

Nordstrom Canada Retail, Inc.

Canada Tax FAQ

1. Q: As a Supplier shipping to Nordstrom, do I need to include GST/HST (VAT) on my merchandise invoice?

A: Only if you are registered for GST/HST purposes in Canada. Please include as a separate line item on the Invoice (see EDI 810 Mapping instructions).

2. Q: How would I know if my company is registered in Canada?

A: Your Company would have a GST/HST Registration/Business number and file GST/HST returns to the Canadian Revenue Agency. Check with your Accounting/Tax team to verify.

3. Q: What information is required on an invoice that includes GST or HST?

A: If the invoice contains GST or HST please include the following information:

- Correct Bill-To name: Nordstrom Canada Retail, Inc.
- Supplier's GST/HST Registration/ Business number.
- GST/HST listed as a separate line item on the invoice.
- For Suppliers who send EDI invoices, your Registration/Business number should have been provided on the Nordstrom Canada Supplier Set-up Form. Please send invoices to the correct EDI ID# for Nordstrom Canada Retail, Inc. (same ID# as noted on the 850 PO).

4. Q: As a Supplier, what GST/HST and/or provincial tax rate should be listed on my invoice?

A: As a Supplier registered for GST/HST in Canada, we would expect to see the tax rate for the province to which the product is being delivered. The following is a list of the tax rates for the provinces that Nordstrom will have a presence.

Ontario: 13% HST

Alberta: 5% GST

British Columbia: 5% GST, 7% PST (see question #5)

Example: Vendor is shipping product to our 3PL in Ontario, we would expect to see 13% HST separately stated on the invoice.

5. Q: What tax rate should the Supplier charge Nordstrom in British Columbia?

A: For resale merchandise shipped to British Columbia, the PST tax is not applicable, only GST would be appropriate. Nordstrom can provide our BC registration number as proof of exemption, please contact vendor.desk@nordstrom.com for additional information (note: our BC registration number is only to be used for the purchase of resale merchandise delivered to BC).

Example: Nordstrom purchased jewelry that is intended to be placed on the sales floor for resale to a customer. We would expect to see only one line item for tax: GST at 5% and Nordstrom would provide our BC registration number to serve as a resale certificate as PST is not applicable.

6. Q: Is there tax due at the border?

A: Yes, GST of 5% will be due and collected at the border by the CBSA (Canada Border Services Agency). It will be collected along with other duties assessed at the border.

7. Q: Who is responsible for the GST at the border?

A: The GST is payable by the company who is importing the goods into Canada. If the goods are being shipped DDP (Delivery Duty Paid) by the supplier, the supplier will be responsible for paying GST at the border. If Nordstrom is importing the goods, then Nordstrom will pay the GST at the border.

8. Q: Is the GST paid at the border recoverable?

A: The answer depends on whether the importer is registered for GST/HST in Canada. If the importer is registered and pays the tax at the border, the importer will be allowed to recover the tax on their GST/HST tax return. If the importer is **not** registered for GST/HST, the importer will not be able to recover the tax they paid at the border.

9. Q: Who is allowed to recover the GST paid at the border?

A: The Company that imported the goods into Canada is the company that paid the GST and the company entitled to recover the taxes. Tax recovery is allowable **only** for those companies who are registered for GST/HST with the CRA (Canada Revenue Agency).

10. Q: Can non-resident importer shipping DDP recover the GST paid at the border?

A: The importer will only be able to recover the GST paid at the border **IF** they are registered for GST/HST. Simply having the non-resident importer status does not automatically register the importer for GST/HST. This would be a separate application / filing with the CRA. **IF** the supplier has not registered for GST/HST but is a non-resident importer, the supplier will not be entitled to a recovery of the GST paid at the border.

11. Q: Can a Supplier invoice Nordstrom for GST paid at the border?

A: No, the importer is responsible for the payment of GST at the border.

Summary:

Q: What are the taxes that occur in a DDP cross-border transaction and who is liable for the taxes?

A: Assuming the vendor is registered for GST/HST with the CRA, Nordstrom would expect the following:

1. Supplier will be charged GST at the border. Supplier should be able to recover the GST on its next GST/HST tax return filed with the CRA.
2. Supplier will charge Nordstrom the tax rate based on the point of destination (e.g. Ontario is 13%). Nordstrom will be able to recover the GST/HST tax paid on its next GST/HST tax return.

A: Assuming the vendor is **not** registered for GST/HST with the CRA, Nordstrom would expect the following:

1. Supplier will be charged GST at the border. Supplier will **not** be able to recover the GST since it is not registered for GST/HST with the CRA.
2. Supplier should **not** charge Nordstrom any additional taxes for the sale of the product as it is not registered for GST/HST with the CRA.