

Silver, Gold and Platinum Bullion; Bank Notes; Commemorative Coins and Postage Stamps

Social Service Tax Act

This bulletin provides specific tax information to help sellers of silver, gold and platinum bullion in the form of bars, wafers and coins, commemorative coins, tokens, and trade dollars, bank notes, postage stamps, stamped envelopes and stamped postcards understand how the social service tax, also called the provincial sales tax (PST), applies to their businesses.

For general PST information that applies to all businesses, such as who needs to register, when general exemptions apply, and how to charge and collect the PST, please read our [Small Business Guide to Provincial Sales Tax \(PST\)](#).

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Silver, Gold and Platinum Bullion

Silver, gold and platinum bullion wafers and bars sold at a price equal to the current market value of the metal content are exempt from PST. Sales of silver, gold and platinum certificates are also exempt from PST.

The content in this bulletin has not been changed; it has been changed for format only.

Silver, gold and platinum bullion coins sold at the value of their metal content are exempt from PST, provided that the following are met:

- the price of the bullion coin fluctuates with the current market value of its gold, silver or platinum content, and
- handling charges are stated separately and are at a rate equivalent to those normally charged in the bullion market (e.g. by banks).

Silver, gold or platinum bars, wafers or coins sold at a price greater than the value of their metal content, and purchased primarily for their value as collectibles, are subject to PST. The PST applies to the full amount paid by the purchaser to receive title to the bars, wafers or coins.

This includes any silver, gold or platinum coins, wafers or bars sold at a premium greater than that normally charged in the bullion market, such as numismatic coins, bars or coins refashioned into jewellery, or stamped with commemorative markings, holiday greetings or zodiac signs.

Commemorative Coins, Tokens and Trade Dollars

Commemorative coins, tokens and trade dollars are not legal tender in Canada. These items are generally issued by a municipality or service organization in conjunction with a local occasion or event. During the event, these items are accepted at face value by local merchants on purchases of goods and services. At the event's conclusion, these coins, tokens and trade dollars are redeemed at face value by the issuing organization.

Where the coins, tokens and trade dollars are intended to be sold at face value during the event, the issuing organization must pay PST on their cost of acquiring them. PST does not apply to subsequent transactions introducing these items into circulation, or their use at face value during the event. However, if these items are sold above face value during the event or at any price after the event when they can no longer be used to make purchases, they are considered collectibles or souvenirs and PST applies to their full sale price.

Where the original intention was to sell the coins, tokens and trade dollars at a price greater than face value, they are considered to be collectibles or souvenirs. The organization arranging for minting is not required to pay PST on the cost of acquiring these items, but must collect and remit PST on their resale.

Bank Notes

Bank notes sold at a price greater than their face value at prevailing exchange rates and purchased primarily for their value as collectibles are subject to PST.

Postage Stamps, Stamped Postcards and Stamped Envelopes

The purchase of Canadian postage stamps at face value for mailing purposes is a prepayment for postal service and not subject to PST.

When stamped postcards or stamped envelopes are sold for a single price, and the value of the stamps exceeds that of the postcards or envelopes, the sale is not subject to PST. If the value of the postcards or envelopes exceeds that of the stamps, then the sale is subject to PST.

When stamped postcards or envelopes are sold with their value stated separately from that of the stamps, only the retail sale price of the postcard or envelope is subject to PST.

Cancelled stamps, postcards and envelopes with cancelled stamps, uncanceled Canadian stamps sold above face value, and stamps from foreign countries are considered collector's items and subject to PST on their full sale price.



Need more info?

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The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation. The *Social Service Tax Act* and Regulations are on our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/Provincial_Sales_Tax/legislation.htm

References: *Social Service Tax Act*, Sections 1, 2(1), and Regulation 3.31