
***Freight and Transportation
for Export***

GST does not apply to freight transportation costs within Canada for goods shipped directly to destinations abroad. The tax does apply if the goods are being shipped to a Canadian destination for further processing or handling before shipment abroad. In this case, of course, the exporter would be able to recover the GST in the form of input tax credits.

Export Broker Fees

Self-employed sales agents or export brokers who sell to foreign customers on behalf of Canadian firms also charge GST on their commissions or their fees. However, their clients (the exporter companies), if registered, may recover these costs as input tax credits.

The sales agents and brokers, if registered, for their part, will also be able to claim input tax credits for GST paid on their business purchases.