



Notice of Withdrawal

Draft Goods and Services Tax Ruling

Goods and services tax: application of subsection 11-15(5) of the *A New Tax System (Goods and Services Tax) Act 1999* to acquisitions relating to the provision of accounts by Australian authorised deposit taking institutions

Draft Goods and Services Tax Ruling GSTR 2009/D1 is withdrawn with effect from today.

1. Draft Goods and Services Tax Ruling GSTR 2009/D1 provided the Commissioner's preliminary view on the application of subsection 11-15(5) of the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act)¹ to acquisitions by an Australian authorised deposit taking institution (ADI) that relate to the provision of accounts made available by the ADI in the course of its banking business within the meaning of the *Banking Act 1959*, or its State banking business.
2. In undertaking consultation on GSTR 2009/D1, the Commissioner has not been able to develop an apportionment methodology for ADIs to apply subsection 11-15(5) that is suitable for all industry participants. This reflects the disparity in approach by industry participants on apportionment methodologies as well as the difference in views on whether particular approaches to apportionment for the application of subsection 11-15(5) would be fair and reasonable. In this context, a public ruling is not a suitable product to provide industry participants certainty when applying subsection 11-15(5).
3. The Commissioner will undertake further consultation with industry members to ascertain whether suitable guidance on the application of subsection 11-15(5) can be provided through an alternative product. Additionally, ADIs may wish to request advice on apportionment methodologies involving the application of subsection 11-15(5) on a case by case basis having regard to their particular accounting practices. This will allow the Commissioner to consider the individual circumstances in determining whether a particular methodology is fair and reasonable.

¹ All legislative references in this withdrawal notice are to the GST Act unless indicated otherwise.

GSTR 2009/D1

Page 2 of 2

4. The Government announced in the 2010-2011 Budget that the GST law will be amended to implement the recommendations from Treasury's review of the GST financial supply provisions. This included excluding bank deposit accounts from the current special rules for borrowings that were the subject of the draft Ruling. The announcement advised that it is anticipated that the amendments will take effect from 1 July 2012.

Commissioner of Taxation

14 September 2011

ATO references

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creditable purpose