



COST 2019 CANADIAN TAX WORKSHOP FOR U.S. COMPANIES

September 30 – October 2, 2020

Sheraton Grand at Wild Horse Pass - Phoenix, AZ 19

(3/13/2020)

SPONSORED BY:

Wednesday, September 30, 2020

7:15 a.m. – 4:30 p.m.	Registration	
7:15 – 8:00 a.m.	Continental Breakfast & Networking	
8:00 – 8:15 a.m.	Welcome & Opening Remarks Douglas Lindholm, COST, Washington, DC Charles Drury, COST, Washington, DC	
8:15 – 9:45 a.m.	Overview of Canadian Tax Systems <i>Take advantage of this opportunity to gain – or refresh – a basic understanding of the Canadian Tax System. This session will provide attendees with a general overview of the tax systems across Canada, including Canada’s GST/HST, provincial sales and use taxes (PST), fuel & excise taxes, insurance premium taxes, property tax, income and withholding tax systems. The goal of this session is to provide attendees with a complete “lay-of-the-land” north of the border with the basics of each system, its structure and operation.</i>	
9:45 – 10:00 a.m.	Refreshment Break & Networking	
10:00 - 11:15 a.m.	<u>Basic Sales Tax (GST/HST)</u> – Learn the Canadian GST/HST Tax Lingo - Key Concepts <i>Canada’s GST/HST is a value-added tax. This session will describe how a VAT system operates, provide a brief history of Canada’s GST/HST, and will provide a fundamental understanding of key concepts. If you are new to dealing with Canada’s GST/HST – this session is a must.</i>	<u>Income</u> – Basics on Complying with Canada’s Income Tax <i>This session will cover the basic income tax issues that any company active in Canada needs to be aware of. Among the topics discussed will be: taxable entities; Forms – T1, T2, T3, T4, T106, T191 and NR4 (and others); Cash vs. Accrual Accounting; Deadlines and Payments: Due Dates and Methods of Payments; Calculation of Canadian Taxable Income – Book to Tax (M1’s), Capital Cost Allowances (Credits; Cross Border Payments); and other items.</i>
11:15 a.m. – 12:20 p.m.	<u>Basic Sales Tax (GST/HST)</u> – Canada’s GST/HST Registration Requirements <i>This session will answer that burning question, does my business need to register for GST/HST? What it means to “carry on business in Canada”, to be “resident” in Canada, or to have a “permanent establishment” in Canada will be explained. The session will also discuss how to avoid registration requirements along with the special registration requirements for publishers, ticket sellers, and others. The differences in GST/HST and Canada’s income tax will also be noted.</i>	<u>Income</u> – Understand the Workings of the US-Canada Income Tax Convention <i>This session will introduce the corporate state tax generalist to the workings of the US-Canada Income Tax Convention and relevant protocols commonly utilized by cross-border tax professionals in managing and resolving potential double taxation issues. These can arise from cross-border royalties, fees, rents, dividends, fees, interest and gross receipts. Withholding issues will also be covered along with how to settle cross-border transactions in a timely manner. Treaty shopping, limitation of benefits (LOB), and an open dialogue on which US states have taken positions that acknowledge or recognize treaty provisions will also be discussed.</i>
12:20 – 1:30 p.m.	Lunch/Networking	

1:30 – 2:45 p.m.	Basic Sales Tax (GST/HST) – Avoiding (Legally) GST/HST Liability <i>If your business is a non-resident and is not registered for GST/HST purposes, you may be able to avoid GST/HST. This session will focus on how to avoid being required to pay GST/HST to your suppliers through use of the place of supply rules and zero-rating rules, or to Canada Customs if you are importing goods into Canada. If you do end up incurring GST/HST, this session will also discuss recovering the GST/HST through rebates or mechanisms that permit you to flow the GST/HST through to your customer.</i>	Income – Income Tax Audit Issues <i>This session will cover common income tax issues that CRA auditors will be reviewing and strategies for dealing with them.</i>
2:45 – 3:00 p.m.	Refreshment Break & Networking	
3:00 – 4:45 p.m.	Basic Sales Tax (GST/HST) – Your Business Must Register – Dealing with the Compliance Obligations <i>So, you've concluded your business must be registered for GST/HST purposes. This session will provide an overview of the compliance obligations, including how and when to register, requirements to post security, maintaining your books and records outside Canada, filing and paying the tax, and reviewing the terms and conditions of your contracts to ensure compliance with invoicing requirements.</i>	Income – Ways to Minimize Exposure to Canada's Income Tax <i>This session will cover opportunities to minimize a U.S. business's tax exposure when it starts doing business in Canada (US Company with Canadian Branches vs. Canadian disregarded entities that flow into a US Consolidated group vs Canadian Companies with Canadian Branches, etc.), as well as those arising in M&A situations. Other opportunities that will be covered include some double deductions and the Canadian Scientific R&D Credits. Also, the opportunities/ pitfalls with intercompany debt will be addressed.</i>
5:00 – 6:15 p.m.	Reception Now that your brain is filled with current Canadian tax knowledge, reward your hard work with some well-deserved snacks and refreshments, and good conversation. Share your thoughts and experiences from the first full day with others and gain new perspectives.	
Thursday, October 1, 2020		
7:30 a.m. – 5:15 p.m.	Registration	
7:30 – 8:30 a.m.	Continental Breakfast & Networking	
8:30 – 10:00 a.m.	Basic Sales Tax (PST) – Mastering Canada's Provincial Tax Systems (PST) – Three Canadian provinces still impose sales and use taxes – British Columbia, Saskatchewan, and Manitoba. This session will provide attendees with an overview of Canada's provincial sales tax (PST) systems in these provinces – when registration is required, the scope of their respective tax bases, and a comparison of the various exclusions and exemptions under each, and will include an overview of the major changes made in 2017 to Saskatchewan's PST.	Advanced Sales (GST/HST) and Income – Dealing with CRA Collections and Challenging Ministerial Discretion <i>This session discusses your options with dealing with CRA Collections if you have received an assessment from the Canada Revenue Agency. Recently, CRA Collections has become increasingly aggressive and stringent on collecting on tax debts owing to Her Majesty. In particular, we will provide an in-depth look and the practical tools available to taxpayers when dealing with CRA Collections, from negotiation to challenging the CRA's exercise of their discretion in a judicial review application to the Federal Court of Canada.</i>
10:00 – 10:15 a.m.	Refreshment Break & Networking	
10:15 a.m. – 11:45 p.m.	Parlez-vous français? - Understanding Quebec's Sales Tax System (QST) <i>After this session, you will understand what the above phrase means and why it is important. This session will focus on Quebec's sales taxes and how the QST does and does not parallel the GST/HST system. It is administered separately by the province and issues unique to Quebec's QST will be addressed. The speakers will also discuss questions regarding the new QST registration requirements for non-residents. This session will examine the new legislative provisions of the Act respecting the Quebec Sales Tax requiring non-residents to register in</i>	Advanced Sales (GST/HST) – Input Tax Credits and Rebates <i>In depth review and discussion of ITCs (GST/HST) and ITRs (Quebec) – for both resident and non-resident companies. Documentation requirements, potential recapture, travel expenses, certain road vehicles and energy usage in respect of the provincial component of the HST and other issues will be covered.</i>

	<i>Quebec under a new specified registration system. In light of the Wayfair decision of the U. S. Supreme Court and Quebec's new registration requirements, it is evident that e-commerce vendors will need to be cognizant of their sales tax obligations. This session will also explore the implications to e-commerce and will review how other countries are implementing measures to ensure that e-commerce is appropriately taxed.</i>	
11:45 – 1:00 p.m.	Lunch/Networking	
1:00 – 2:30 p.m.	Advanced Sales - What's Important about Canada's Drop-Shipment Rules <i>Canada's GST/HST drop-shipment can allow U.S. companies to source goods and services and drop-ship the products both to their Canadian and U.S. customers without paying GST/HST. However, the rules are complex, and this past summer, the Canadian Department of Finance proposed extensive changes. This session will provide attendees with an overview of the rules, how US companies can avoid registering for GST/HST purposes and take advantage of these rules, and discuss the changes proposed by the Canadian federal government.</i>	Miscellaneous - It's Complex – Key Payroll Tax and Withholding Considerations <i>This session will cover key Canadian and U.S. tax issues for employees and contractors of U.S. companies travelling to Canada, both temporary or permanent basis. Who is subject to a Canadian and U.S. taxing liability, exceptions, employer withholding/reporting, employee filing/FTC options/SIN requirements, and certain Provincial specific considerations will be addressed, including a discussion of recent Section 105 rulings and W-8 and W-9 requirements. This session will cover Section 212, Regulation 105 and Regulation 102, withholding tax Requirements and related issues.</i>
2:30 – 2:45 p.m.	Refreshment Break & Networking	
2:45 - 4:15 p.m.	Making Sense of Canada's New Digital Services Tax (While Canada Makes Dollars!) <i>Canada is proposing a new tax on Digital Services. What services are going to be taxed? Why is Canada looking for this new revenue source? How will it be imposed and which taxpayers will have to pay it? These and other issues will be discussed by the speakers in this session.</i>	Advanced Sales Tax (Other) - Minimizing Cross-border Challenges and Practical Solutions <i>This session will cover issues which arise due to global operations. Customers and vendors frequently have both Canadian and U.S. operations, with some U.S. operations registered in Canada, but others not. What are some of the ways to handle cross border shipments keep your customers happy and make sure you are not overpaying tax? Topics covered will include Canada's effective approach to drop shipments, who should be the importer of record, and how to handle difficult customers or internal sales people who do not understand Canadian taxes.</i>
4:20 – 5:20 p.m.	Case Study – Putting it all Together <i>You've learned a lot about the Canadian tax system. Now it's time to put it all together for both the GST/HST and Canada's income tax. This session will start with a U.S. business establishing a permanent establishment in Canada to sell tangible personal property and services to Canadian businesses in several provinces. Details of the registration process for the GST/HST, applicable provincial taxes, payroll taxes, and Canada's income tax will be addressed. Next, best practices to stay compliant in filing returns will be explained. Don't fret about dealing with tax audits and appeals, that will be addressed tomorrow morning.</i>	
5:30 – 6:30 p.m.	Reception Don't miss this opportunity to continue your Canadian Tax networking with friends and colleagues in a casual atmosphere	
Friday, October 2, 2020		
7:00 a.m. – 12:00 p.m.	Registration	
7:00 – 8:00 a.m.	Continental Breakfast & Networking	

8:00 – 10:15 a.m.	<p>Best Practices to Deal with Canadian Tax Authorities and Audits and Procedures to Object and Appeal Canadian/Provincial Tax Assessments/Customs/Duties (Including Input GST)/Canadian and Other VAT</p> <p><i>This is your chance to participate in a lively discussion of Canadian tax audit issues being raised by the tax authorities in Canada and Quebec, and the audit strategies for dealing with them. Audit experiences to be shared include a focus on transactions in and tying them to the General Ledger, desk audits, full audits with Canadian tax auditors coming to the U.S., what are auditors looking for, recapture of ITC's, ITR's on certain type of expenses, and more Canada Revenue Agency audit issues and trends!! What do you need to know for a desk audit? What kind of data is requested on a full audit? How do you reconcile your GL for the auditors? So, the audit didn't end as you had planned. What are your appeal rights? Do you have to "pay to play"? How long will this process take? This interactive session is to provide you with an overview of the objection and appeals process in Canada and what you can expect. Panelists will also discuss dealing with appeals officers, department of justice officials, and collections officers, as well as how the processes and procedures vary by tax authority and by province. Know your rights and exercise them! Other Topics to Be Discussed</i></p> <p><i>Outline of areas: The ever-problematical legal entity issues, especially given that the Tax Department seems to be the only ones who notice legal entities. Also, GL reporting, financial systems, tax codes, Input tax credits, documentary requirements (Section 169), AP issues, (common documentation issues), GST & intercompany transactions. Transfer pricing & GST paid on imported goods, Section 261 rebate rather than an ITC, and what internal processes are in place at your company to ensure that GST is handled correctly- both charging and claiming input tax credits.</i></p>
10:15 – 10:30 a.m.	<p>Refreshment Break & Networking</p>
10:30 a.m. – 12:00 p.m.	<p>Ask the Experts – Panel of Practitioners from Accounting and Legal Firms Addressing Canadian Tax Issues from the Audience & Hot Canadian Tax Topics -Including Dealing with Canadian Tax Authorities & Managing Canadian Tax Disputes</p> <p><i>That's right, free advice from practitioners! This is your chance to question practitioners and get their views on various Canadian tax issues. The panel will discuss how to deal with Canadian federal and provincial tax authorities on an ongoing basis – including how to get guidance (e.g., rulings), make voluntary disclosures and the advantages of doing so, and managing overall risk. They will then discuss what to expect during a Canadian indirect tax audit – from audit, through objections, and to court, and how your strategy may vary depending upon the tax in issue, the jurisdiction involved, and the issue in dispute. When you should engage assistance from a practitioner will be discussed. The panel will also address trends they expect to see in 2020 and beyond including some of the new and evolving Canada Revenue Agency interpretations, as well as the Canadian tax authorities' approach to indirect taxes including their areas of focus and consideration of their risk assessment model and hot audit topics.</i></p>
12:00 p.m.	<p>Workshop Adjourns</p>