



GST groups and branches

Detailed information about GST groups and branches.

GST branches



GST branch is formed when a business entity separately registers its branch to suit the arrangements of an organisation.

GST groups



A GST group is two or more associated business entities that operate as a single business for GST purposes.

Indirect tax sharing agreement – reasonable allocation of indirect tax law liability



Policy guidelines on the reasonable allocation of indirect tax law liability under an indirect tax sharing agreement.

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GST branches

GST branch is formed when a business entity separately registers its branch to suit the arrangements of an organisation.

Eligibility

How to register a GST branch

How to operate a GST branch

How to cancel a GST branch registration

Effect on GST turnover

A GST branch is formed when a business entity separately registers its branch to suit the structural, management and accounting arrangements of the organisation. When an entity registers a branch for GST purposes, the entity is called the 'parent entity'.

A GST branch accounts for GST separately from their parent entity.

Find out about:

- [Eligibility](#)
- [How to register a GST branch](#)
- [How to operate a GST branch](#)
- [How to cancel a GST branch registration](#)

See also:

- [Effect on GST turnover](#)
- GST groups

Eligibility

Generally, a registered entity is able to register its branch as a GST branch if:

- the branch has an independent system of accounting
- the branch can be separately identified (either because of its distinctive activities or location)
- the entity carries on (or intends to carry on) an enterprise through the branch, and

- the entity is not a member of a GST group.

An 'independent system of accounting' is one that can produce the results of each branch without relying on the accounts of the parent entity, another branch or any other entity. It is not simply a cost centre in the parent entity's accounts.

Entities can register as many of their branches as they wish, provided they satisfy these requirements.

How to register a GST branch

To register a GST branch, the parent entity applies using this form:

- **Application to register a GST or PAYG withholding branch**

We'll notify the parent entity of the branch's unique GST branch registration number.

How to operate a GST branch

The branch effectively operates as a distinct entity for reporting purposes. This means:

- GST is payable on taxable sales between GST branches and the parent entity
- GST is payable on taxable sales between GST branches
- GST credits can be claimed on both of these transaction types.

When a branch makes a sale, purchase or importation, it accounts for any GST payable or GST credits claimable, and for any adjustments relating to the transaction.

An activity statement for each GST branch must be lodged for each tax period that applies to the parent entity. The parent entity is responsible for lodgment of the activity statement, but it can be prepared and lodged by either the parent entity or the GST branch.

The parent entity must lodge a separate activity statement for any transactions not included in the activity statements of the GST branches.

The parent entity is liable for any GST amounts that the branches owe to the ATO.

When a GST branch makes a taxable sale, it issues a tax invoice that must show the registration number of the GST branch (which incorporates the ABN of the parent entity).

The branch must also show its registration number on any adjustment notes it issues.

How to cancel a GST branch registration

The parent entity must apply to us to cancel the GST registration of a branch within 21 days if it ceases to carry on an enterprise through the branch.

In other circumstances, the parent entity can ask us to cancel the GST branch provided the branch has been registered for 12 months or more.

However, we can still cancel the branch's registration if we're satisfied that the parent entity:

- is not carrying on an enterprise through the branch
- will not carry on an enterprise through the branch in the following 12 months.

In these circumstances we may cancel the registration even without a request being lodged.

A branch registration ceases to have effect if the parent entity's GST registration is cancelled.

Next step:

- Cancel GST registration

Effect on GST turnover

An entity must register for GST when its GST turnover exceeds certain thresholds. When an entity operates with a branch structure, these thresholds apply to the entity as a whole, including the turnover of any branches.

GST groups

A GST group is two or more associated business entities that operate as a single business for GST purposes.

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Eligibility

How to register a GST branch

How to operate a GST branch

How to cancel a GST branch registration

Effect on GST turnover

A GST group is two or more associated business entities that operate as a single business for GST purposes. One member of the group (the 'representative member') completes activity statements and accounts for GST on behalf of the whole group.

Find out about:

- [Benefits of forming a GST group](#)
- [Eligibility](#)
- [How to form a GST group](#)
- [How to operate a GST group](#)
- [Effect on GST turnover](#)

See also:

- GST branches

Benefits of forming a GST group

If you're a member of a GST group, transactions you conduct with other group members are ignored for GST purposes. This means you're not liable to pay GST to us on sales you make to other members and can't claim GST credits for purchases from other members.

As a member of a GST group:

- your administrative and cash flow costs associated with intragroup transactions are reduced
- you don't have to issue tax invoices for intragroup transactions (tax invoices for transactions outside the group must still be issued by the group member making the sale)
- your representative member will complete the activity statement to report GST on your behalf.

It's important to note that the representative member is responsible for the GST that each group member is liable to pay to us and can also claim all the GST credits to which each group member is entitled.

Eligibility

Companies, trusts and partnerships with common ownership or membership may operate as a group. Individuals, or family members of individuals, associated with these entities may also be part of a GST group. However, a GST group can't consist solely of individuals.

To form a GST group each member must:

- be registered for GST
- have the same tax period as all the other members of the proposed GST group
- account for GST on the same basis (that is, cash or non-cash) as all the other members of the proposed GST group
- not belong to any other GST group
- have no branches for GST purposes
- satisfy the requirements and regulations that apply to that particular type of entity.

One member of the group must be nominated as the representative member. This member must be an Australian resident for tax purposes. Other members don't need to be Australian residents for tax purposes.

How to form a GST group

To form a GST group you must ensure all group members are eligible and then notify us using this form:

- GST group – notification of forming, changing or cancelling

You also use this form to:

- add or remove a GST group member
- change the representative member of a GST group
- cancel a GST group.

How to operate a GST group

The representative member of a GST group must complete activity statements and account for any net GST adjustments on behalf of all group members. Intra-group transactions are not included in the activity statements.

The representative member must also notify us:

- if they have
 - added or removed members from the GST group
 - changed the GST group's representative member
 - dissolved the GST group
- within 21 days if an entity who was a member no longer meets the requirements to be in the group.

While the representative member is generally responsible for paying GST and claiming GST credits, the members of a GST group are jointly and separately responsible for any amount the representative member is liable to pay us. However, members of a GST group can enter into an indirect tax sharing agreement with the representative member of the group to limit their liability for the representative member's indirect tax liability.

If a GST group member makes a taxable importation and GST is payable at the time customs duty is paid, the group member responsible for the importation will be liable to pay the GST. Otherwise, the representative member will pay the GST on the importation. In both cases, the representative member is eligible to claim any allowable GST credits on the importation.

See also:

- Indirect tax sharing agreement – reasonable allocation of indirect tax law liability

Effect on GST turnover

An entity's GST turnover affects whether it is required to register for GST, and the method and timing of its GST accounting and reporting.

For a member of a GST group, their GST turnover is the GST turnover of the entire group, excluding any sales between group members.

See also:

GSTR 2001/7 Goods and services tax: meaning of GST turnover, including the effect of section 188-25 on projected GST turnover.

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