

July 27, 2022

## Canada Revenue Agency Seeking Comment on New Policy for GST on Transfer Payments

*Draft policy regarding GST on transfer payments open for comments*

The Canada Revenue Agency (CRA) is seeking feedback on a draft policy to [determine whether a transfer payment is consideration for a supply](#). This memorandum explains how and when the GST / HST provisions of the *Excise Tax Act* apply to transfer payments. It sets out the CRA's administrative guidelines for determining when a transfer payment provided by a grantor is consideration for a supply made by the grantee. This is important for municipalities as, in the past, a transfer between two municipalities as a result of an intermunicipal collaboration framework (ICF) agreement was charged GST by the CRA.

The deadline for feedback is **August 22, 2022**.

This review is welcomed by the RMA, as it addresses resolution [16-19F: GST for Grants and Subsidies Interpretation](#). The RMA will monitor the outcome of the policy once it completes the comment period.

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