

Invoice Requirements

Canada

Any invoices submitted for the Chick-fil-A Canada ULC entity must include the following:

Must be billed to:

Chick-fil-A Canada ULC
Attn: Staff Contact
c/o 5200 Buffington Road
Atlanta, GA 30349

Invoices are required to have the following information:

- Chick-fil-A Staff Contact Name
- Supplier Name & Address
- Tax ID (EIN or TIN)
- Unique invoice number
- Invoice date
- Detailed description of goods received, or services performed. Services must be separately stated from goods.
- Province(s) where services were performed
- Invoice amount & currency type to be remitted
- Payment terms that match the contract
- Payment Remit-to address
- ★ Valid invoice coding or purchase order number
- For non-Canadian suppliers who physically perform services in Canada (i.e. not through a subcontractor), the invoice must indicate total number of days the supplier was physically present in Canada vs. outside of Canada.
- For non-Canadian suppliers who engage a subcontractor to perform services, a statement must be included in the invoice to that effect. Otherwise, withholding tax may be applied to the invoice.
- VAT registration number if applicable
- VAT tax if applicable (see note below)
- Where applicable, a Regulation 105 waiver must be included if the invoice is from a U.S. supplier for physical services performed in Canada. If the waiver is not included, Chick-fil-A Canada ULC will be required to withhold tax of 15%. **Please see Tax Compliance on the next page for additional detail.**

★ Check with your Staff Contact for this information

Note: Chick-fil-A Canada ULC is a Canadian resident entity and is subject to applicable Canadian taxes (GST, HST).



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Tax Compliance

Value Added Tax (VAT)

Value-Added Tax (VAT) is a tax that is applied to the sales of goods and services. In Canada, businesses can claim credits for VAT paid. This recoverable treatment contrasts with sales tax in the US which is treated as a non-recoverable expense to the business. Since VAT is a recoverable expense, it should not be accounted for in department budgets. However, there are exceptions where VAT is not recoverable and should be accounted for in department budgets. In Canada, an 8% VAT rate applies to insurance premiums and is not recoverable. To claim the credit, proper invoice documentation is required. Please refer to the invoice requirements to ensure these requirements are met.

Regulation 105 Withholding Tax: Important Contract & Invoicing Requirement Related to Non-Canadian suppliers Performing Services in Canada

Please be advised that for certain payments to non-Canadian (e.g. U.S.) suppliers related to services physically performed in Canada, a 15% withholding tax may apply. Where applicable, this means that suppliers will only be paid 85% of the invoice with the remaining 15% to be paid to the Canada Revenue Agency (CRA). Failure to comply with withholding tax rules can result in further punitive damages to Chick-fil-A.

Withholding tax applies to non-Canadian payees who physically perform services in Canada, therefore, to avoid withholding tax implications, measures should be taken to ensure that invoices are addressed locally (i.e. Canada to Canada) where applicable. If the non-Canadian supplier has a Canadian affiliate that is performing such services in Canada, it is advised that the engagement and invoicing relationship with Chick-fil-A Canada ULC include the supplier's Canadian affiliate. Otherwise, a 15% withholding tax will apply unless the supplier provides a Regulation 105 waiver at least 30 days prior to services being performed in Canada. This tax liability is not Chick-fil-A's tax liability to the CRA but rather that of the supplier's. If measures cannot be taken to avoid withholding tax, the Chick-fil-A business owner should notify the supplier that payment will be paid net of the 15% withholding tax. A Sample Letter to Communicate Regulation 105 (Canada - Tax). can be printed on Chick-fil-A letterhead is provided to communicate Regulation 105 withholdings to suppliers.

