

CPCC - Reporting Company Tip Sheet #2

Zero-Rating Program - Considerations for Collecting and Reporting Information

The following information is presented to assist businesses to meet their reporting obligations practically and cost efficiently.

The Zero-Rating Program permits companies that are registered as Buyers in the CPCC's Zero-Rating program to purchase media without paying the levy. The Zero-Rating program permits companies registered as Distributors to sell media without the levy and allows companies registered as Special Distributors to purchase media levy free directly from the Canadian manufacturer or importer or from other Special Distributors and resell it to registered Buyers.

To ensure the correct operation of the program, details of these transactions must be reported to the CPCC. All reporting is completed through the CPCC website at <http://cpcc.ca>.

What are my Reporting Obligations?



It depends on whether you are registered as a...

Distributor

- Manufacturer/Importer
 - Right to sell zero-rated
 - Right to use zero-rated media for duplication, replication or other internal use
 - Obligated to report all zero-rated sales
 - No right to purchase zero-rated media from other Distributors or Special Distributors
- Special Distributor
 - Right to purchase and sell zero-rated
 - Obligated to report all zero-rated purchases AND zero-rated sales
 - No right to use zero-rated media for duplication, replication or other internal use. Please see either section 3 and section 5 of your Special Distributors Zero-Rating Agreement
 - If you wish to purchase zero-rated media for purposes other than reselling the zero-rated media blank, you must register with the CPCC as a Buyer.

Or a

Buyer

- A buyer is the end user and cannot sell blank media acquired zero-rated
 - Right to acquire zero-rated product
 - Right to use zero-rated media for duplication, replication or other internal use
 - Obligated to report purchases annually
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What is The Information You Need to Report?

Distributors?

- For each zero-rated sale or disposition:
 - The date of the transaction
 - The name and Zero Rating Program certificate number of the customer
 - The type of product sold or disposed
 - The volume sold or disposed

Special Distributors?

- For each zero-rated purchase:
 - The date of the transaction
 - The name of the distributor
 - The type of product purchased
 - The volume of product purchased
- For each zero-rated sale or disposition:
 - The date of the transaction
 - The name and Zero-Rating Program certificate number of the customer
 - The type of product sold or disposed
 - The volume sold or disposed

Buyers?

- For each zero-rated purchase:
 - The date of the transaction
 - The name and certificate number of the vendor
 - The type of product purchased
 - The volume purchased



Where do I Find this Information?

The required information should be in your existing business records, however you may need to sort the information or take additional steps to identify and accumulate it and/or have it reported by your computer system.

For example, you will need to capture the certificate information and expiry dates of relevant certificate numbers of distributors, buyers and special distributors, and you may wish to add some kind of identification code to your supplier or customer details, to recognize them as being part of the Zero Rating Program.

How this information is shown on your computer is important as it should be available to your sales team to allow them to make appropriate pricing decisions and eliminate errors in making zero-rated sales to ineligible participants.

It may be useful to add a description of the sale as “levy included” or “levy excluded” to your sales invoices either by using a special code or descriptive words.

Also, you need to track any returns of products sold as zero-rated separately from those sold as leviable.



Remember!

- It is your responsibility to check that customers are valid participants in the Zero-Rating Program as of the date of the transaction.
- Certificate numbers can be checked by logging onto the CPCC’s web site and typing in the certificate number. You will receive immediate notification as to the validity of the certificate number entered.
- Keep all extracted electronic information and reports used in preparing your reports for the CPCC.
- If the above-noted information is available, the CPCC auditors will likely be able to complete their review with very little disruption to your business.
- You can always contact the CPCC with questions about the program and related record keeping requirements.
- For Reporting Companies NOT participating in the Zero Rating program, refer to separate [Tip Sheet #1](#).
- These tips are suggestions only, and while focused on smaller businesses, apply to any reporting company. We encourage you to discuss these items with your own system administrator, computer support person or accountant.