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| **PROCEDURES FOR CANADA**The dispensing of fuel in Canada is handled in litres rather than gallons and sold in Canadian dollars. In order to process Canadian activity for cards issued by a U.S. participant, the following procedures have been developed.**Assumptions**You are in possession of a CFN Canadian Tax Rate listing.One (1) U.S. gallon = 3.7854 litresCurrency exchange rate which change daily are obtained from the Wall Street Journal Key Cross Currency rates.Goods & Services Tax (GST) is a Federal Sales Tax set to 7%. However, this tax, like the California Sales Tax, is based on the retail value of the sale and not the Network price. Therefore, the Network price (OPIS+haul+US$0.05 markup+taxes) will be supplemented by a value to simulate the retail price. This supplement will be determined by using the prevailing market price calculated on a monthly basis by the Participant involved.**Operations**When a transaction is received by CFN from a Canadian site, the quantity is in litres and the price (if included) is in Canadian dollars. The transaction is priced and taxed in Canadian dollars and placed in our pending database. During the nightly process these transactions are transmitted to the Canadian participant in their original state (litres and Canadian dollars) and then converted to their corresponding U.S. values and placed in our main database.The quantity field is divided by 3.7854 to convert litres to gallons.The price fields are multiplied by 3.7854 to convert the litre price to a gallon price.The amount and tax amount fields are multiplied by the current daily exchange rate to obtain the U.S. equivalents.The new price fields are also multiplied by the current daily exchange rate to obtain the U.S. equivalents.**SPECIAL NOTES**The Federal GST is calculated the same way as a State sales tax but with the addition of the supplemental markup added to the base price making it = (OPIS+haul+US$0.05 markup+suppl.markup+taxes) x quantity = sales amount and adding all applicable taxes then multiplying the result by 7%. If there is a Provincial (same as State) sales tax, it is calculated the same way as the GST. Although our Canadian Tax Rate listing shows the required cents per litre tax rate, these rates won't be reflected in the tax amounts accurately as they are distorted by the exchange rate. This also applies to any percentage taxes.If your billing software calculates the applicable taxes for each transaction, they need to be made aware of your need to be able to process Canadian based transactions. |