



On July 1, 2010, both the Ontario and British Columbia PST will be combined with the federal GST to create a federally administered sales tax for taxable supplies made in both provinces - the Harmonized Sales Tax (HST). HST will apply at a rate of 13% in Ontario and 12% in British Columbia.

In order to comply with the new regulations, Ontario and BC customers' sales tax profiles will be amended accordingly **effective close of business June 30, 2010**. All previous PST exemptions will no longer apply and the any additional sales tax resulting from the change will be applied to all HST taxable sales of goods and/or services delivered on or after July 1, 2010.

These customers may be able to apply for a rebate of the additional tax paid under the HST regime by way of an investment tax credit; similar to the mechanism used with the GST. Mircom encourages you to consult your sales tax advisor in this regard.

Any questions about the HST should be directed to the Canada Revenue Agency. Contact information can be found on the Agency's website at www.cra.gc.ca.

Thank you in advance for your co-operation.

Respectfully,

The Mircom Group of Companies

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