



GST for non-resident businesses

Australian GST may apply to you for retail sales of imported services, digital products or low value imported goods.

How Australian GST works

Information if you are a non-resident business and you sell goods and services into Australia.

GST on low value imported goods

Australian goods and services tax (GST) on low value imported goods (A\$1,000 or less).

GST on imported services and digital products

Make sure to apply GST to sales if your business imports services or digital products into Australia.

Non-resident businesses making online sales to Australia

How non-resident suppliers of imported services, digital products and low value goods can meet their GST obligations.

GST registration for non-resident businesses



Options for non-resident businesses that need to register for Australian goods and services tax (GST).

How to charge GST on imported services, digital products and low value imported goods



When to charge GST on services, digital products and low value goods that are imported.

Our compliance approach to imported services, digital products and low value imported goods



We encourage non-residents to comply with our laws.

GST on sales of Australian accommodation by offshore sellers



Offshore sellers of Australian commercial accommodation need to register for Australian goods and services tax (GST).

GST cross-border transactions between businesses



Check if your transaction between overseas businesses and Australian businesses is still subject to GST.

Australian business importing goods and services



Information for Australian businesses about paying GST when buying imported services, digital products or low value imported goods.

Australian consumers importing goods and services

Information for consumers about paying GST when buying imported services, digital products and low value imported goods.

QC 49240

How Australian GST works

Information if you are a non-resident business and you sell goods and services into Australia.

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GST rate

The GST rate in Australia is 10%, meaning GST is 1/11th of the amount you charge for sales connected with Australia.

If GST applies

Sales connected with Australia

GST applies to sales connected with Australia including goods, services, real property or other things. Examples include:

- digital products, such as software or eBooks, to Australian consumers
- imported services, such as professional consulting services, to Australian consumers
- low value goods imported into Australia with a customs value of A\$1,000 or less when the price is first agreed with the consumer

(except for tobacco products or alcoholic beverages)

- other imported goods made available for sale in Australia
- real property such as land, residential and commercial property in Australia.

For more information and rulings about sales connected to Australia, see:

- [GSTR 2017/1](#) *Goods and services tax: making cross-border supplies to Australian customers*
- [LCR 2018/1](#) *GST on low value imported goods*
- [LCR 2018/2](#) *GST on supplies made through electronic distribution platforms*
- [LCR 2018/3](#) *When is a redeliverer responsible for GST on a supply of low value imported goods?*

Non-resident businesses and your GST turnover

You must register for GST in Australia if **both** of the following apply:

- You are carrying on a business or enterprise.
- Your GST turnover from sales connected with Australia from your enterprise is equal to, or greater than the registration turnover threshold of A\$75,000 (or A\$150,000 if you are a non-profit organisation).

GST turnover includes the combined value of:

- imported services and digital products to Australian consumers
- low value imported goods to consumers.

If all of these sales are made through an online marketplace or electronic distribution platform you may not need to register for GST.

For more information about sales made through an electronic distribution platform, see [if you are an EDP operator](#).

You can choose to register for GST voluntarily if your GST turnover is less than A\$75,000 (\$150,000 for non-profit organisations).

If you choose to register, you should stay registered for at least 12 months.

Work out your GST turnover

Your GST turnover is your total business income from Australian sales, (not your profit), minus any:

- sales of imported services and digital products or low value imported goods to Australian businesses registered for GST
- sales not connected with Australia
- GST included in your sales
- sales that aren't for payment and aren't taxable
- sales not connected with an enterprise you run
- input-taxed sales you make.

You reach the GST turnover threshold if either:

- your 'current GST turnover' (your turnover for the current month and the previous 11 months) totals \$75,000 or more (\$150,000 or more for non-profit organisations)
- your 'projected GST turnover' (your total turnover for the current month and the next 11 months) is likely to be \$75,000 or more (\$150,000 or more for non-profit organisations).



[GST definitions](#) will help if you don't know what terms mean.

Identifying GST-registered business customers

Ensure your customers are Australian GST-registered businesses by:

- getting their Australian business number (ABN), and
- a statement, that they are registered for GST.

You can confirm your customer has an ABN and is registered for GST by:

- searching for their ABN on the [ABN Lookup tool](#) 
- integrating ABN Lookup validation and data into your own applications using the free [ABN Lookup web services](#) .

GST registration

To ensure you meet your GST obligations, make sure you view the relevant registration requirements.

GST registration options

If you are a non-resident business, you can choose from simplified or standard registration.

Simplified GST registration is not available if you are a non-resident business that imports goods and warehouses them in Australia before selling them online, directly or through an electronic distribution platform. You will have a GST obligation for the goods sold because the goods are located in Australia. Instead, standard GST registration will allow you to meet your GST obligations and also allow you to claim GST credits you incur on the taxable importation of the goods.

You can use:

- [simplified GST registration](#) if you
 - don't need an ABN
 - make sales connected with Australia
 - make sales that are imported services, digital products or low value imported goods
 - want to electronically register, report and pay quickly and easily
 - don't need to claim [GST credits](#) (including credits for [taxable importations](#)).
- [standard GST registration](#) if you
 - have or need an ABN
 - make sales connected with Australia
 - need to issue tax invoices
 - want to claim GST credits.
- [standard GST-only registration](#) if you
 - **aren't** entitled to an ABN
 - **don't** make sales connected with Australia
 - want to claim GST credits.

Change your type of registration

You can change your type of registration between simplified GST and standard GST, but you can't be registered for both at the same time. If

you hold an:

- ABN, you can't hold an ATO reference number (ARN)
- ARN, you can't hold an ABN.

To discuss changing your registration, [contact us](#).

[GST definitions](#) will help if you don't know what terms mean.

Cancel your registration

If you're a non-resident business, you can cancel your GST registration or ABN.

Cancel your GST registration

To cancel:

- **your simplified GST registration:**
 - write to us at InternationalGST@ato.gov.au, or
 - contact your Australian tax agent.
- **your standard** GST registration (including standard GST-only registration):
 - refer to [Cancelling your GST registration](#), or
 - contact your Australian tax agent.


You must cancel your registration within 21 days of:

- selling or closing your business
- changing your business structure, such as from a partnership to a company, unless the old entity carries on another business.

When cancelling your GST registration:

- an authorised contact needs to notify us
- you must lodge a final GST return or BAS and ensure all sales are reported
- you must pay any outstanding amount due
- only cancel the relevant ARN or GST registration
- cancel on the last date of your reporting period and if you are backdating your cancellation tell us why.

Cancel your ABN

If you are using standard registration and have to cancel your GST registration because you restructured your business, sold it or closed it down, you must also ask us to cancel your ABN registration by [contacting us](#) .

If you decide to cancel your GST registration because you're below the GST turnover threshold, you may also choose to cancel your ABN registration.

GST lodgment and payment options

Based on your GST registration type, there are different methods to lodge and pay your BAS.

For lodgment options refer to:

- [Lodge using simplified GST](#)
- [Lodge using standard GST](#)

For payment options refer to:

- [Pay using simplified GST](#)
- [Pay using standard GST](#)

QC 18025

GST on low value imported goods

Australian goods and services tax (GST) on low value imported goods (A\$1,000 or less).

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How this applies

If you are a non-resident business and you sell goods into Australia with a customs value of A\$1,000 or less, GST applies and you will have to collect this from your customer and send the GST to us.

The customs value is the price the goods are sold for, minus freight and insurance from the place of export.

Some goods have different rules:

- GST will not apply to some sales – see [GST-free supplies for non-residents](#).
- For consignments of goods imported over A\$1,000 any GST, customs duty and clearance charges are charged to the importer at the border.
- If goods are alcohol or tobacco products imported into Australia, other taxes and duties will apply at the border.

Who this applies to

This may apply to:

- [merchants](#)
- [electronic distribution platform \(EDP\) operators](#)
- [redeliverers](#) selling and/or redelivering low value goods into Australia.

If more than one of these businesses is involved in a sale, work out [how to charge GST](#).

When this applies

This applied from 1 July 2018 and applies to sales of:

- individual low value imported goods
- multiple low value imported goods.

Example: Individual low value imported good

Jeans Co in Italy is registered for GST and sells jeans worldwide including delivering to its customers in Australia.

Noel buys one pair of jeans for A\$350, including A\$50 for shipping to Australia and insurance. The jeans are a low value good because they are less than A\$1000. The customs value of the jeans is A\$300.

Jeans Co charges Noel GST on the sale of the jeans as they are a sale of low value imported goods. Jeans Co must charge GST on the total price it charges Noel for the delivered jeans, which is A\$350.

Jeans Co will need to collect and pay the GST on this sale of low value imported goods to the ATO.

Exception for multiple goods totalling over A\$1,000

This exception applies when a number of low value goods are shipped to Australia as one consignment, with a total customs value over A\$1,000. This means they will be taxed at the border.

Example: Multiple goods packaged together

Jewellery Co in the United Kingdom is registered for GST and sells jewellery worldwide including delivering to its customers in Australia.

Nancy buys two necklaces for A\$750 each, plus A\$50 for shipping to Australia and insurance. Each necklace is a low value good.

Under Jewellery Co's standard business processes, it's clear the necklaces will be shipped in the same package to Australia. The necklaces are shipped in one consignment with a customs value over A\$1,000. The customs value of the two necklaces consigned together is A\$1,400.

Jewellery Co doesn't charge GST on the sale to Nancy because it applies the exception to allow the importation to be taxed at the Australian border.

If Jewellery Co had shipped the necklaces in two consignments, it would have charged Nancy GST on the sale as the exception could not be applied.

For more information see [LCR 2018/1](#) *GST on low value imported goods*.

What to do if this applies to you

You may need to:

- register for GST
- charge GST
- lodge business activity statements (BAS) or GST returns with us
- pay the GST to us
- ensure that correct information is given to customers and included on customs documents.

These things are explained in [How Australian GST works](#).

QC 52551

GST on imported services and digital products

Make sure to apply GST to sales if your business imports services or digital products into Australia.

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How this applies

GST applies to sales made by businesses outside Australia to Australian consumers who purchase imported:

- services
- digital services
- digital products.

Who this applies to

This may apply to:

- [merchants](#) that are non-resident businesses importing services or digital products into Australia to Australian consumers
- [electronic distribution platform \(EDP\) operators](#).

If more than one of these businesses is involved in a sale, work out [how to charge GST](#).

When this applies

From 1 July 2017, GST applies to the sale of imported services and digital products to Australian consumers.

What are imported services and digital products

We call these imported services and digital products 'inbound intangible consumer supplies'. Examples include:

- sales of digital content such as e-books, movies, TV shows, music and online newspaper subscriptions
- online sales of games, game codes, apps, software and software maintenance
- webinars or distance learning courses
- insurance services
- gambling services
- online dating services
- booking services for events or places within Australia (such as hotel accommodation or sports events)
- website design or publishing services
- professional association services (such as membership fees)
- legal, accounting, architectural or consultancy services.

What to do if this applies to you

You may need to:

- register for GST
- charge GST
- lodge business activity statements (BAS) or GST returns with us

- pay the GST to us.

These things are explained in [How Australian GST works](#).

See also

- [GSTR 2017/1](#) *Goods and services tax: making cross-border supplies to Australian customers*
- [LCR 2018/2](#) *GST on supplies made through electronic distribution platforms*

QC 53370

Non-resident businesses making online sales to Australia

How non-resident suppliers of imported services, digital products and low value goods can meet their GST obligations.

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Your GST obligations

Media: [International GST – Get the facts on Aussie tax](#) 

(Duration: 00:30)

If you're a non-resident supplier of imported services, digital products or low value imported goods, you have goods and services tax (GST) obligations to meet.

Once you are registered for GST, you need to:

- work out if you are selling to an Australian GST registered business
- include GST in the price of
 - sales of low value imported goods to consumers (except for tobacco products or alcoholic beverages) with a customs value of A\$1,000 or less

- sales of imported services and digital products made to Australian consumers
- lodge your GST returns or business activity statements (BAS) and pay in Australian dollars
- keep good records, including giving the correct information to customers and on customs documents.

For more information about importing into Australia, see [How Australian GST works](#) and [GST on imported services and digital products](#). If you don't know the meaning of a particular term, see [GST definitions](#).

Sales to a business or consumer in Australia

You need to determine if:

- you're selling to either
 - a GST-registered business
 - someone else in Australia
- GST doesn't apply to sales made to Australian GST-registered businesses that are buying for business use.

For more information, see [how to charge GST on imported services, digital products and low value imported goods](#).

GST-inclusive pricing

The GST rate in Australia is 10%, meaning GST is 1/11th of the amount you charge for sales. However, [if you are a redeliverer](#), special rules apply.

You must display a GST-inclusive price as soon as you're aware Australian GST is likely to apply to a sale. This is required by Australian consumer law, see [Australian Competition and Consumer Commission](#) [↗](#).

If you're not sure if Australian GST applies, you can display a message advising additional taxes may apply. As soon as it's clear that GST

applies, you must show the GST-inclusive price. These requirements are the same regardless of the currency.

Example: displaying the GST-inclusive price

Yukiko runs a business in the USA, selling paper knitting patterns worldwide including Australia.

She displays the price of each pattern with the statement 'additional taxes may apply'.

She receives an order from Australia. She finds out the purchaser is in Australia and isn't a GST-registered business, so she updates the price to include GST. This is done at the checkout once the purchaser has entered their delivery address.



Converting currency to Australian dollars

Low value imported goods

When goods are sold in a currency other than Australian dollars and you're unsure if the customs value of the goods will be a A\$1,000 or less, you need to convert the amount into Australian dollars.

When converting currency to determine the customs value of the goods, you **must** use the same exchange rate option each time.

You can use any of these exchange rate options:

- the Australian Border Force [exchange rates](#) 
- the [Reserve Bank of Australia](#)  (RBA) rate, or a rate published by another central bank (such as the European Central Bank)
- an exchange rate that's consistently higher than the RBA rate against the Australian dollar provided by a foreign exchange organisation that gives exchange rates publicly
- a rate published by a foreign exchange organisation (for example, a commercial bank).

Lodging your BAS or GST return

Use Australian dollars when completing your BAS or GST return. You must also pay your GST amount to us in Australian dollars. To do this, you need to make the conversion to Australian dollars on a particular day, known as your conversion day.

You can choose from 4 options when converting your sales and GST into Australian dollars:

- option 1, when you account for GST on a non-cash basis – your conversion day is the earlier of the
 - day on which any of the payment is received for a sale
 - transaction date or invoice date (whichever you have chosen)
- option 2, when you account for GST on a cash basis – your conversion day is either the
 - transaction date
 - invoice date
 - day on which any of the payment is received for the supply of the goods
- option 3, if you are registered for standard GST and make sales of imported services, digital products and low value imported goods – your conversion day is either
 - the final day in the tax period for sales of imported services, digital products and low value imported goods
 - option 1 or 2 if you have a GST liability for other sales
- option 4, if you are registered for simplified GST – your conversion day is either
 - the final day in the tax period
 - option 1 or 2.

The exchange rates are:

- the Reserve Bank of Australia (RBA) rate
- a rate published by a foreign exchange organisation
- an agreed rate (between you and your GST-registered customer that applies for sales made under an agreement for the period of

that agreement. If you are associates, the rate must reflect a rate that would be agreed if you were dealing at arm's length)

- for sales of low value goods, the same rate you used to work out the customs value of the goods.

For more information and rulings foreign currency, see:

- [Foreign exchange rates](#)
- [F2018L00725](#)  *Goods and Services Tax: Foreign Currency (Customs Value of Low Value Goods) Determination 2018*
- [GSTR 2001/2](#) *Goods and Services Tax: foreign exchange conversions*
- [F2017L00845](#) *FOREX 2018/1 Goods and Services Tax: Foreign Currency Conversion Determination 2018.*

Adjustments and fixing GST mistakes

Make sure you correct mistakes and make an adjustment, on your BAS or GST return if:

- you've incorrectly charged GST
 - on a sale of goods that aren't [low value imported goods](#)
 - to a customer that isn't a [consumer](#)
 - to a customer that isn't an [Australian consumer](#)
- you provide a refund on goods or digital products returned by a customer
- a digital supply is cancelled (for example, a cancelled subscription or withdrawal from an online course)
- you provide your customer a refund of GST that was collected again at the border on imported goods.

If any of the above circumstances apply, you're only entitled to a GST refund from us, in your BAS or GST return, after reimbursing your customer the GST.

Adjustments for excess GST are known as credit errors. You can correct a credit error on a later activity statement, after you've reimbursed your customer the excess GST. The correction of a credit

error must be made within the time limit. When reporting credit errors on an activity statement, see [correcting GST errors](#).

Issuing tax invoices or receipts

If you are registered for:

- standard GST, you can issue [tax invoices](#) or issue receipts showing your Australian business number (ABN)
- simplified GST, you issue receipts but not tax invoices as you don't have an ABN.

If your customer is an Australian GST-registered business purchasing for business purposes, you **don't** charge GST or issue tax invoices.

For sales of imported services, digital products and low value imported goods you are not required to issue a tax invoice or adjustment note to your customers. If you choose to issue a tax invoice (which you can only do if you have an ABN), it must have all of the required information.

There are certain requirements when issuing tax invoices or receipts. They are:

- if the total price of a transaction is over A\$1,000, to include the purchaser's name (this could occur if you sell multiple goods)
- to include your ABN or ATO reference number (ARN)
- to state if GST is included in the price.

When you charge GST on a sale of low value imported goods, you must issue a receipt to the customer. This can be in an electronic form, such as an email confirmation or a receipt.

The receipt must contain the following information:

- your name
- your GST registration number, which is either ARN or ABN
- the date of issue
- a description of what you supplied, including the quantity (if applicable) and the price
- the amount of GST payable

- information that identifies whether GST was charged on the goods
- if you charged GST on all the goods, you can include the GST-inclusive price and state that this price includes GST (alternatively, you can include the GST for each item)
- if GST was not charged on some of the goods, the receipt must show which goods were subject to GST.

If the total price of the sale is over A\$1,000, you also need to include the name of the customer. This could occur if you sell multiple low value goods and have not applied the exception for multiple goods that total over A\$1,000.

Keeping records

You are legally required to keep [records](#) of all transactions relating to your Australian tax affairs for 5 years.

Requirements for customs documents for low value imported goods

You must ensure tax information is included on your customs documents, including self-assessed clearances or import declarations, when registered for GST and you are:

- a merchant who sells low value imported goods
- an electronic distribution platform operator
 - treated as the supplier of low value imported goods
 - ensuring merchants do this on your behalf
- a redeliverer treated as the supplier of low value imported goods.

You do this by:

- including information on commercial documents
- requesting this information be included by the customs broker or transporter completing the customs documents on behalf of the importer.

This information is required when you:

- charge GST on a sale of low value imported goods

- don't charge GST because the purchaser isn't a [consumer](#) – instead they're a GST-registered business with an ABN
- don't charge GST because you applied the [exception for multiple goods totalling over A\\$1,000](#).

The tax information you must include is:

- your GST registration number, which is either your ARN or ABN (referred to as your Vendor ID on import documents)
- the customer's ABN, if you have it
- whether GST was charged on the goods
- receipts with the information needed to complete customs documents when GST applies to the sale.

Penalties may apply if you fail to take reasonable steps to ensure that the relevant tax information is included on customs documents.

[If you are a transporter or customs broker](#), you need to understand how GST on low value imported goods affects you.

For more information about the requirements for customs documents, see Law Companion Ruling [LCR 2018/1](#) *GST on low value imported goods*.

QC 52556

How to charge GST on imported services, digital products and low value imported goods

When to charge GST on services, digital products and low value goods that are imported.

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This page will give you – as a non-resident business delivering services, digital products and low value imported goods into Australia – some additional specific information about concepts, how the process works and what to do.

This information should be read with [How Australian GST works](#) and [GST on imported services and digital products](#).

If you are an Australian business or consumer, see:

- [GST and consumers – imported services, digital products and low value imported goods](#)
- [GST and Australian businesses – imported services, digital products and low value imported goods](#)

Details to help you work out if sales are connected with Australia

Sales of imported services, digital products and low value imported goods are connected with Australia if:

- they are not sold to GST-registered businesses
- the purchaser is an Australian consumer or consumer
- a merchant, an electronic distribution platform operator or a redeliverer helps to bring the good, product or service to Australia
- the [exception for multiple goods totalling over A\\$1,000](#) doesn't apply.

Who charges GST

You may need to register for and charge GST if you:

- are a [merchant who sells imported services, digital products and low value imported goods](#) to customers who are not registered for GST
- are an [electronic distribution platform \(EDP\) operator](#), such as an online marketplace or app store that merchants use to sell imported services, digital product and low value imported goods
- are a [redeliverer that helps to bring low value imported goods](#) to Australia.

There are different obligations for [transporters or customs brokers](#), [drop shippers](#), [Australian businesses](#) and [Australian consumers](#).

Only one business charges GST

Only **one** business is required to charge GST on a sale:

- If an EDP operator is responsible for GST on a sale, the merchant won't be responsible for GST.
- If an EDP operator or the merchant is responsible for GST on a sale, a redeliverer won't be responsible for GST.

When not to charge GST

Some sales don't include GST. These GST-free sales are known as 'zero-rated' sales in some countries. See [GST-free supplies for non-residents](#).

GST doesn't apply to sales of imported services, digital products and low value imported goods when they're made to Australian GST-registered businesses.

Customs documents for low value imported goods

You must include certain tax information on import documents:

- your Australian business number (ABN) or ARN (vendor ID)
- your customer's ABN if they have supplied it to you
- if you have collected GST

GST-free supplies for non-residents



Find out about GST-free supplies (sales) for non-residents.

If you are a merchant



Explains GST if you're a non-resident business selling imported services, digital products and low value imported goods.

If you are an EDP operator



Australian GST for EDPs dealing with imported services, digital products and low value imported goods.

If you are a redeliverer



Check if you are a redeliverer and what your GST obligations are when you ship goods to Australia.

QC 52553

GST-free supplies for non-residents

Find out about GST-free supplies (sales) for non-residents.

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Under Australian GST law some sales are [GST-free](#). This term is generally the same as:

- zero rated (in other countries with VAT/GST systems)
- exempt (in countries with sales tax systems).

Food and beverages

Most basic food and beverage items are GST-free. This includes some food and beverage ingredients. Non-essential food and beverage items are taxable – for example, confectionery or savoury snacks.

For more information, see [GST and food](#).

Medical services

Medical services are GST-free if either:

- a benefit is payable for the services under the Australian Medicare legislation
- the service is both
 - provided by or on behalf of a medical practitioner registered under a law of a State or Territory of Australia

- generally accepted as being necessary for the appropriate treatment of the recipient.

This is subject to some exceptions, such as cosmetic procedures, which are taxable.

For more information, see [GST and medical services](#).

Medical aids and appliances

Medical aids and appliances (including spare parts for medical aids and appliances) are GST-free if the items are all of the following:

- specifically listed in the GST legislation
- specifically designed for people with an illness or disability
- not widely used by people without an illness or disability.

Goods that assist in medical research or the manufacture of medical aids and appliances are not included, for example 3D printers and related software.

For more information, see [GST and medical aids and appliances](#).

Education courses and materials

Generally, an education course is GST-free if the course or institution providing the course is accredited either:

- under the relevant law of a state or territory of Australia
- by the Education Minister.

Education course materials are GST-free when provided by the entity supplying the GST-free education course. The materials used by the students doing the course for the purpose of the course, for example, photocopied or printed course notes for a GST-free education course, are GST-free.

However, some materials, used in education courses are not GST-free, for example textbooks.

Cars and car parts for eligible people

The purchase or lease of a car and certain car parts can be GST-free when made by an eligible:

- disabled veteran
- person with a disability who is gainfully employed.

To receive car or car parts GST-free, a declaration for exemption must be completed and presented to the car or car parts supplier.

See also

- [Declaration for an exemption of GST on a car or car parts – person with a disability who is gainfully employed](#)
- [Declaration for an exemption of GST on a car or car parts – disabled veterans](#)

Help

If you still have questions after reading this information, you can:

- visit [GST-free supplies](#).

QC 52379

If you are a merchant

Explains GST if you're a non-resident business selling imported services, digital products and low value imported goods.

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This information is helpful if you're a non-resident business selling imported services, digital products and low value imported goods (that is, you are a merchant).

This information should be read with [Non-resident businesses and GST](#) and [GST on imported services and digital products](#).

Who pays GST

You're responsible for GST that applies to your sales if you:

- sell low value goods that are imported by a consumer in Australia
- sell services or digital products from outside of Australia to Australian consumers
- help deliver goods to Australia by sending them yourself or arranging delivery
- don't make supplies through an EDP operator that's responsible for collecting GST.

Example: Non-resident merchant

Electronics Co is a merchant in China selling electronic products to consumers in Australia and meets the A\$75,000 threshold to register for GST in Australia.

On 1 July 2018, Vishal buys a device from Electronics Co. Electronics Co arranges the item to be shipped to Australia. On its website, Electronics Co displays a price including GST.

Electronics Co charges Vishal A\$110. It returns GST of A\$10 from the sale to the ATO in its GST return.

Selling through an electronic distribution platform

An EDP is a service that is delivered by electronic communication that allows you to make sales of goods or services to purchasers. Examples include an online marketplace or app store.

If you sell digital products or low value imported goods to customers through an EDP, the EDP operator is generally responsible for GST payable on these sales. If the EDP operator is responsible for GST, these sales don't count towards your GST turnover when calculating if you need to register.

A service **isn't** an EDP if it only:

- advertises your products, such as giving a link for customers to buy goods from your website. You are responsible for GST on these sales

- sells face-value vouchers online, such as gift vouchers that can be used for a choice of items up to a particular monetary value.

Selling through an EDP and warehousing in Australia

A non-resident business that imports goods and warehouses them in Australia prior to selling them online, directly or through an electronic distribution platform, will have a GST obligation for the goods sold because the goods are located in Australia.

Example: Selling through an EDP and warehousing in Australia

Household Harriet is a Hong Kong based business selling goods to Australian customers through an electronic distribution platform, Orchidtreez.com.

Orchidtreez.com offers their offshore sellers the option of warehousing their goods in Australia. Household Harriet imports a bulk amount of goods into Australia to be warehoused by Orchidtreez.com.

When Household Harriet imports the bulk amount of goods into Australia, they incur GST and customs duties at the time of importation, because the customs value of the importation exceeds A\$1,000.

At the time Household Harriet makes a sale of a good warehoused in Australia through Orchidtreez.com, Orchidtreez.com provides delivery of the goods to Household Harriet's customers. This process is often referred to as a fulfilment service.

Household Harriet is not making a supply of low value imported goods because the goods are located in Australia when they are sold.

Household Harriet is registered for GST and is making a taxable supply of goods wholly in Australia. Household Harriet will therefore be responsible to charge GST on the sale of the goods.

Orchidtreez.com, as an electronic distribution platform operator, is not treated as the supplier for GST purposes because the goods are located in Australia at the time of the sale.

Household Harriet has standard GST registration which allows them to:

- claim the GST credits incurred on the taxable importation of their bulk goods
- collect and pay their GST to the ATO.

As Household Harriet is not making supplies of low value imported goods, they will not be eligible for simplified GST registration.

For more information, see [LCR 2018/2](#) *GST on supplies made through electronic distribution platforms*.

EDP responsible for GST

If an EDP operator is responsible for GST, they need to ensure their tax information is included on customs documents when goods are imported into Australia. This means EDP operators may ask you (as the merchant) to ensure that particular information is included on these documents, such as their GST registration number.

While EDP operators are generally responsible for GST, we recommend you talk to them about:

- their policies or terms of sale
- your pricing, receipts or business systems
- how they differentiate consumer and business sales
- effects of returned goods and refunds
- giving GST information to transporters or customs brokers.

If you are a merchant who makes sales through both your online store and through an EDP, you may be required to register for GST. Although you do not include the sales you make through the EDP, you will need to register if the value of the sales from your online store meet the GST registration turnover threshold of A\$75,000.

QC 52554

If you are an electronic distribution platform operator

Australian GST for EDPs dealing with imported services, digital products and low value imported goods.

Last updated 11 September 2025

Information to help if you operate an electronic distribution platform (EDP).

Make sure you read this along with [How Australian GST works](#) and [GST on imported services and digital products](#) to find out the rules that apply more generally.

What is an EDP

You operate an electronic distribution platform (EDP) if:

- merchants can use your service to make sales to customers
- your service is delivered by electronic communication, for example, a website, online marketplace or app store.

A service **isn't** an EDP if it only provides:

- a carriage service, such as internet service providers and telecommunication companies
- access to a payment system or processing payments
- advertising that makes customers aware of products and links them to a merchant's website.

For more information, see [LCR 2018/2](#) *GST on supplies made through electronic distribution platforms*.

When an EDP operator is responsible for GST

If you operate an EDP, you will generally be responsible for GST on a sale made by a merchant through your platform if:

- you are registered, or required to be registered, for GST
- it's a sale of [low value imported goods](#) to a [consumer](#)
- either you or the merchant helps to get the goods to Australia
- it's a sale of an imported service or digital product to an [Australian consumer](#).

An EDP operator can also agree to be responsible for GST on sales made by Australian-based merchants through its platform if all of the following apply:

- Sales are digital products or digital services made electronically.
- The EDP operator has a written agreement with the merchant before the sale is made.
- The EDP operator is registered for GST.

Example: EDP operator with overseas merchant

Pacific Trends operates an app store allowing Australian consumers to buy digital products from merchants. They are registered for GST in Australia.

Eleanor uses Pacific Trends' website to buy a digital product from Electronics Co, a merchant in China for A\$77 including GST.

Pacific Trends determines that it's responsible for GST on that sale as the merchant is outside Australia.

Pacific Trends is treated as a supplier for GST purposes. It returns GST of A\$7 on the sale to us in its GST return.

As Pacific Trends is treated as the supplier for GST purposes, Electronics Co **doesn't**:

- return GST to the ATO on the sale
- count the sale when calculating if it's required to register for GST.

If sales are made through multiple EDPs, only **one** EDP operator is responsible for GST. The EDP operators may agree amongst themselves, by way of a written agreement, on which operator is to be responsible for the GST on the supply. Further default rules are also explained in LCR 2018/2.

When an EDP operator isn't responsible for GST

A merchant (not an EDP) is responsible for GST if **all** of the following apply:

- A document is issued to a customer identifying both the sale and the merchant (not the EDP operator) as the supplier.
- The merchant and the EDP operator agree in writing that the merchant is responsible for paying GST on the sale.
- The EDP operator doesn't control the elements of the sale, as they don't
 - authorise the charge to the recipient for the supply
 - authorise the delivery of the supply
 - directly or indirectly set any of the terms and conditions under which the sale is made.

Common situations where an EDP isn't responsible for GST include:

- operating an online classified website where customers can accept offers from merchants on a messaging service
- where the only influence you have on the sale is in restricting the advertising used by merchants on your website.

For more information, see [LCR 2018/2](#) *GST on supplies made through electronic distribution platforms*.

QC 67375

If you are a redeliverer

Check if you are a redeliverer and what your GST obligations are when you ship goods to Australia.

Last updated 11 September 2025

What is a redeliverer

A [redeliverer](#) acts as a go-between when overseas merchants don't ship goods to Australia. They collect, accept delivery of or purchase overseas goods on behalf of customers based in Australia.

You are a redeliverer if you help to get goods to Australia by providing:

- an offshore mailbox service with an address outside Australia where goods are delivered
- a shopping service that buys or helps to buy goods outside Australia as an agent of an Australian customer.

If a merchant or EDP operator helps to get goods to Australia, they are responsible for GST instead of you.

[Transporters](#) aren't usually redeliverers.

When a redeliverer is responsible for GST

If you are a redeliverer, you will be responsible for GST, if you:

- are registered, or required to be registered, for GST
- redeliver [low value imported goods](#) to a [consumer](#).

Your GST turnover includes revenue from your fees and charges, as well as the value of the low value imported goods you redeliver.

GST applies to all your services, including international transport services and insurance for the transport of the goods.

When you are registered for GST, you need to ensure certain information is given to customers and included on customs documents.

Example: using a redeliverer

Jia wants to purchase a coat for A\$200 from Clancy's, a store in the United States. Clancy's does not ship its products to Australia.

Jia contacts Take-it-Home Co to help her bring the coat to Australia. Take-it-Home Co gives her an address in the United States. Jia buys the coat from Clancy's, which ships the coat to this United States address. Take-it-Home Co then arranges for the coat to be shipped to Australia.

Take-it-Home Co is registered for GST and charges Jia A\$44, including A\$4 GST, for the services it provided to bring the goods to Australia. It also charges Jia A\$20 in GST on the coat, which is 10% of the amount Jia paid to Clancy's.

Take-it-Home Co pays A\$24 in GST to the ATO.

For more information, see [LCR 2018/3](#) *When is a redeliverer responsible for GST on a supply of low value imported goods?*

GST and non-resident businesses

Find out how to [register for GST as a non-resident business](#).

As a non-resident, work out when GST applies to [goods and services you sell into Australia](#).

Exceptions to charging GST for redeliverers

You're not required to charge GST to Australian business customers that are registered for GST for either the supply of:

- the low value imported goods
- your redelivery service.

You're not required to charge GST on your redelivery service or the low value imported goods in either of the following circumstances:

- You apply an [exception for multiple goods totalling over A\\$1,000](#) because the goods will be shipped together in one consignment to Australia. These goods will be taxed at the border.

- GST doesn't apply to the goods (known as GST-free or input taxed supplies).

QC 55423

Our compliance approach to imported services, digital products and low value imported goods

We encourage non-residents to comply with our laws.


Last updated 11 September 2025

GST is applied to imported services, digital products and low value imported goods sold to customers in Australia. We encourage non-residents to comply with our laws.

Apply GST correctly

You must apply GST to the amount you charge for imported services, digital products and low value imported goods sold to customers in Australia.

You don't have to apply GST to these sales if the customer is a GST-registered Australian business and they have given you their Australian business number (ABN) and a statement that they are registered for Australian GST.

You can use the [ABN Lookup tool](#)  on the Australian Business Register (ABR) to check if the ABN is correct.

Your systems and accounting records must identify these transactions. You must also keep the information given to you by customers to show why you didn't charge GST.

Our compliance approach

- [Your rights and obligations](#)
- [Compliance action](#)

- [Identifying non-resident businesses that don't comply](#)
- [Information from other countries](#)
- [Businesses that don't do the right thing](#)
- [Customers in Australia who give ABNs to avoid GST](#)

Your rights and obligations

We're here to support you and expect you to take reasonable steps to comply with Australia's tax laws.

If you need help, [contact us](#) and we will work with you.

Even though your business is based offshore, you have the same rights and obligations as Australian domestic businesses.

See also

- [Taxpayers' Charter – what you need to know](#)
- [Record keeping for business](#) (the same rules apply to all businesses)

Compliance action

We take action when non-resident suppliers haven't registered for GST or aren't paying us the right amount of GST collected from sales to customers in Australia.

We identify these businesses through our data-matching technology, which keeps track of the digital economy. We use financial data from many sources, including bank records.

If we think you are not complying with Australian tax law, we will contact you. If you don't respond to us, we may commence a risk review or audit on your business. A risk review or audit may result in us:

- registering you for Australian GST
- calculating your GST liability (using third party information – for example, bank information)
- sending you an assessment of your liability based on our calculation with an additional 75% administrative penalty

- applying general interest charge (GIC) to amounts you owe us from earlier tax periods
- intercepting funds from Australia that are destined for you
- registering the debt in a court in your country
- using debt collection procedures and, where tax treaties allow, work with the tax authority in your country to collect the debt.

We can take serious action if we believe the main purpose of your structure or transactional arrangements is to get a GST benefit directly or indirectly.

See also

- [Penalties](#)
- [Significant global entities – penalties](#)

Identifying non-resident businesses that don't comply

We use a number of information sources to find non-compliant businesses including:

- financial data tracking to follow the flow of funds from purchasers to suppliers overseas
- customs data giving details of imports of goods into Australia
- information from other countries that we obtain under arrangements to share information
- online investigations to identify websites and businesses involved in supplying imported services, digital products and low value imported goods to customers in Australia
- information from individuals or businesses who report non-compliance to us
- information provided by similar businesses when they report and pay the GST they have collected.

We use data matching processes to find situations where businesses haven't met their GST obligations.

We also consider and investigate any information provided to us anonymously.

Information from other countries

We have arrangements with other countries to request information to identify legal entities operating e-commerce websites. These arrangements include tax treaties and the *Multilateral Convention on Mutual Administrative Assistance in Tax Matters*.

We can use available tax treaties to engage with your tax authority to:

- advise them that your business has not complied with Australian tax obligations
- request information about your business including records held by financial institutions
- request help to collect the debt resulting from our assessment of your tax liability and penalty.

For more information, see [Tax treaties](#).

Businesses that don't do the right thing

If your business doesn't do the right thing, consequences such as interest, [penalties](#) and prosecution can apply if you:

- deliberately fail to register for GST when you need to
- intentionally fail to report, or consistently under-report, your tax obligations
- conspire with others to evade or avoid tax obligations
- intentionally do not meet your tax obligations.

Customers in Australia who give ABNs to avoid GST

Customers in Australia who misrepresent themselves as a GST-registered business by giving you an ABN that isn't theirs are committing an offence and significant penalties apply to them.

You can use the [ABN Lookup tool](#)  on the ABR to check if the ABN is correct.

Tell us if you suspect non-compliance

If you know of, or suspect tax evasion, you can report it to the Tax Integrity Centre by completing the tip-off form.

For more information, see the Tax Integrity Centre's [Tip-off form](#).

QC 54951


GST on sales of Australian accommodation by offshore sellers

Offshore sellers of Australian commercial accommodation need to register for Australian goods and services tax (GST).

Last updated 11 September 2025

Offshore sellers of Australian commercial accommodation must include sales of Australian accommodation in their goods and services tax (GST) turnover to determine if they are required to register for, charge and pay GST.

This law means offshore sellers of Australian accommodation receive the same tax treatment as domestic sellers.

For more information, see [Treasury Laws Amendment \(Making Sure Multinationals Pay Their Fair Share of Tax in Australia and Other Measures\) Bill 2019](#) .

Who charges GST

If you sell **taxable accommodation** and your turnover is over the **GST threshold** you need to charge GST.

Examples of taxable accommodation sales include:

- hotels
- motels
- hostels
- serviced apartments
- student accommodation

- caravan and tourist parks
- ships and boats – if there is a taxable supply, such as house boat hire or cruise operator
- bed and breakfast accommodation.

Example: Offshore seller providing Australian accommodation

Downtown Holidays is based in the United Kingdom (UK) and sells Australian accommodation to customers in the UK and Australia.

Downtown Holidays purchases Australian hotel rooms from Sydney Sider Hotel at GST inclusive wholesale room rates. This means that Sydney Sider Hotel charges GST to Downtown Holidays when it initially purchases the hotel rooms. These are taxable sales of commercial accommodation and Sydney Sider Hotel is required to collect GST for those sales.

Downtown Holidays on-sells the hotel rooms to customers at retail rates that include their profit margin.

In the last 12 months, Downtown Holidays sells rooms totalling A\$80,000.

Downtown Holidays must register for GST and account for GST on its sales of Australian accommodation.

Not all sales of Australian accommodation are subject to GST

Leasing residential premises and accommodation through the sharing economy are examples of supplies that do not attract GST.

If you have an apartment that's part of commercial residential premises, it's treated like other residential rental properties. You aren't subject to GST as the rental charge is input taxed.

Supplies of residential leases and renting out all or part of a home on a short-term non-commercial basis are input taxed sales. These aren't

subject to GST in Australia (input-taxed supplies may be referred to as exempt supplies in other jurisdictions).

If you act as an agent and only facilitate sales of accommodation, you aren't responsible for GST on the sale of accommodation. However, you may have other GST obligations on your services.

See also

- [Tax invoices](#)
- [Recipient-created tax invoices](#)
- [GST on imported services and digital products](#)
- [Residential premises](#)
- [Commercial residential premises and GST](#)
- [Holiday apartments in commercial residential properties](#)
- [The sharing economy and tax](#)

When to register for GST

You need to register for GST within 21 days of:

- your 'current GST turnover' (turnover for the current month and the previous 11 months) totals A\$75,000 or more (A\$150,000 or more for non-profit organisations)
- your 'projected GST turnover' (total turnover for the current month and the next 11 months) is likely to be A\$75,000 or more (A\$150,000 or more for non-profit organisations).

Once you are registered, you can:

- issue tax invoices for the sale of the accommodation
- claim GST credits.

Working out your GST turnover

Your GST turnover is your gross business income (not your profit), excluding any:

- GST included in sales to your customers
- sales that aren't for payment and aren't taxable
- sales not connected with an enterprise you run

- input-taxed sales you make
- sales not connected with Australia.

How to register

You need to use the same GST registration as domestic entities (**not** simplified registration).

Before registering for GST you need an Australian business number (ABN). When applying for your ABN, you can also apply for GST registration at the same time.

Non-residents need to provide additional documentation and evidence of identity when applying for an ABN. This means, your registrations may take some time.

Next steps

- [ABN for businesses outside Australia](#) 

[Apply for an ABN](#)

GST requirements once you are registered

Once you are registered, or required to be registered for GST, you need to:

- [include GST in the price of taxable sales](#) of Australian accommodation
- [meet record-keeping requirements](#)
- [issue tax invoices](#)
 - when making taxable sales of more than \$82.50 (including GST), your GST-registered customers need a tax invoice to claim a credit for the GST in the purchase price
 - if customers ask for a tax invoice you must provide it within 28 days of their request
- you need to lodge your business activity statements (BAS)
 - [either quarterly or monthly](#) depending on your turnover
 - report your GST

- [claim any credits you're entitled to](#) – only claim GST credits once you have a tax invoice or a [recipient-created tax invoice](#) (RCTI)
- you can't issue an RCTI unless you are eligible to and have a written RCTI agreement with the Australian accommodation provider
- [Pay GST via your BAS](#)

Example: GST requirements

In the last 12 months, Downtown Holidays sells rooms totalling A\$80,000. This means they are over the GST threshold and must register for GST. There are certain obligations they need to complete.

Downtown Holidays must:

- include these sales in its GST registration turnover calculation
- register for Australian GST as its turnover meets the GST registration turnover threshold of A\$75,000 or more
- charge GST to customers purchasing hotel rooms as they are taxable accommodation
- consider if they are entitled to claim GST credits for GST included in wholesale room rates
- report their GST liabilities and GST credit claims in their business activity statement that must be lodged monthly or quarterly
- issue tax invoices to customers on request within 28 days.

Calculating currency conversion


If you're paid in a currency other than Australian dollars, you need to convert the amount into Australian dollars.

Use the following example to convert amounts into Australian currency:

- amount in foreign currency $\times (1 \div \text{your particular exchange rate on the conversion day})$.

Your particular exchange rate

You can use the following exchange rate options as your particular exchange rate:

- the [Reserve Bank of Australia \(RBA\) rate](#) 
- agreed rate with your GST registered customer
- a rate published by a foreign exchange organisation (for example, a commercial bank).

Use your particular exchange rate consistently.

Your conversion day

Your conversion day is the date used to convert your foreign currency into Australian currency for GST purposes:

- **If you account for GST on a cash basis** – your conversion day can be any receipt, invoice or transaction date.
- **If you account for GST on an accruals (non-cash) basis** – your conversion day is the earlier of
 - the day the payment is received (receipt) date
 - the transaction or invoice date.

For more information, see [GSTR 2001/2](#) *Goods and Services Tax: foreign exchange conversions*.

Australian accommodation providers

Australian accommodation providers using offshore intermediaries to sell accommodation need to determine if they are selling:

- directly to customers using the accommodation – offshore entity is acting as an agent
- directly to an offshore seller – offshore entity is a re-seller.

Where offshore intermediaries are:

- **re-selling** your accommodation – you need to
 - provide a tax invoice to the offshore seller within 28 days of their request or enter into a [recipient-created tax invoice](#) (RCTI) agreement

- show the wholesale amount the offshore seller pays you, (**not** the amount paid by the offshore seller's customer)
- **acting as your agent** – you or your agent need to
 - provide a tax invoice to the customer purchasing the accommodation within 28 days of request
 - show on the invoice the full amount the customer pays for the accommodation.

See also

- [Tax invoices](#)
- [GSTR 2018/1](#) *Goods and services tax: supplies of real property connected with the indirect tax zone (Australia)*

Purchasers of Australian accommodation

GST-registered businesses purchasing accommodation for business purposes may be entitled to claim GST credits for purchases made from offshore sellers. To claim a GST credit, you need a tax invoice.

Your accommodation provider or the offshore seller can provide a tax invoice.

If you book the accommodation through an online agent or booking service, they may be able to issue a tax invoice on behalf of the accommodation provider.

Offshore entities acting as an 'agent'

Offshore businesses act as 'agents' if they provide a facilitation arrangement or booking service rather than making sales of Australian accommodation directly to customers.

As an agent for an Australian accommodation provider you can issue a tax invoice on behalf of the accommodation provider to the purchaser of the accommodation. However, only one party must issue a tax invoice – either:

- you as the agent, or
- the Australian accommodation provider.

Offshore agents need to consider if their services are subject to GST.

Under special rules, imported services and digital products from overseas-based suppliers are subject to GST when supplied to an [Australian consumer](#). Agency services, such as booking services, from offshore agents to GST registered Australian hotels aren't subject to GST because the hotel business isn't an Australian consumer.

Example: An agency booking service

- Blue Ltd is an 'agent'. They are a German based online travel operator that provides a hotel booking service for Australian hotels and isn't registered for GST in Australia.
- Sun Hotel operates a hotel in Australia and is a GST registered Australian resident.
- Sun Hotel engages Blue Ltd to sell hotel rooms on its behalf and lists its available accommodation and room prices on Blue Ltd's website.
- Sun Hotel agrees to pay Blue Ltd a commission for each room sold through Blue Ltd at the rate of 15% of the price paid by the (resident or non-resident) customer.

Ben purchases a room from Sun Hotel via Blue Ltd's booking website and is charged A\$330.

Blue Ltd accepts the \$330 for the room booking on behalf of Sun Hotel.

Blue Ltd charges Sun Hotel a fee of A\$49.50 for the booking services. Under the arrangement Blue Ltd is only supplying booking services (agent) and isn't the supplier of the hotel room.

As a result of this transaction

Blue Ltd (agent)

- If Blue Ltd was registered or required to be registered for GST, the \$49.50 booking service would be subject to GST if Sun Hotel is an Australian consumer. Sun Hotel isn't an Australian consumer because they are an Australian GST registered business.

- Blue Ltd isn't required to register for Australian GST if it **only** makes supplies of booking services to Australian GST registered businesses, such as Sun Hotel.
- Blue Ltd may, under an arrangement with Sun Hotel, issue a tax invoice to Ben on Sun Hotel's behalf for the supply of the room.

Sun Hotel (supplier of room)

- Sun Hotel is making a GST taxable sale of the hotel room to the customer (Ben) in the amount of \$330 – the price Ben paid for the room.
- Sun Hotel must report \$30 GST on its activity statement ($\$330 \div 11$).
- Sun Hotel must issue a tax invoice within 28 days of a request from Ben displaying the price of the room and the GST component.
- The \$49.50 booking fee Blue Ltd charges Sun Hotel is not subject to GST given Sun Hotel is not an Australian consumer – as such there is no GST credit for Sun Hotel in purchasing the booking services from Blue Ltd.

Ben's responsibilities

If Ben is registered for GST and travelling for business purposes he could be eligible to claim a GST credit in his next activity statement for GST included in the price he paid for the room. Ben must hold a tax invoice before claiming a GST credit. Sun Hotel or Blue Ltd (agent), not both, must provide a tax invoice for the supply of the hotel room within 28 days of a request from Ben.

For more information, see [GST on imported services and digital products](#).

Your rights

The [Taxpayers' Charter](#) explains what you can expect in all your dealings with us.

Compliance and penalties

If you don't register for GST and are required to, we can take action to register you for Australian GST. We will also calculate the amount of GST you are liable to pay and apply a penalty to you.

If you don't engage with us after we have written or called you (without a good reason), we are able to:

- calculate your business liability (using third party information, for example bank information) from the date of commencement of the law
- compulsorily register you for GST, raise and issue a default assessment with an additional 75% administrative penalty
- apply the general interest charge (GIC) to the amounts calculated for outstanding lodgments
- use available debt collection processes, including seeking assistance from the tax authority in your country to collect the debt.

Help and information

If you can't find an answer to your question, you can:

- phone us on **+61 2 6216 1111**.

Our business hours are 8:00 am to 5:00 pm, Australian Eastern Standard Time (AEST) or Australian Eastern Daylight Saving Time (AEDST) Monday to Friday, except for national public holidays. Ask the operator to connect you to **1300 146 094** with code '**118#**'. You will be transferred to an officer who can help you.

For a free interpreting service, you can phone **+61 3 9268 8332** and ask to be connected to **1300 146 094**.

Information in other languages

This information has been translated into the following languages:

- [Arabic](#)
- [Chinese](#)
- [Japanese](#)
- [Korean](#)
- [Vietnamese](#)

QC 60116

GST cross-border transactions between businesses

Check if your transaction between overseas businesses and Australian businesses is still subject to GST.

Last updated 11 September 2025

As of 1 October 2016:

- some transactions between overseas businesses and Australian businesses are not subject to GST
- GST-registered importers have a new option to calculate transport, insurance and ancillary costs.

Non-resident businesses

We have made changes so that non-resident businesses don't have to engage in Australia's GST system unnecessarily. This will reduce their overall compliance costs.

We have:

- amended the test for 'carrying on an enterprise in Australia'
- limited the cases where a non-resident entity must pay GST on supplies of things done in Australia
- made sure there is no GST liability for certain supplies made between non-residents
- extended the GST-free (zero rate) rules for certain supplies made to non-residents
- moved liability, in some circumstances, from overseas businesses to the Australian-based business recipients that are already registered for GST.

The test for running an enterprise in Australia

Generally, a non-resident's enterprise must register for GST if:

- it is based in Australia for more than 183 days in a 12-month period, and
- has a GST turnover of A\$75,000 or more.

If you are an affected non-resident entity, you need to review your enterprise arrangements in Australia to work out if you need to be involved in Australia's GST system.

This could result in some entities registering for GST and others cancelling their GST registration.

For more information, see The law companion guide – [LCG 2016/1 GST and carrying on an enterprise in the indirect tax zone \(Australia\)](#).

Supplies 'not connected with Australia'

Generally, for non-resident suppliers who do not run an enterprise in Australia, the following transactions are no longer connected with Australia and therefore will not be subject to GST:

- supplies of intangibles (such as services and digital products) which are performed in Australia are not connected if the recipient is an Australian-based business recipient or a non-resident acquiring the intangibles for their overseas enterprise
- a transfer of ownership of leased goods which are located in Australia, where the transfer takes place between non-residents that do not have an enterprise in Australia
- a supply of goods where the supplier installs or assembles the goods in Australia, but does not import the goods into Australia.

Services or digital products sold to Australian-based business recipients

For services or digital products where the supply is done in Australia (for example, services you perform in Australia), GST does not apply to your sales if all of the following apply:

- you are a non-resident
- you do not make the sale through an enterprise you carry on in Australia
- you make the sale to an Australian-based business recipient that is

- registered for GST
- not buying the item for private use
- carrying on an enterprise in Australia.

As these sales are not connected with Australia, you are not required to charge GST on them. If these types of sales are the only sales you make, you are not required to be registered for GST.

Impacts for Australian-based business recipients if you incorrectly charge GST

If you incorrectly charge GST on these sales, you may disadvantage your customers. This is because your GST-registered customer may need to pay GST on their purchase under the reverse charge rules.

The law is designed to shift any net GST payable for these sales from the supplier to the customer.

The reverse charge applies if the customer would not be entitled to a full GST credit if GST had been charged on the sale. For example, if they are purchasing the item to make input taxed supplies, like financial supplies. Input taxed supplies are equivalent to 'exempt' supplies in other jurisdictions.

If so, your customer will need to pay GST in their activity statement lodged with the ATO (they may claim a partial GST credit for the purchase at the same time, to the extent they are entitled to do so).

If you incorrectly charge GST on these sales, your customer will still need to pay GST through our reverse charge rules, if they apply. This can result in your customer paying GST on the sales twice.

As a result, your customers that are Australian-based business recipients will expect that you do not charge GST on sales that are not subject to GST.

If you have incorrectly charged GST on these sales, your customer may seek a refund from you. If you have already paid GST to the ATO on these sales, you can only obtain a refund from the ATO if you have reimbursed your customer.

Example: sales by a non-resident business

Berry Life Insurance Co runs a life insurance business in Australia. It is registered for GST. Berry Life Insurance Co purchases services to assist with processing insurance claims, including information technology services, from a supplier in India, Indian Grape Co.

Indian Grape Co is a non-resident that does not have an Australian presence for GST (it does not carry on an enterprise in Australia). The services it supplies are performed in Australia, as it subcontracts the work out to a local provider.

Even though the services it sells are performed in Australia, GST does not apply to the sales, because:

- Indian Grape Co is a non-resident who is not making the sales through an enterprise it carries on in Australia
- Berry Life Insurance Co is an Australian-based business recipient, because it
 - is registered for GST
 - carries on an enterprise in Australia
 - is not purchasing the services for private use.

Indian Grape Co is not required to charge GST on these sales as they are not connected with Australia. If these are the only types of sales Indian Grape Co makes, it does not need to be registered for GST.

Berry Life Insurance Co determines it has to pay GST on its purchase of Indian Grape Co's services through the reverse charge – this is because these purchases relate to the input taxed sales it makes in its life insurance business.

Berry Life Insurance Co has to pay GST through the reverse charge, regardless of whether Indian Grape Co has correctly treated its sales as not being subject to GST.

Non-resident business turnover for GST

GST-free supplies are only included in a non-resident's GST turnover if the supply is made through an enterprise they carry on in Australia.

Non-resident businesses with an Australian resident agent

Non-resident businesses and their resident agents can agree the resident agent is liable for GST for supplies made through the agent. Both the non-resident supplier and the agent must specifically agree to this in writing.

If there is an agreement in writing between the non-resident supplier and the resident agent, notice must be given to the recipient of the supply if they are an Australian-based business. The notice must be given by the resident agent unless the agreement in writing provides that the non-resident supplier should issue the notice.

The notice must be in the following form, either:

- a tax invoice for the supply
- a document that shows the
 - non-resident supplier's, or their agent's, identity and ABN
 - price of the supply
 - amount of GST included in the price
 - date the document is issued, and a brief description of what is supplied.

If there is no agreement in writing between the non-resident supplier and the resident agent, the recipient of the supply may need to account for any GST, see [reverse charging](#) below.

For more information, see [List of approved forms – GST](#).

Reverse charge for supplies

Generally, business-to-business intangible supplies done in Australia by non-residents will not be connected with Australia. However, the recipient of the supply may be liable to pay the GST. This is the case if the recipient is an Australian-based, GST-registered business and acquires it not wholly for a creditable purpose. You acquire for a creditable purpose if you acquire for the purpose of your enterprise and the acquisition does not relate to making [input-taxed sales](#). This is known as reverse charging.

For more information, see [Reverse charge of GST on things purchased from offshore](#).

Australian businesses

More supplies of services by Australian businesses to non-resident businesses will now be GST-free. This reduces the need for a non-resident business to interact with the Australian GST system to claim input tax credits.

Examples of supplies that may now be GST-free include:

- when an Australian business makes a supply of training services to an overseas company, but provides those services to one of the company's employees in Australia
- when an Australian business supplies repair services to an overseas company, but the supply is provided to an entity in Australia in order to fulfil the overseas company's obligations under a warranty.

GST-registered importers

If you are a GST-registered importer, to calculate the value of the taxable importation for GST purposes, you are no longer required to identify the exact amount paid for:

- international transport
- insurance
- loading or handling
- service costs for the transport.

You may opt to use an uplift factor, which is currently 10% of the customs value of the imported goods.

The Department of Home Affairs has issued an Australian Customs Notice that further explains this process.

For more information, see [Department of Home Affairs Notice No. 2016/33](#) .

Legislation and supporting material

- GST cross-border transactions between businesses – legislation and supporting material
- [GST for non-resident businesses and importers](#)

- [GST on imported services and digital products](#)
- [GST on low value imported goods](#)

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