

Ministry of Finance

Tax Notice



ISSUED: September 2017
REVISED: November 2017

Notice 2017-003

gov.bc.ca/incometaxes

International Business Activity Program

Budget 2017 Update

International Business Activity Act

Latest Revision: *The revision bar (|) identifies changes to the previous version of this notice dated September 2017. For a summary of the changes, see Latest Revision at the bottom of this page.*

Budget 2017 Update eliminated the International Business Activity (IBA) Program effective September 12, 2017. This tax notice explains the impact on registrants.

Corporations

New and Pending Registrations

A corporation may not apply for registration after September 11, 2017. Any applications received after September 11, 2017 will be returned to sender.

An amalgamated corporation may not be registered unless the amalgamation occurred on or before September 11, 2017. Notice of an amalgamation must continue to be provided. If one of the amalgamated corporations was not registered in the IBA Program, the notice must be provided within 90 days after the date of the amalgamation.

Applicants who applied for registration before September 12, 2017 and who wish to withdraw a pending application will have their registration fee returned. If a corporation wishes to withdraw their application for registration, [contact us](#).

Registered Corporations

Corporations registered as of September 11, 2017 will continue to be registered until the end of the tax year that began on or before September 11, 2017.

Corporations are not required to meet the conditions of registration for the portion of the tax year after September 11, 2017. For example, after September 11, 2017 a corporation is not required to remain a member of AdvantageBC or to carry on an international business.

Corporations with Registered Specialists as of September 11, 2017 must still file a report for those specialists for that tax year. The report is due March 31, 2018, or, if applicable, 30 days after the discontinuance of the international business, whichever is earlier.

Final Return and Calculation of Refund

Registered corporations may file a final return for a refund for the tax year that includes September 11, 2017. Returns must be filed within 18 months after the end of the tax year. The refund calculation is the same, except that only income earned for that part of the tax year before September 12, 2017 will be included in the calculation of “IB income”. The other parts of the calculation are still based on the entire tax year.

Specialists

New and Pending Registrations

A specialist may not apply for registration after September 11, 2017. Any applications received after September 11, 2017 will be returned to sender.

Applicants who applied for registration before September 12, 2017 and do not want to withdraw their pending application will have their application processed. If you wish to withdraw your application for registration, [contact us](#).

Existing Registered Specialists

Specialists registered as of September 11, 2017 will continue to be registered until the end of the tax year.

Final Return and Calculation of Refund

Registered specialists may file a final return for a refund for the 2017 tax year. Returns must be filed within 18 months after the end of the tax year. The refund calculation is the same, except as noted below.

- Only income earned for that part of the tax year before September 12, 2017 will be included in the calculation of “IB income”. The other parts of the calculation are still based on the entire tax year.
- To claim a refund, a specialist must continue to meet the current requirements. For example, a specialist must be a resident in BC on the last day of the tax year and a registered corporation must have filed a report for the specialist for that tax year.
- An IFA Specialist, an Administrative Support Specialist or a specialist in a Designated International Business must have received remuneration of at least \$274 per day for each day in the 2017 tax year that is before September 12, 2017 and that the individual was registered as a specialist.

- An Executive Specialist must have received remuneration of at least \$685 per day for each day in the 2017 tax year that is before September 12, 2017 and that the individual was registered as a specialist.
- The required percentage of time or required type of work for a particular specialist will continue to apply; however, it will be calculated based on the percentage of time or required type of work before September 12, 2017.

A specialist may still qualify for a refund if they do not meet the remuneration, percentage of time or required type of work thresholds, but it is reasonable to consider they would have met the requirements for the entire tax year if not for the proposed changes. [Contact us](#) for details.

Further Information

Online: gov.bc.ca/incometaxes

Toll free: 1 877 387-3332

Email: ITBTaxQuestions@gov.bc.ca

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The information in this notice is for your convenience and guidance and is not a replacement for the legislation.

Latest Revision

November 2017

- Revised to reflect passage and royal assent of the Budget 2017 Update proposal to eliminate the International Business Activity Program effective September 12, 2017.
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