

General information

Eligibility

Complete Part B on the front of this form to determine if you are eligible to be authorized to use an Export Distribution Centre Program (EDCP) certificate.

You can apply for authorization to use an EDCP certificate if you are registered for GST/HST, engaged exclusively in commercial activities, and during the fiscal year in which the authorization will be in effect it can reasonably be expected that:

- your export revenue percentage will be 90% or more;
- you will **not** engage in substantial alteration of property; and
- the value you add to your customers' goods from the provision of non-basic services will be 10% or less, **or** the total value you add to your customers' goods will be 20% or less.

Revocation

You can use this form to revoke your authorization to use an EDCP certificate. Complete parts A, C, and D.

Renewal

To renew your authorization, send this completed form at least three months before the expiry date of your existing authorization.

Definitions

Added property – means goods or software that is a component part or is property (such as a label or a screw) that is incorporated or combined with other property. Added property also includes packing materials used in packing other goods. With the use of a valid Export Distribution Centre (EDC) certificate, a registrant is entitled to import, or acquire in Canada, property for use or supply as "added property" without having to pay the GST/HST.

It does not include goods or software added to capital property you own or to any of your property that is not for sale.

Basic service – means a type of service that could be performed in a customs bonded warehouse. You do not have to actually perform the service in a customs bonded warehouse, but you should be able to perform it on the goods in their present stage of processing, and in a customs bonded warehouse. Basic services include the following:

- disassembling or reassembling the goods if they have been assembled or disassembled for packing, handling, or transport;
- displaying, inspecting, labelling, packing, storing, or testing the goods;
- removing a sample of the goods for soliciting orders; and
- cleaning, diluting, normal maintenance and servicing, preserving, separating defective goods from prime quality goods, sorting or grading, trimming, filing, slitting, cutting, and complying with any applicable law of Canada or a province or territory, as long as the characteristics of the goods are not materially altered.

Commercial activity – means any business or adventure or concern in the nature of trade carried on by a person, **but does not include:**

- the making of exempt supplies; or
- any business or adventure or concern in the nature of trade carried on without a reasonable expectation of profit by an individual, a personal trust, or a partnership where all the members are individuals.

Commercial activity also includes a supply of real property, other than an exempt supply, made by any person, whether or not there is reasonable expectation of profit, and anything done in the course of making the supply or in connection with the making of the supply.

Customer's goods – mean another person's goods that you import or take possession of in Canada and for which you provide a service or process with added property.

Domestic inventory – means goods that the person acquires in Canada, or acquires outside Canada and imports, for the purpose of selling the property separately for consideration in the ordinary course of a business carried on by the person.

Export revenue – means revenue from:

- domestic inventory you sell outside Canada;
- zero-rated exports;
- sales of added property you acquired for use in processing property for export; and
- sales of services of processing, storing, or distributing goods of other persons where the property is exported after the service is completed.

Export revenue does **not** include revenue from the sales of:

- fuel you sell to registered international carriers for the transportation of people or goods by ship, aircraft, or railway;
- excisable goods, such as alcohol or tobacco, when the purchaser exports them in bond;
- goods from duty-free shops you sell to individuals for export;
- a jig, die, mould, tool, or fixture (or an interest in one) to a non-registered non-resident when it will be used to manufacture or produce goods for the non-resident; and
- a continuous transmission commodity transported by pipeline or powerline, such as oil, natural gas, or electricity, that you sell to a non-registered person who exchanges the good with a registrant in Canada for an identical good that is not in Canada.

Export revenue percentage – is your total export revenue divided by your specified total revenue.

Finished inventory – means goods that are in the state in which you will sell them or use them as added property in the course of your business.

Specified total revenue – means revenue from sales you have made in a year, except sales of:

- services you provide on goods you did not import or obtain physical possession of in Canada;
- goods that you did not acquire in Canada or import into Canada;
- added property that you used to process goods that you did not import into Canada or take physical possession of in Canada; and
- your own capital property.

Substantial alteration of property – means:

- you manufacture or produce goods (or have another person manufacture or produce goods for you); or
- you process goods (or have another person process goods for you) and by doing so, you bring the goods to the state of finished inventory if:
 - the value that is added to the goods is more than 10% from non-basic services, and
 - the total value added from all processing services is more than 20%.

You can use any reasonable method for valuing the goods in finished inventory. However, once you choose a method, you have to use that method each year.

Where do you send this form?

Send this completed form to:

**Low Volume Workload Team
GST/HST Audit
London-Windsor Tax Services Office
451 Talbot Street
London ON N6A 5E5**

What if you need help?

For more information, see Technical Information Bulletin B-088, Export Distribution Centre Program, or call **1-800-959-5525**.