COMMONWEALTH OF AUSTRALIA

A NEW TAX SYSTEM (GOODS AND SERVICES TAX) ACT 1999

DETERMINATION

Under subsection 29-20(3) of the A New Tax System (Goods and Services Tax) Act 1999 and subsection 4(1) of the Acts Interpretation Act 1901 I make the following determination in respect of Members of MASTERCARD INTERNATIONAL and VISA INTERNATIONAL:

Citation

1. This determination may be cited as: A New Tax *System (Goods and Services Tax) Act 1999 Waiver to hold a Adjustment Note for a Decreasing Adjustment Determination 2000 - MEMBERS of MASTERCARD INTERNATIONAL and VISA INTERNATIONAL*.

Substitute Tax Invoice

2. A MEMBER of MASTERCARD INTERNATIONAL and/or VISA INTERNATIONAL, being the recipient of a supply of credit and debit card services from other financial institutions, and known as 'bank interchange services' as recorded on reports produced by MASTERCARD INTERNATIONAL and/or VISA INTERNATIONAL, will not be required to hold an adjustment note for an acquisition in order to attribute an input tax credit on the acquisition to a tax period provided:

- at the time the MEMBER gives its GST return/Business Activity Statement ("BAS") for the tax period to the Commissioner;
- the MEMBER holds a report produced by MASTERCARD INTERNATIONAL and/or VISA INTERNATIONAL that records the adjustments.

3. The reports produced by MASTERCARD INTERNATIONAL and/or VISA INTERNATIONAL to MEMBERS should contain the following information:

- Recipients name;
- recipients address and /or Australian Business Number;

  for each supply recorded on the report;
- brief description of adjustment;
- quantity or extent of adjustment (where applicable);
- date of adjustment;
- the GST-inclusive amount of the adjustment;
- date of the report.

4. It has been determined that the holding of a 'bank interchange services' report produced by MASTERCARD INTERNATIONAL and/or VISA INTERNATIONAL prior to lodging a GST return/BAS are circumstances of the kind to which a MEMBER is not required to hold an adjustment note for an acquisition recorded on the report. Therefore, wherever possible, it would also be appropriate for a statement to this effect to be included on the report.

This determination takes effect from 1 July 2000 until it is withdrawn either by a further determination to you, or by a subsequent public ruling, or there is a specific change in legislation affecting the determination.

Dated this 8th day of June 2000.

Tracey Mellick
Assistant Commissioner of Taxation
Goods and Services Tax Law & Interpretation
Delegate of the Commissioner