



Telecom Information Bulletin CRTC 2026-75

PDF version

Gatineau, 23 April 2026

Update to the Canadian revenue-based contribution regime

Purpose

1. The purpose of this bulletin is to update the information set out in Telecom Information Bulletin 2019-396 with respect to the Commission's revenue-based contribution regime. Specifically, this bulletin reflects the Commission's determination, set out in Telecom Decision 2026-32, to increase the minimum revenue threshold from \$10 million to \$25 million that applies to telecommunications service providers (TSPs).

Background

2. In Telecom Decision 2000-745, the Commission introduced a national revenue-based contribution collection mechanism. As a result, TSPs, or groups of related TSPs, that had \$10 million or more in Canadian telecommunications service revenues (CTSR)¹ were required to pay contributions into a national fund called the National Contribution Fund (NCF). The NCF supports access to Internet and cellphone services in underserved areas (through the Broadband Fund) and accessible telecommunications services (e.g., video relay services).
3. TSPs are also required to pay telecommunications fees, which are collected to recover the Commission's costs attributable to its responsibilities under the *Telecommunications Act*. In Telecom Decision 2006-71, the Commission determined that the minimum revenue threshold for contributions to the NCF would also be applied to the collection of telecommunications fees.
4. In Telecom Decision 2026-32, the Commission increased the minimum revenue threshold for participation in the NCF and payment of telecommunication fees from \$10 million to \$25 million.

Update to the minimum revenue threshold

5. The formula for the calculation of contribution-eligible revenues, found in Part A of the appendix to this bulletin, has been modified to reflect the new \$25 million minimum revenue threshold. This change will take effect on 1 January of the year following amendments to the *Telecommunications Fees Regulations, 2010* (expected to be completed in 2026). The associated definitions and

¹ Contribution-eligible revenues are defined as total CTSR less the following deductions: contribution revenues received, inter-carrier expenses to other TSPs, revenues from terminal equipment, and non-eligible revenue earned from bundled services.

bundling rules for the revenue-based contribution regime can be found in Parts B and C of the appendix to this bulletin.

Secretary General

Appendix to Telecom Information Bulletin CRTC 2026-75

Part A: Approved formula for the calculation of contribution-eligible revenues

Contribution-eligible revenues are to be calculated according to the following formula:

D.1.A: Total Operating Revenues reported in financial statements

D.1.B: Add deductions from revenues

D.1: Subtotal: Total Operating Revenues for contribution purposes

LESS

D.2: Non-Canadian Revenues

D.3: Canadian Non-Telecommunications Revenues

D.4: Subtotal: Canadian Telecommunications Services Revenues (D.1 - D.2 - D.3)

(The \$25 million threshold applies here, as per Telecom Decision 2026-32. To ascertain whether telecommunications service providers (TSPs) are “related” for the purpose of this formula, see International Accounting Standard 24 of the CPA Canada Handbook – Accounting.)

LESS

D.5: Contribution Payments received

D.6: Inter-Carrier Payments

D.7: *No longer being used (formerly Retail Internet Service Revenues) and must be reported as zero (0)*

D.8: *No longer being used (formerly Retail Paging Service Revenues) and must be reported as zero (0)*

D.9: Terminal Equipment Revenues

D.10: Non-Contribution-Eligible Revenues eliminated from those bundles to which both contribution-eligible and non-eligible revenues are attributed

D.11: Subtotal (D.5 + D.6 + D.7 + D.8 + D.9 + D.10)

ADD

D.12: Contribution-Eligible Revenues on package discounts

D.13: Total: Contribution-Eligible Revenues (D.4 - D.11 + D.12)

Definitions for the above-noted terms are set out in Parts B and C.

Part B: Definitions for the revenue-based contribution regime formula

Line	Definition
<p>Line D.1.A: Total Operating Revenues reported in financial statements (Order 2001-220)</p>	<p>“Total Operating Revenues reported in financial statements” refers to a telecommunication service provider’s (TSP) reported non-consolidated operating revenues, prepared in accordance with generally accepted accounting principles.</p>
<p>Line D.1.B: Add deductions from revenues (Order 2001-220)</p>	<p>To the extent the following amounts have been deducted in arriving at a TSP’s operating revenues, these amounts must be added back to arrive at the Total Operating Revenues for contribution purposes:</p> <ul style="list-style-type: none"> • bad debts, • commissions, agent/dealer fees and other selling costs, • material and labour cost of sales, • contribution (portable subsidy) expense, • settlements and other inter-carrier payments, and • costs associated with warranty claims.
<p>Line D.1: Total Operating Revenues for contribution purposes (Order 2001-220)</p>	<p>“Total Operating Revenues for contribution purposes” refers to the sum of “Total Operating Revenues reported in financial statements” and “Add deductions from revenues”.</p>
<p>Line D.2: Non-Canadian Revenues (Order 2001-220)</p>	<p>“Non-Canadian Revenues” means revenues derived from goods and services that are provided outside of Canada, including revenues derived from telecommunications services provided outside of Canada; roaming services provided outside of Canada; the sale of telecommunications systems outside of Canada; the operation and maintenance of telecommunications equipment provided outside of Canada; transit traffic services; and international consulting services provided to customers outside of Canada. If a Non-Canadian</p>

	Revenue is deducted, then the corresponding Inter-Carrier Payments cannot be deducted.
Line D.3: Canadian Non-Telecommunications Revenues (Order 2001-288)	“Canadian Non-Telecommunications Revenues” includes all Canadian revenues that are derived from services other than telecommunications services as defined in section 23 of the <i>Telecommunications Act</i> . Telecommunications services include, among other things, any service that is incidental to the business of providing telecommunications services.
Line D.4: Canadian Telecommunications Services Revenues (Order 2001-220)	“Canadian Telecommunications Services Revenues” (CTSR) means Total Operating Revenues less Non-Canadian Revenues and less Canadian Non-Telecommunications Revenues as those terms are defined for contribution purposes.
Line D.5: Contribution Payments received (Order 2001-220)	“Contribution Payments received” means contribution entitlements from the Central Fund Administrator.
Line D.6: Inter-Carrier Payments (Order 2001-220)	The following payments are deductible as “Inter-Carrier Payments”, to the extent that such expenses were incurred to earn Contribution-Eligible Revenues: <ul style="list-style-type: none"> • expenses incurred, whether inside or outside of Canada, for the transmission and termination of traffic; • expenses incurred, whether inside or outside of Canada, for roaming charges; • expenses incurred in Canada for services, either for administrative purposes or to provide telecommunications services or facilities, including Centrex and private line services, and unbundled local loops; • expenses incurred for switching and aggregation pursuant to a tariff approved by the Commission; • expenses incurred for co-location services; and

	<ul style="list-style-type: none"> • expenses incurred for start-up costs pursuant to a tariff approved by the Commission.
Line D.7	<i>No longer being used (formerly Retail Internet Service Revenues) and must be reported as zero (0).</i>
Line D.8	<i>No longer being used (formerly Retail Paging Service Revenues) and must be reported as zero (0).</i>
Line D.9: Terminal Equipment Revenues (Order 2001-221 and Telecom Decision 2005-32)	<p>“Terminal Equipment Revenues” means revenues from the sale or rental of terminal equipment. Such revenues are defined as revenues generated by the transfer of title or specifically contracted use of any network addressable equipment that is intended for use in conjunction with the provision of a telecommunications service. Equipment providing telecommunications services includes the following:</p> <ul style="list-style-type: none"> • client premises routers, • private branch exchanges, • handsets, and • stand-alone earth station equipment or other satellite-based end-user equipment and jointly-used teleport facilities. <p>Revenues from ancillary services, also considered a component of Terminal Equipment Revenues, include the following:</p> <ul style="list-style-type: none"> • equipment installation, • site preparation, • programming, • maintenance, • customer training, • engineering, • design, • technical support, and • related financing charges.

	<p>A deduction for Terminal Equipment Revenues shall be allowed only when the equipment is located on the customer's premises. Revenues from terminal equipment not located on the customer's premises are contribution-eligible telecommunications revenues.</p>
<p>Line D.10: Non-Contribution-Eligible Revenues eliminated from those bundles to which both contribution-eligible and non-eligible revenues are attributed (Orders 2001-220 and 2001-221)</p>	<p>“Bundling” (or “bundles”) refers to a situation in which one rate covers a number of products and/or services. Definitions and reporting rules for “Non-Contribution-Eligible Revenues eliminated from those bundles to which both contribution-eligible and non-eligible revenues are attributed” can be found in Part C of the Appendix.</p>
<p>Line D.12: Contribution-Eligible Revenues on package discounts (Order 2001-221)</p>	<p>“Contribution-Eligible Revenues on package discounts” applies when one or more contribution-eligible services are offered at a discount that is dependent on the use or purchase of one or more non-contribution-eligible services that are priced above the stand-alone price. In such cases, the excess over the stand-alone price for each of the non-contribution-eligible services would be subject to contribution.</p>
<p>Line D.13: Contribution-Eligible Revenues (Decision 2000-745, Order 2001-220, Order 2001-221, and Telecom Decision 2005-32)</p>	<p>“Contribution-Eligible Revenues” means Canadian Telecommunications Services Revenues less Contribution Payments, Inter-Carrier Payments, Terminal Equipment Revenues, and Non-Contribution-Eligible Revenues eliminated from those bundles to which both contribution-eligible and non-eligible revenues are attributed. Add Contribution-Eligible Revenues on package discounts to the resulting subtotal to arrive at total Contribution-Eligible Revenues.</p>

Part C: The bundling rules (as set out in Orders 2001-220 and 2001-221)

The bundling rules set out, firstly, alternative methods for separating contribution-eligible revenues from non-contribution-eligible revenues and, secondly, rules for reporting the contribution-eligible revenues set out in Part A above.

Methods for separating contribution-eligible revenues in bundles

The Bundling and Other Exemptions Working Group (BOEWG) was charged with addressing the opportunity provided to the industry in paragraph 116 of Decision 2000-745 whereby the Commission was prepared to consider a workable and reasonable proposal to separate non-contribution-eligible revenues from bundled services for the purpose of calculating contribution-eligible revenues.

The BOEWG proposed two methods by which TSPs could calculate contribution-eligible revenues for bundles. In the first method, the portion of revenues from the bundle that represents contribution-eligible service(s) would be calculated on a pro-rata basis using the rates of the elements in the bundle as per the following formula:

$$\frac{\text{Sum [rate(s) for contribution-eligible element(s) X units sold of each]}}{\text{Sum [rate(s) for contribution-eligible and ineligible element(s) X units sold of each]}} \times \text{Revenue for Bundle}$$

$$\text{Sum [rate(s) for contribution-eligible and ineligible element(s) X units sold of each]}$$

The BOEWG recommended that the rates of the elements in the bundle be based on stand-alone prices, where available. If stand-alone prices were unavailable, the rates were to be based on a proxy.

In the second method, contribution-eligible revenues would be calculated based on the rates of the contribution-eligible elements as per the following formula:

$$\text{Sum [rate(s) for contribution-eligible element(s) X units sold of each]}$$

This method was proposed since it was less burdensome to use in some cases because the rates of ineligible elements were not required.

The BOEWG also recommended that if neither of the two methods described above were used, then all revenues from an entire bundle would be considered contribution-eligible.

The BOEWG recommended that if the contribution-eligible elements within a bundle did not represent a material portion of the total value of the bundle, the entire bundle would be deemed contribution-ineligible. The BOEWG also recommended the adoption of a 5% threshold whereby if the proportion of contribution-eligible revenues within a bundle were 5% or lower, then the revenue from the bundle would not need to be included in the CTSR.

Finally, if one or more contribution-eligible services were offered at a discount dependent on the use or purchase of one or more non-contribution-eligible services that were priced above the stand-alone price, the excess amount over the stand-alone price for each of the non-contribution-eligible services would be subject to contribution.

Rules for reporting contribution-eligible revenues in bundles

To ensure that operating revenues are appropriately recorded, operating revenues associated with bundles are to be reported as follows (letter references can be found in Part A):

Bundles with contribution-eligible and non-contribution-eligible revenues

- If the bundle contains both (i) non-contribution-eligible revenues related to Lines D.2 and/or D.3, and (ii) contribution-eligible revenues, then the non-contribution-eligible revenues must be reported on Line D.2 or D.3, as applicable.
- If the bundle contains both (i) non-contribution-eligible revenues related to Line D.9, and (ii) contribution-eligible revenues, then the non-contribution-eligible revenues must be reported on Line D.10 only.
- If the bundle contains both (i) non-contribution-eligible revenues related to Lines D.2, D.3, and/or D.9; and (ii) contribution-eligible revenues, then the Lines D.2 and/or D.3 non-contribution-eligible revenues must be reported on Lines D.2 and/or D.3, as applicable, and the Line D.9 non-contribution-eligible revenues must be reported on Line D.10. If the non-contribution-eligible revenues cannot be separated, then the non-contribution-eligible revenues must be reported on Line D.10 only. Non-contribution-eligible revenues associated with Line D.9 are not to be reported on Line D.2 or D.3.

Bundles with non-contribution-eligible revenues only

- If the bundle contains only non-contribution-eligible revenues, then the revenues must be reported on Lines D.2, D.3, and/or D.9, as applicable. If the revenues cannot be separated, then the revenues must be reported on Line D.10 only. Non-contribution-eligible revenues associated with Line D.9 cannot be reported on Line D.2 or D.3.

Bundles with contribution-eligible revenues representing less than 5% of the bundle

- If the revenues from the bundle comprise less than 5% contribution-eligible revenues, then the entire bundle is considered non-contribution-eligible and the revenues must be reported on Lines D.2, D.3, and/or D.9, as applicable (including the immaterial portion of contribution-eligible revenues).
- If the non-contribution-eligible revenues cannot be separated, all of the revenues are to be reported on Line D.10. If the total of the contribution-eligible revenues and the non-contribution-eligible revenues that would normally be reported on Line D.9 represents less than 5% of the bundle, the total revenues from the bundle can be reported on Line D.2 or D.3, as applicable.

Related documents

- *Independent Telecommunications Providers Association - Request to increase the \$10 million minimum revenue threshold for participation in the contribution regime and payment of telecommunications fees*, Telecom Decision CRTC 2026-32, 18 February 2026
- *The Canadian revenue-based contribution regime, effective 1 January 2020*, Telecom Information Bulletin CRTC 2019-396, 4 December 2019
- *Part VII application to revise the Telecommunications Fees Regulations, 1995*, Telecom Decision CRTC 2006-71, 6 November 2006
- *Accutel Conferencing Systems Inc. – Definition of terminal equipment revenues within the contribution regime*, Telecom Decision CRTC 2005-32, 2 June 2005
- *Definition of Canadian non-telecommunications service revenues for the purpose of the contribution regime*, Order CRTC 2001-288, 11 April 2001
- *Disputed issues submitted by the Contribution Collection Mechanism (CCM) Implementation Working Groups*, Order CRTC 2001-221, 15 March 2001
- *Industry consensus reports submitted by the Contribution Collection Mechanism (CCM) Implementation Working Groups*, Order CRTC 2001-220, 15 March 2001
- *Changes to the contribution regime*, Decision CRTC 2000-745, 30 November 2000