



Provincial Sales Tax (PST) Notice

Notice 2023-004

Issued: May 2023

Notice to Online Marketplace Facilitators and Online Marketplace Sellers

Provincial Sales Tax Act

Budget 2023 introduced amendments to the online marketplace framework for clarification, simplification and consistency.

This notice explains the changes related to the collection obligations of online marketplace facilitators and the taxation of online marketplace services, **effective July 1, 2023**.

The Online Marketplace Facilitator

An online marketplace facilitator is a business that:

- works with online marketplace sellers, and
- operates an online marketplace platform (such as a website or mobile app) to facilitate the purchase and retail sale, provision or lease of goods, software and services, including accommodation, between third parties (i.e. the online marketplace seller and purchaser), and
- collects payments for these sales, provisions or leases.

For examples and more information, see [Bulletin PST 142](#), Marketplace Facilitators, Marketplace Sellers and Online Marketplace Services.

Taxable and Non-Taxable Services Sold by Online Marketplace Sellers

Effective July 1, 2023, online marketplace facilitators must collect PST from online marketplace sellers on online marketplace services whether the online marketplace seller is selling **taxable** or **non-taxable services** through the online marketplace.

Prior to this amendment, online marketplace facilitators were required to charge online marketplace sellers PST on online marketplace services only if the online marketplace service was to facilitate the sale of taxable services. The amendment extends this to services that are non-taxable (for example, massage services).

What Are Online Marketplace Services?

Effective July 1, 2023, online marketplace services are restricted to services in respect of sales and leases made on the marketplace facilitator's online marketplace. For example, advertising purchased by an online marketplace seller for a line of business unrelated to goods sold on the online marketplace is not considered an online marketplace service effective July 1, 2023.

How PST Applies to Online Marketplace Services

Effective July 1, 2023, online marketplace services purchased by an online marketplace seller from an online marketplace facilitator are taxable in the following situations:

- The online marketplace service is provided to goods and the goods are in B.C. at the time the service is provided to the goods.
- The online marketplace service is a service to store goods and the goods are stored in B.C.
- The online marketplace service is in respect of accommodation located in B.C.
- If the online marketplace service is not a service to goods, storage of goods or in respect of accommodation, then the service is taxable if the online marketplace seller is in B.C., except where the service is used wholly outside B.C.

PST on Goods Sent From Outside Canada Into B.C.

Effective July 1, 2023, online marketplace facilitators are not required to collect PST on goods sent from outside Canada into B.C. regardless of whether the good is intended for personal or commercial use.



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