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Point 7. Paragraph 18(1)(b)

On an on-going basis, the Quick Method rate of a registrant for a particular year is determined with reference to the registrant's purchases and sales data for the preceding year. This data is indicative of the type of business the registrant is operating. In particular, under subsection 15(5), a different rate is prescribed for different sets of characteristics of a business, including the total threshold amount (essentially the total sales of the business), percentage of grocery sales and the cost of inventories.

However, start-up firms in their first year of operation do not have historical data from which to determine their Quick Method rate for their first year. Therefore, the appropriate rate for a new business to use throughout that year is that which is based on reasonable expectations as to what the relevant characteristics of the business (i.e., its total sales, sales mix and costs) will be. In the words of the Regulations, this is the "rate prescribed by subsection 15(5) that is reasonable in the circumstances".

The Regulations would be unnecessarily restrictive if they prescribed specific information required to substantiate the Quick Method rate that is reasonable. In practice, any number of pieces of information might contribute to the registrant's expectations, such as proforma statements, agreements with suppliers and prospective customers, market surveys, records from previous or related businesses, to name but a few. It would be impossible to cite an exhaustive list of information on which the registrant's expectations might reasonably be based. Rather, under the Regulations, registrants are left to use any and all information at their disposal to arrive at the rate that is reasonable which means the rate that corresponds to the characteristics that the registrant may, based on all that information, reasonably expect his business to exhibit. It should be noted that, at the end of the registrant's first year, to the extent that the actual sales and purchases data for that year would put the registrant in a different Quick Method rate category than that which the registrant was applying throughout the year, a

Cette disposition ne précise pas le montant déterminé auquel il est fait référence dans le déterminant de base ou le montant de base. En outre, il n'est pas clair si le montant de base prévu pour chacune de ses (il est ici question de deux périodes de déclarations se terminant au cours de l'année) représente un montant déterminé qui porte sur les deux périodes de déclaration se terminant au cours de l'année ou encore sur les montants totaux déterminés pour chacune de ces périodes.