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Mr. John Porter
President
Tradebank Inc.
264 Welland Avenue, Suite 200
St. Catharines, ON L2R 2P8

File: 11755-2/bj
Case: 62450
Business No. 894439710

Dear Mr. Porter:

This refers to your letter of July 12, 2005, with attachments, requesting that the Tradebank Canada Network (the "Network") be designated pursuant to subsection 181.3(3) of the *Excise Tax Act* (ETA) for purposes of the Goods and Services Tax (GST)/Harmonized Sales Tax (HST).

Based on a review of the information provided in your application, the Network qualifies for designation. I am pleased, therefore, to hereby designate the Network pursuant to subsection 181.3(3) of the ETA.

The effect of this designation is to relieve members of the designated barter exchange network from having to pay tax on barter units accepted in exchange for their supplies of property or services. The members, if registrants, would continue to have to charge tax on their taxable supplies of the property or services provided for the barter units. The tax on such property or services is calculated on the exchange value of the barter units accepted as consideration.

This designation is effective January 1, 2002, the date that the Network has been owned and administered by Tradebank Inc.. Accordingly, section 181.3 applies to a supply of a barter unit, by a member of the Network or the administrator, from that date forward.

Please note that it is your responsibility as administrator of the Network to notify in writing each member of the Network, within a reasonable time, of the designation and its effective date.

If you have any questions regarding this letter or any other questions concerning how the GST/HST applies to the Network's activities because of the above noted designation, we encourage you to contact Baskaran Samykurukkal, GST/HST Rulings, Suite 100, 1 Front Street, Toronto, Ontario, M5C 2X6, telephone (416) 954-0475. Collect calls are accepted.

Yours truly,

for 

Danielle Lafléche
Director
Public Service Bodies and Government Division
Excise and GST/HST Rulings Directorate