



Prepared for the University
of British Columbia by KPMG

GST/HST ISSUES

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QUESTION

SUBJECT: Small Supplier Status

Can you help us define how a Small Supplier should be paid?

I had previously called the CRA to sort out this problem and it was determined that payment to a "consultant" should be either:

1. as a company so a GST# is supplied.
2. as an individual so a SIN# is supplied.

Now we have going back to our old UBC procedure (attached Part B) where a person can be paid as a "company" without submitting a SIN#. Having them sign this "declaration" is our due diligence that they are a small supplier (no GST#). Is this sufficient or correct?

<http://www2.finance.ubc.ca/ap/documents/Small%20Supplier.pdf>

I thought by going the SIN# route the person could still record it as business income.

RESPONSE

An individual can be a small supplier or registered for the GST and can earn business income. So, our recommendation is to make the changes as per the attached.



Small Supplier.pdf

In regard to section A, this is an issue of whether source deductions are required and is separate from the small supplier issue. Accordingly, an individual would be required to fill in both A and B whereas a corporation should complete section B only.

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