



SPECIALISTS IN WASTE BATTERY RECYCLING

The **Battery Broker**
Environmental Services Inc.

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To our valued Clients:

Re: Transitioning to the HST

As you are aware, on July 1st 2010, Ontario's Retail Sales Tax (RST) will be replaced with a single Value Added Harmonized Sales Tax (HST) that will be combined with the Federal Goods and Services Tax (GST).

The Battery Broker will be using the following rules in regards to applying the HST to all invoices.

1. All Material received by the Battery Broker after July 1st 2010 will be subject to the 13% HST.
2. All Material received by the Battery Broker prior to May 1st 2010 will be subject to the 5% GST regardless of when the load is billed.
3. All Material received by the Battery Broker between May 1st & July 1st 2010 will be subject to the following transition rules
 - a. When billing occurs prior to July 1st 2010 the load will be subject to the 5% GST
 - b. When Billing occurs after July 1st 2010....
 - i. If more than 90% of the load was processed prior to July 1st 2010, the entire load will be subject to the 5% GST.
 - ii. If less than 90% of the load was processed prior to July 1st 2010, the portion of the load processed before July 1st will be subject to the 5% GST and the portion of the load processed after July 1st will be subject to the 13% HST.
 - iii. If the entire load is processed after July 1st it will be subject to the 13% HST.
4. Transportation Charges.
 - a. All transport that takes place prior to July 1st 2010 will be subject to the 5% GST
 - b. All transportation that takes place after July 1st 2010 will be subject to the 13% HST
5. Interprovincial Shipments.
 - a. The Battery Broker has asked for clarification from the CRA on charging the HST on material received from other provinces. Until we receive this clarification, the above transition rules will be applied to all interprovincial shipments.

For more information on the transition to HST, please visit the Ontario government website which offers a comprehensive break down of the HST: <http://www.rev.gov.on.ca/en/taxchange/hst.html>.

Should you have any additional questions, please do not hesitate to contact our office.

Sincerely

Kevin Loveys

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Operations Manager

The Battery Broker Environmental Services Inc.