its exemption certificate to its supplier. Receives delivery of the fuels on a charge out basis using an exemption certificate
- ▶ The diesel is used for operating trucks and machinery while the propane is used for employee's quarters that remain on the covered facility.
- ▶ Some of the trucks operating on the covered facility are loaded with raw material and travel 300KM to a processing facility, that is outside the covered facility
- ▶ Fuel that is used in trucks that leave the covered facility to deliver raw material will be subject to the Part 1 fuel charge
- ▶ In this situation, the registered emitter will be required to file monthly returns, remitting the charge for fuel that was used outside the covered facility



# Appendix 2

## Rates of fuel charge applicable in 2019

Fuel Type	Unit	Rate
Aviation gasoline	\$/litre	0.0498
Aviation turbo fuel	\$/litre	0.0516
Butane	\$/litre	0.0356
Ethane	\$/litre	0.0204
Gas liquids	\$/litre	0.0333
Gasoline	\$/litre	0.0442
Heavy fuel oil	\$/litre	0.0637
Kerosene	\$/litre	0.0516
Light fuel oil	\$/litre	0.0537
Methanol	\$/litre	0.0220
Naphtha	\$/litre	0.0451
Petroleum coke	\$/litre	0.0767
Pentanes plus	\$/litre	0.0356
Propane	\$/litre	0.0310
Coke oven gas	\$/cubic metre	0.0140
Marketable natural gas	\$/cubic metre	0.0391
Non-marketable gas	\$/cubic metre	0.0517
Still gas	\$/cubic metre	0.0540
Coke	\$/tonne	63.59
High heat value coal	\$/tonne	45.03
Low heat value coal	\$/tonne	35.45
Combustible waste	\$/tonne	39.95

# Questions?

**CRA phone line: 1-866-330-3304**