



JAN 04 2012

Insurance Brokers Association of Canada
Association des courtiers d'assurances du
Canada
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Suite 1210
Toronto ON M5C 1C4

Excise and GST/HST Rulings Directorate
Place de Ville, Tower A, 20th floor
320 Queen Street
Ottawa ON K1A0L5

Case Number: 140576

Attn: Mr. Justin MacGregor
Past Chairman
Representative International Affairs

Dear Mr. MacGregor:

Thank you for your letter dated November 17, 2011, with follow-up questions and comments with respect to our recent meeting during which we discussed the Part I tax on insurance premiums other than marine. Our discussion and your input was appreciated as the Canada Revenue Agency (CRA) continues to review the administrative procedures respecting potential acceptable conditions for exemptions from the tax.

In your letter, the CRA was asked to comment on a situation where:

- more than one broker is involved in a placement, and
- the coverage is provided by an insurer licensed in Canada,
- with a licensed Canadian broker shown on the policy.

You have asked if this situation is acceptable for exemption from the Part I tax on insurance premiums. We can confirm that, in the above situation, the Part I tax on insurance premiums other than marine would not apply. As you noted, CRA staff have been informed of this administrative position and will give consideration to this guideline with any related cases that are currently under review.

With respect to our communications strategy on this position, we will be revising our publications on these and similar matters once the overall review of the administration of the Part I tax is completed.

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Thank you for your contributions to this process and if you require further clarification with respect to the issues discussed in this letter, please do not hesitate to contact Mr. Duncan Jones at 613-957- 8154.

Yours truly,

A handwritten signature in cursive script, appearing to read "P. Bertrand".

Mr. Pierre Bertrand
Director General
Excise & GST/HST Rulings Directorate
Legislative Policy and Regulatory Affairs Branch
Canada Revenue Agency

cc. Ms. Brenda Rose, BA, CIP
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Mr. Phil McLester
Mr. Duncan Jones