

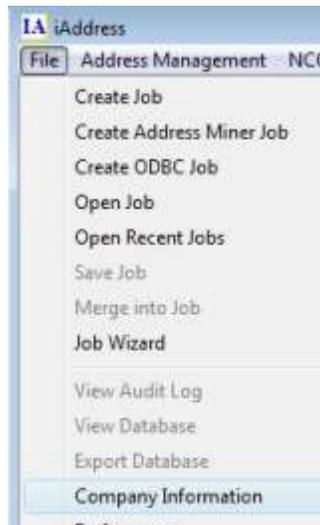
HST Update

July 1, 2010 marks the introduction of the Harmonized Sales Tax (HST) into Ontario and British Columbia. There have been many questions raised about how the tax is applied to postal products. We have reviewed the HST rules with Canada Post accounting and summarize them here for you. Please note that this is general information provided by Canada Post and will reflect how they charge tax on your mailings. If you are unsure of how the new HST rules apply in specific situations, please contact your local tax office for further information.

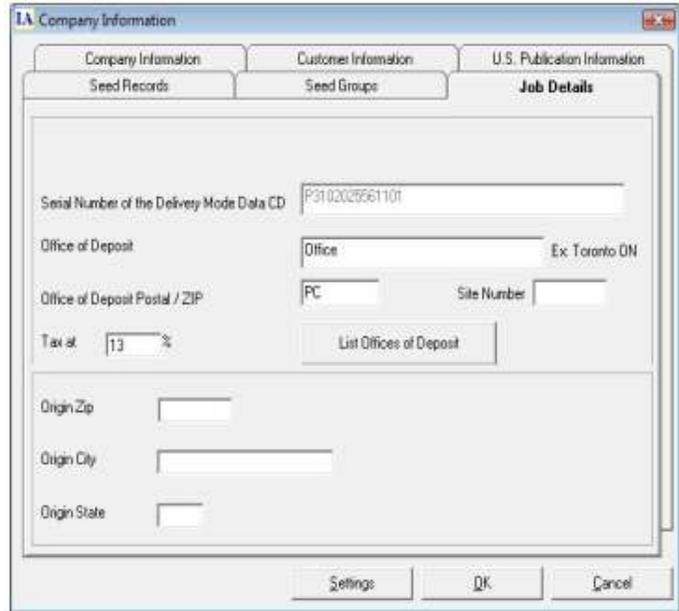
| If you deposit in: | Your tax rate will be: |
|---|------------------------|
| PEI | 5% GST |
| New Brunswick | 13% HST |
| Newfoundland | 13% HST |
| Nova Scotia | 15% HST |
| Quebec | 5% GST + 7.5% QST |
| QST is calculated on postage + GST amount | |
| Ontario | 13% HST |
| Manitoba | 5% GST |
| Saskatchewan | 5% GST |
| Alberta | 5% GST |
| British Columbia | 12% HST |
| Yukon | 5% GST |
| Northwest Territories | 5% GST |
| Nunavut | 5% GST |

If you need to update your tax rate in iAddress™, instructions are as follows:

Go to **File** and select **Company Information**:



Select the **Job Details** tab, and enter your new tax rate. Click **OK** to save your setting.



IMPORTANT: Publications Mail Reminder

Publications mailers sending magazines are reminded that they must place the Basic Identifying Information (Publications Mail Agreement Number) on the outside of any publication. This includes magazines. If you print the Publications Mail number on your masthead, you must still print this number on the outside of the mail piece, preferably on or close to the address label.

If you are using the Undeliverable Publications Mail (uPM) electronic option, you no longer need to include a Canadian return address (formerly referred to as the Detailed Identifying Information) although it is still recommended. If you choose to receive your undeliverable publication returns by mail, you must still include the Canadian return address on your mail piece. There are several acceptable locations to print this information on an unwrapped mail piece. These include one of the first five pages, the masthead, or on the outside of the mail piece. For full details, please consult the Publications Mail Customer Guide published by Canada Post.

The Canada Post approved format for displaying the Canadian return address is as follows:

RETURN UNDELIVERABLE ITEMS TO
COMPANY/DEPARTMENT
123 MAIN ST
CITY PR A1A 1A1

Business Desktop 2.0

The following information was provided by Howard Calvert, Director of Customer Service Process. Howard has been overseeing the Business Desktop roll-out and took the time to answer some burning customer questions. A big thank you to Howard for allowing us to reprint his answers.

The most important question from most customers: When do VCD and the online EST officially end? The good news for online users is there are currently no plans to decommission the online version of the EST. With respect to VCD, Howard reports: "The planned migration end date is June 30. In the weeks following June 30, we will be advising customers of our intention to decommission their VCD access.

We recognize that some customers may need additional time to complete the migration as a result of unforeseen functionality issues. These will be reviewed and reasonable requests for extensions will be approved on an individual basis." However, the VCD application will stay on your desktop and you will continue to have access to your customer historical data.

Howard further reports that for migration support "our Help Desk (800-277-4799) remains the primary source of assistance for customers migrating to the new BDT application. They are receiving constant updates from our development team to ensure that they are familiar with the latest improvements being introduced in the application. As we are now moving into a stabilization phase for this application, their knowledge and skills will continue to grow. This team also has access to the development team and our field Customer Automation team when a requirement to escalate an issue occurs. By logging all issues with our Help Desk, we can manage those issues that are occurring and react more quickly to emerging customer needs."

And what about the lack of help files and documentation? "Canada Post maintains all Help Files within the application electronically to ensure that the latest content is always available to users. "How Do I's" (interactive help files) are available for our Distribution products. These tools are under development and will be available in early July for our Direct Marketing and Lettermail products."

The following improvements have been made over the past few months, which Howard feels will make the new Business Desktop more attractive to users:

- **increased server capacity which has significantly reduced processing issues**
- **type ahead functionality in several data entry sites**
- **new column sorting feature**
- **enhancements to the mailing plan import and deletion functionality**
- **more agents at the Help Desk**

It is anticipated that these improvements and more to come will make the transition from VCD to Business Desktop 2.0 more streamlined for customers. Flagship Software continues to monitor any issues with mailing plan uploads. If you are continuing to have issues with BD2.0 and the Help Desk is not resolving those issues, please e-mail Kristi at: kristi@flagshipsoftware.com and we will let Howard know right away.

Last Newsletter until September!

With summer approaching, we thought you might like to find some lighter reading material for your holidays! We won't be publishing a newsletter in July or August but will restart with industry and product updates in September. Whether your plans include travel or enjoying your neighbourhood, sports with the kids or gardening at home, we wish you a warm and relaxing summer!

Flagship Training Course

Our training courses are now finished for the summer. However, we will be running web-based training over the summer.

The next training course in our Richmond Hill office will be Wednesday, September 15th.

If you wish to attend our September training course or register for web training please contact Carolyn Trebell at carolyn@flagshipsoftware.com.

