



TaxNewsFlash

Canada

Don't Miss Important 2025-26 Indirect Tax Dates

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Businesses should ensure that they are properly tracking and meeting all of their tax filing deadlines under Canada's indirect tax rules. In addition to filing their regular indirect tax returns, including GST/HST, QST and provincial sales tax (PST) returns, many businesses are also required to meet other compliance obligations throughout the year. Canada's tax authorities have introduced many required registrations, tax changes, and additional tax filings in recent years as the tax rules continue to evolve. That's why it is important for all affected businesses to understand and comply with their indirect tax filing requirements and compliance obligations to help minimize any related penalties or interest.

Taxpayers that may have additional indirect tax requirements include:

- Financial institutions and other businesses deemed to be financial institutions
- Digital businesses and other businesses that participate in the digital economy
- Businesses who deferred payments under recent relief measures
- Businesses subject to federal fuel charge rules
- Importers
- Businesses that own real estate
- Businesses with cross-border insurance coverage
- Wholesalers and retailers selling sweetened beverages.

This *TaxNewsFlash-Canada* provides an overview of selected upcoming deadlines for Indirect Tax filings and compliance obligations, other than the regular GST/HST, QST and provincial sales tax (PST) returns, as well as certain upcoming tax changes.

Financial institutions and other businesses deemed to be financial institutions

File annual GST/HST and QST returns by June 30, 2025

Many financial institutions, and other businesses deemed to be financial institutions, must file one or two annual GST/HST and QST returns by June 30, 2025.

Under these rules, an affected financial institution, or a business that is deemed to be a financial institution, must file the annual GST/HST information return no later than six months after their year-end. Businesses with more than \$1 million of income from financial types of services, like interest, fees or other charges generated from lending money, money advances, granting credit or credit card operations, should determine if they may be deemed financial institutions under the GST/HST rules and subject to the annual GST/HST information return. The government increased the annual income threshold required to file this annual information return to \$2 million (from \$1 million), a measure that applies retroactively to fiscal years ending after August 9, 2022. The annual information return is due no later than six months after the entity's fiscal year.

For example, an affected financial institution with a December 31 year-end must file form GST111, "Financial Institution GST/HST Annual Information Return", or the combined form RC7291, "GST/HST and QST Annual Information Return for Selected Listed Financial Institutions" by June 30, 2025 for its 2024 fiscal year. Some exceptions may apply.

Additionally, financial institutions that qualify as selected listed financial institutions (SLFIs) must file the annual GST/HST and QST final return for SLFIs no later than six months after their year-end. SLFIs that have a December 31 year-end must file the annual GST/HST and QST final return by June 30, 2025 for their 2024 fiscal year. In general, a financial institution qualifies as a SLFI if it has a permanent establishment in an HST province and in another province for GST/HST purposes, or in Québec and in another province for QST purposes.

Certain financial institutions may have to file specific separate QST forms based on the QST rules.

File ITC election by July 5, 2025

Financial institutions with a December 31 year-end that qualify as "qualifying institutions" under the GST/HST rules have until July 5, 2025, to elect to renew or change their input tax credit (ITC) allocation methods for 2026, which may help reduce unrecoverable GST/HST and QST costs.

Request details from investors by October 15, 2025

Distributed investment plans (DIPs), such as mutual fund trusts, investment corporations and other distributed investment plans, must request specific data in writing from many of their investors by October 15, 2025 to help limit their indirect tax costs. Under the GST/HST and QST information sharing rules, investors and security dealers are required to provide to the DIPs the requested data which will be used by the DIPs to calculate their own tax cost and tax adjustments in their GST/HST and QST returns. As a reminder, certain investors are required to provide specific data to the DIPs by October 15, 2025, under the GST/HST and QST information sharing rules even if they do not receive a specific request from the DIPs.

Prepare for the upcoming Québec tax rate change on insurance premiums effective January 1, 2027

Insurers must prepare for the increase of the tax rate to 9.975 (from 9%) on insurance premiums in Québec on January 1, 2027. The increased tax rate is proposed to apply on insurance premiums paid after December 31, 2026.

Digital businesses and other businesses in the digital economy

File annual information return for QST by June 30, 2025

Many distribution platform operators must file Québec's annual QST form "Information Return for Distribution Platform Operators" for the 2024 calendar year no later than June 30, 2025. Affected distribution platform operators must file form VD-477.18.7 "Information Return for Distribution Platform Operators", which requires specific details on supplies made using their platforms among other details, no later than six months after the end of the calendar year.

File annual information return for B.C. PST by August 31, 2025

Many online marketplace facilitators must file an annual information return for British Columbia's provincial sales tax (PST) for the period from July 1, 2024 to June 30, 2025 no later than August 31, 2025. The annual information return must contain specific details, including information on supplies made using their platforms, as requested under the PST rules. Online marketplace facilitators that do not file the annual information return may face a penalty equal to the greater of \$100 and \$25 for each day during which the failure continues, to a maximum of \$2,500.

File new annual information returns for platform operators by July 31, 2025

Many platform operators must file new federal annual information returns to the CRA to share data related to sellers that use their platforms, including tax identification numbers and sales amounts, starting for the 2024 calendar year. Affected operators are also required to file specific individual reports to some of their sellers. Under these new compliance rules, these operators must collect data from their sellers, confirm the reliability of the data and file new reports. Platform operators that must file the annual information return for the 2024 calendar year must file their first returns no later than July 31, 2025.

following the CRA's announcement that it would provide penalty and interest relief for platform operators who missed the original January 31, 2025 filing deadline. These new compliance rules are found in the Income Tax Act. The CRA has previously indicated that because of these new income tax rules, and until further notice, platform operators do not have to file the GST/HST annual information returns for platform operators that were originally announced in 2021.

Make first filing and payment under the proposed DST rules by June 30, 2025

Digital businesses affected by the new Digital Services Tax (DST) rules must file their first DST return by June 30, 2025. For this first DST return, the 3% DST applies to specific digital revenues earned from January 1, 2022 to December 31, 2024.

As a reminder, affected digital businesses were required to register with the CRA under the DST rules by January 31, 2025.

Prepare to collect Manitoba RST on cloud computing services starting January 1, 2026

Providers of cloud computing services must prepare to start collecting Manitoba's Retail Sales Tax (RST) on cloud computing services effective January 1, 2026. Following an announcement in Manitoba's 2025 budget, cloud computing services will become RST taxable services. Based on recent provincial guidance, the cloud computing services that will become RST taxable services include, Software as a Service (SaaS), Platform as a Service (PaaS), and Infrastructure as a Service (IaaS). The province has clarified that providers of such services (e.g., software subscriptions and data storage) may also have to pay or self-assess RST on computer hardware, software and services they use for their own operations or for providing their services where these items are not considered acquired for resale.

Businesses who deferred payments under recent relief measures

Pay deferred GST/HST and QST amounts by June 30, 2025

Businesses that deferred certain eligible GST/HST remittances and corporate income tax payments under the recent interest relief related to the tariffs announced by the United States and Canada must pay any deferred amounts by June 30, 2025 to help avoid interest costs. The CRA notes that interest will resume on these deferred amounts on July 1, 2025. Revenu Québec announced a similar relief for businesses with similar deadlines. Affected businesses must ensure they meet these payment deadlines to limit interest and penalty costs.

Businesses should also determine whether they have to meet different rules and deadlines under other similar provincial tax relief programs.

Businesses subject to federal fuel charge rules

Claim rebates by September 30, 2025

Businesses subject to the federal fuel charge framework have until September 30, 2025, to claim certain rebates under these rules. The removal of these rebates is part of the phased-in repeal of these federal rules that started on April 1, 2025.

Importers

Gather data now to file reports under law against forced labour by May 31, 2026

Many businesses must report specific information by May 31, 2026 related to their efforts in their latest financial year to mitigate and prevent the risk of child labour and forced labour in their businesses' activities and in their supply chains. Affected businesses subject to these reporting obligations, which began in 2024, must take steps early to carefully review their supply chains to help ensure that their reports and related questionnaires are duly completed and filed on time, among other considerations.

Businesses that own real estate

File UHT return and remit payment for 2025 calendar year by April 30, 2026

Non-resident and certain Canadian owners of reportable residential property in Canada must file an annual Underused Housing Tax (UHT) return by April 30 for each reportable property owned as of December 31. Under these rules, which first applied for the 2022 calendar year, affected owners are also liable for the 1% Underused Housing Tax (UHT), unless they qualify for certain exemptions. The returns for the 2025 calendar year, and UHT (if applicable), are due by April 30, 2026.

Businesses with cross-border insurance coverage

Remit 10% federal tax on cross-border insurance premiums by April 30, 2026

Businesses may be required to self-assess and remit a 10% federal tax by April 30, 2026 where they purchased insurance coverage from insurers outside Canada in 2025, or had insurance coverage from a global insurance policy that was acquired by an affiliated company in 2025 from insurers outside Canada. Businesses may also have to remit PST and insurance premium taxes throughout the year if they have insurance coverage purchased from insurers that are not registered or licensed in certain provinces where they operate. As a reminder, insurance purchased from insurers over electronic distribution platforms may be subject to these taxes.

Wholesalers and retailers selling sweetened beverages

Update system to account for the elimination of Newfoundland and Labrador's Sugar Sweetened Beverage Tax on July 1, 2025

Certain wholesalers and retailers must update their systems due to the elimination of the Newfoundland and Labrador's Sugar Sweetened Beverage Tax effective July 1, 2025.

We can help

For more information on any of these indirect tax related deadlines and important dates, and how they may affect your business, please contact your KPMG advisor.

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