COMMONWEALTH OF AUSTRALIA

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

DETERMINATION:

I, Anthony Long in the exercise of the powers and functions conferred upon me, by delegation from the Commissioner of Taxation pursuant to section 8 of the *Taxation Administration Act 1953* (Cth), do hereby determine under subsection 29-10(3) of the *A New Tax System (Goods and Services Tax) Act 1999*:

Citation

1. This determination is the *A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 7) 2004 - American Express International Inc. KR 1025 Electronic Data Feed.*

Commencement and application

2. (1) This determination commences on 1 July 2004.

(2) This determination terminates the *A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination 2003 – members of AMERICAN EXPRESS INTERNATIONAL* (the "predecessor determination").

(3) This determination does not revoke or vary any other previous determination made by the Commissioner or a delegate of the Commissioner.

(4) This determination applies in relation to net amounts for tax periods starting on or after 1 July 2004.

(5) The predecessor determination ceases to apply in relation to net amounts for tax periods starting on or after 1 July 2004.

Circumstances where the requirement for a tax invoice does not apply

3. The circumstance set out in the following paragraphs is the circumstances of a kind in which the requirement for a tax invoice under subsection 29-10(3) of the Act does not apply.

4. A Member of American Express International Inc. that holds a daily or monthly KR 1025 electronic data feed will not be required to hold a tax invoice, for a creditable acquisition purchased with the Corporate Card, in order to attribute an input tax credit on the acquisition, to a tax period, provided that at the time the Member gives its GST return/Business Activity Statement ('BAS') for the tax period to the Commissioner:

(a) The Member holds a daily or monthly KR 1025 electronic data feed produced by American Express International Inc. that includes the following details:
   (i) The name of the Member;
   (ii) The name(s) of the person(s) who use(s) the American Express International Inc. Corporate Card to purchase the creditable acquisition;
   (iii) The Australian Business Number ('ABN') or address of the Member;
   (iv) For each acquisition for which the Member may claim an input tax credit the daily or monthly KR 1025 electronic data feed has:
      - the date the Member purchased the acquisition;
      - the supplier's name;
      - the supplier's ABN;
      - the supplier's Branch Registration Number (where applicable);
      - the supplier's industry code;
      - the amount of GST paid; and
      - the total amount paid; and

(b) The Member has an effectively regulated corporate policy for making adjustments for expenditure on the Corporate Card that is of a private or domestic nature and were not made in connection with carrying on the Member's enterprise;

(c) The Member has supplementary documentation supporting each acquisition on the daily or monthly KR 1025 electronic data feed that has a private or domestic component and the documentary evidence clearly identifies the creditable and non-creditable components of the acquisition;

(d) American Express International Inc. meets the conditions set out in paragraph 5 and 6 below.

5. American Express International Inc. must provide the date each supply on the daily or monthly KR 1025 electronic data feed was purchased.

6. Where all the information required on the daily or monthly KR 1025 electronic data feed is not provided by the merchant to American Express International Inc., the latter may, until 30 June 2006, separately obtain the supplier's ABN and GST registration status and then calculate the amount of GST on the supply provided American Express International Inc.:

(a) has obtained a signed statement from each merchant that states:
   (i) the merchant's ABN and Branch Registration Number (where applicable);
   (ii) whether or not the merchant is registered for GST;
   (iii) the type of supply or supplies (i.e., taxable, GST-free and/or input taxed) the merchant provides;

(iv) where the merchant only provides taxable supplies, whether or not GST is calculated at 1/11th of the price for all the taxable supplies the merchant provides; and

(v) provides American Express International Inc. with an undertaking that it will be notified –

- when they cease to be registered for GST; or
- when they cease to make only taxable supplies where the GST is calculated at 1/11th of the price;

(b) retains the signed statement for at least 5 years after the merchant ceases their association with American Express International Inc.;

(c) clearly identifies each supply in the daily or monthly KR 1025 electronic data feed that may be a GST-free, input taxed or mixed supply;

(d) clearly identifies each supply where GST may not be 1/11th of the price; and

(e) where a supply has been identified as being a supply that may be a GST-free, input taxed or a supply where GST may not be 1/11th of the price, advises the Member to obtain a tax invoice before attributing an input tax credit to a tax period; and

(f) where American Express International Inc. has obtained information that the merchant is not registered, or ceases to be registered for GST, American Express International Inc. must not calculate an amount of GST for supplies from that merchant. Instead, American Express International Inc. must state that the amount of GST included in the price of the supply is $nil.

Situations where a tax invoice is still required

7. The Member will still need to obtain a tax invoice before attributing input tax credits to a tax period for a supply on the daily or monthly KR 1025 electronic data feed where:

(a) the daily or monthly KR 1025 electronic data feed indicates that the supply may be a mixed supply or a taxable supply where GST is not 1/11th of the price; or

(b) where there is an error on the daily or monthly KR 1025 electronic data feed in relation to the supply.

Definitions

8. The following expressions are defined for the purposes of this determination:

The Act means the *A New Tax System (Goods and Services Tax) Act 1999*.

The Person(s) who uses the Corporate Card includes a partner, sole trader, director or employee of an entity.

Daily or monthly KR 1025 electronic data feed is an electronic statement of liability that is issued by American Express International Inc. to one of its clients.

Corporate Card is a card that is issued to and in the name of an entity and is used to purchase goods and services for commercial purposes.

Member is the registered entity that is a corporate holder of the American Express International Inc. Corporate Card.

Mixed supply is a supply of 1 or more taxable supplies and any one of the following supplies:

- a supply that is GST-free or input taxed;
- a supply that was made before 1 July 2000.

Other expressions in this determination have the same meaning as in the Act.

Dated this 9th day of July 2004.

Anthony Long
ASSISTANT DEPUTY COMMISSIONER OF TAXATION
Goods and Services Tax (Financial Supplies & Insurance)