



April 23, 2019

CANADA GUARANTY

LENDER UPDATE

Manitoba Provincial Sales Tax Reduced to 7% (from 8%)

Applicable to Mortgage Default Insurance Premiums | Effective July 1, 2019

On March 7, 2019, as part of the 2019-20 budget, the Manitoba government announced that the provincial sales tax (PST) would be reduced to 7%. Effective July 1, 2019, the reduced PST will apply to premiums for mortgage default insurance on properties located within Manitoba.

In response to this change, Canada Guaranty is pleased to advise that our adjudication system has been updated as follows:

- Applications with closing dates prior to July 1, 2019 will be taxed at 8%.
- Applications submitted to Canada Guaranty with closing dates on or after July 1, 2019 will be subject to the new 7% PST.
- The Manitoba tax is calculated as follows:

Mortgage Default Insurance Premium Amount (\$) x 7% Manitoba PST = PST Amount (\$)

Should you have any questions regarding this change, please do not hesitate to contact a member of our National Sales Team.

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Thank you,



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