


GSTR 2004/4EC - Compendium

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Public advice and guidance compendium – GSTR 2004/4

❶ Relying on this Compendium

This Compendium of comments provides responses to comments received on the draft update to Goods and Services Tax Ruling GSTR 2004/4DC1 *Goods and services tax: assignment of payment streams including under a typical securitisation arrangement*. It is not a publication that has been approved to allow you to rely on it for any purpose and is not intended to provide you with advice or guidance, nor does it set out the ATO’s general administrative practice. Therefore, this Compendium does not provide protection from primary tax, penalties or interest for any taxpayer that purports to rely on any views expressed in it.

Summary of issues raised and responses

Issue number	Issue raised	ATO response
1	<p>Application of paragraph 11-15(2)(a) to acquisitions</p> <p>The facts under consideration differ from those in <i>Rio Tinto Services Limited v Commissioner of Taxation</i> [2015] FCAFC 117 (<i>Rio Tinto – appeal</i>), as the process of securitisation forms a constituent component of the lending enterprise being carried on by the home loan originator.</p> <p>Unlike the <i>Rio Tinto – appeal</i> scenario, the supplies made by the home loan originator are inextricably linked where an originator uses a financing model whereby their retail lending operations are funded partly through the process of securitisation.</p> <p>It is incorrect for the Commissioner to assert that the supply of servicer services represents a mere ‘broader commercial objective’ of the lender of record in terms of finding a relevant connection with pre-securitisation origination and servicing acquisitions.</p> <p>Rather, the link to the supply of servicer services by the lender of record to the special purpose vehicle (SPV) is established as a matter of objective fact out of the commercial imperative that the</p>	<p>We acknowledge that the supplies made by a home loan originator are interrelated from a commercial perspective, in that the loans may be partly funded by the securitisation process. In our view this is not determinative of the treatment of the relevant acquisitions under paragraph 11-15(2)(a) of the <i>A New Tax System (Goods and Services) Tax Act 1999</i>¹, given the objective test that must be applied under this provision.</p> <p>We also acknowledge that the taxable supply of servicer services is dependent on the financial supply of the loan, as in order for the originator to supply servicer services to the SPV, the loans must be originated, so that the loan receivables can be assigned to the SPV.</p> <p>However, in our view, this is not sufficient to establish a relevant connection between all of the acquisitions and the taxable supply of servicer services. The application of paragraph 11-15(2)(a) requires the precise identification of the relevant acquisition and a factual enquiry into the connection between the acquisition and the making of supplies that would be input taxed.</p> <p>When viewed objectively, we consider that some acquisitions are not for a creditable purpose, as they are solely intended for use in making financial</p>

¹ All legislative references in this Compendium are to the *A New Tax System (Goods and Services) Tax Act 1999* (GST Act) unless otherwise indicated. A reference to GST Regulations is to the *A New Tax System (Goods and Services Tax) Regulations 2019*.

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	<p>originated debts must be serviced to ensure that the SPV can properly discharge their obligations to investors.</p> <p>Another submitter commented that originators typically build up a portfolio of loans before selling the group of loans into a securitisation vehicle and then supplying that vehicle with servicer services. The origination acquisitions are not only referable to the broader commercial objective of securitising the loan, but to a more specific objective relating to those loans and to a subsequent taxable supply of servicer services by the originator.</p>	<p>supplies. This includes the acquisitions in Examples 2 to 5 of the final Ruling, which are used to originate and service the loan prior to securitisation.</p> <p>These acquisitions are only remotely connected to the supply of servicer services, as a result of the intervening financial supply of the assignment of the payment stream to the SPV. The relationship between these acquisitions and the taxable supply of servicer services is insufficient to establish a relevant connection for the purposes of paragraph 11-15(2)(a).</p> <p>This is consistent with the principles for the application of paragraph 11-15(2)(a) in <i>Axa Asia Pacific Holdings Limited v Commissioner of Taxation</i> [2008] FCA 1834 (<i>Axa</i>), <i>Rio Tinto – appeal</i> and <i>Rio Tinto Services Limited v Commissioner of Taxation</i> [2015] FCA 94 (<i>Rio Tinto – first instance</i>). Further contextual support for this position can be found in subsection 11-15(5), which provides a specific exception whereby an acquisition that relates to a financial supply consisting of a borrowing will generally be for a creditable purpose if the borrowing relates to making supplies that are not input taxed. This provision would be unnecessary if it were appropriate to consider the purposes for which the borrowing is used. Similarly, the source of funding does not impact on the creditable purpose of acquisitions used to make the supply of the loans.</p>
2	<p>Intention to securitise</p> <p>The submitter disagrees with the factual premise of the examples and considers that there is an upfront existence of an intention to securitise the loan. Loans are originated with the clear intention that any loan arrangements meeting specified criteria could be subject to securitisation. Therefore, the requisite intention is established at the time of the originator makes both pre-securitisation origination and servicing acquisitions.</p> <p>Further, the submitter disagrees with the Commissioner's</p>	<p>For the purposes of paragraph 11-15(2)(a), an acquisition can relate to supplies an entity makes, has made, or intends to make.²</p> <p>In developing the final Ruling, we considered two views on whether there is an intention to securitise a loan (such that the originator intends to make the future supplies of the assignment of the payment stream and of servicer services) at the time when acquisitions are made to originate or service the loan before securitisation.</p> <p>The first view was that, if the originator makes these acquisitions before determining that a particular loan will be securitised (even though the</p>

² See further discussion about 'intention' and 'intended use' in paragraphs 49 and 50, 102 to 104, and 121 and 122 of Goods and Services Tax Ruling GSTR 2008/1 *Goods and services tax: when do you acquire anything or import goods solely or partly for a creditable purpose?*. See also *HP Mercantile Pty Limited v Commissioner of Taxation* [2005] FCAFC 126 at [76].

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	<p>assertion that if there is a requisite intention to securitise the loan this will only be sufficient to establish a relevant connection with the financial supply of the assignment of the debt (in addition to that of the supply of the home loan).</p> <p>If, as suggested by the Commissioner, temporal considerations will not strike out a relevant connection with origination acquisitions and the assignment transaction, it is difficult to see how the Commissioner can justify that there is not also a relevant connection to the supply of servicer services by the lender of record to the SPV.</p> <p>Consequently, where it is established on the facts that the home loan originator intends (at the time of writing a loan) to make a separate and distinct future supply to the SPV of servicing the related debts, this will clearly also be a relevant connection for the purposes of determining the application of paragraph 11-15(2)(a) to origination acquisitions.</p>	<p>originator is aware that it forms part of pool of loans, where some of the loans will be securitised), this will be insufficient to establish an intention to securitise the loan. If so, the supplies of servicer services made once the loan is securitised would not be relevant to the intended use of the acquisitions under Division 11. However, once the loan is securitised, Division 129 may be relevant if actual use differs from the intended use.</p> <p>The second view is the one proposed by the submitter, where an intention to securitise is established if the loan has been identified as being suitable for the originator's securitisation program. If so, the supplies made as part of the securitisation process will be relevant under Division 11.</p> <p>Ultimately, it was considered that it is not necessary to determine which of these views is preferred for the purposes of this final Ruling. Even if there is an intention to securitise when the loan is originated such that the future supplies are relevant under Division 11, we do not consider that acquisitions such as those in Examples 2 to 5 of the final Ruling will have a relevant connection to the supply of servicer services (for the reasons stated in the final Ruling, and further explained in Issue 1 of this Compendium). Regardless of whether the intended use or actual use is relevant, the acquisitions are not used to make supplies of servicer services.</p> <p>As stated in the final Ruling, it is also unnecessary to determine whether acquisitions that relate to the supply of the loan also relate to the supply of the assignment of the payment stream, because both of these supplies are financial supplies. We have reworded Example 3 of the final Ruling so that the unique circumstances in that example are clear.</p>
3	<p>Commissioner's placement of revisions</p> <p>The Commissioner should consider whether the proposed revisions are better placed under paragraph 109 of the final Ruling instead of paragraph 107.</p>	<p>Agreed. The revisions have been placed after paragraph 109 of the final Ruling (refer to paragraphs 109A to 109BW).</p>
4	<p>Commissioner's division of acquisitions made by a home loan originator into cost categories</p> <p>The Commissioner has adopted a flawed approach by dividing lender of record acquisitions into particular cost categories and then determining the creditable purpose based on the 'status' of</p>	<p>We agree that the application of paragraph 11-15(2)(a) requires a precise identification and analysis of the relevant acquisitions.</p> <p>In developing the final Ruling, we first analysed creditable purpose of common acquisitions made by home loan originators. Having determined this, categories where the acquisitions had similar creditable purpose</p>

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	<p>that cost category.</p> <p>Describing a particular class of acquisitions as pre-securitisation tends to have the effect of assuming it is entirely used pre-securitisation.</p>	<p>became evident. That is, the categories emerged from a review of creditable purpose, rather than by a process of dividing the costs into categories and determining the creditable purpose based on the status of these categories.</p> <p>In particular, we delineate between acquisitions to service loans before and after securitisation, as the taxable supply of servicer services only commences once the payment stream is assigned to the SPV. Prior to this point, the acquisitions to service the loan (such as those covered in Example 5 of the final Ruling) are used or consumed in making the supply of the loan in the period prior to securitisation. The originator would need to service the loans in this period irrespective of whether the loan is subsequently securitised.</p> <p>Paragraphs 109G and 109H of the final Ruling clarifies this, and some of the statements in the description of the categories have been qualified.</p>
5	<p>Redraw and refinancing actions</p> <p>It is unclear whether redraw and refinancing actions by a mortgage broker fall within the scope of post-securitisation costs.</p>	<p>In Example 2 of the final, the relevant facts are that the mortgage broker's supply is complete when the loan is drawn down. Whether a particular acquisition of mortgage broking services relates to the taxable supply of servicer services to any extent will depend on the characterisation of the broker's supply in terms of whether it is completed once the loan is originated.</p>
6	<p>Referrers</p> <p>It is unclear whether referrers are treated as brokers.</p>	<p>Agreed. We have amended paragraph 109J of the final Ruling to include reference to 'referrers'.</p>
7	<p>Discharge of loans</p> <p>It is unclear whether loan establishment includes the discharge of loans.</p>	<p>Acquisitions made by an originator to discharge loans that are securitised (that is, to release the borrower from the loan) are addressed in Example 6 of the final Ruling.</p>
8	<p>Characterisation of the supply under a loan agreement.</p> <p>Paragraphs 48 to 50 of the existing Ruling indicate that the application of paragraph 11-15(2)(a) to acquisitions will depend on the goods and services tax (GST) character of the underlying supply (that is, the supply of the loan). The submitter considers that the characterisation of the supply of the loan is essential to properly determine the application of paragraph 11-15(2)(a) in</p>	<p>We have added further explanation at paragraph 109V of the final Ruling to address the submitter's comments.</p>

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	<p>this context.</p> <p>The draft Ruling refers to the loan continuing, and there being an ongoing debtor/creditor relationship, it not clear whether the Commissioner considers a loan to be made singularly at the time of execution of the loan agreement, or on an ongoing basis for the duration of the loan agreement.</p> <p>Paragraphs 71 and 72 of the existing Ruling provide an analysis of a loan agreement. The Commissioner should preface the addendum with an explanation of his view on the characterisation of this supply and amend paragraph 71 to provide his views on the characterisation of the supply of the loan.</p>	
9	<p>Application of paragraph 11-15(2)(a) to post-securitisation servicing acquisitions</p> <p>The draft update to this Ruling refers to an ongoing debtor/creditor relationship and that the supply of the loan continues after securitisation – this leads to a conclusion that there are functions to perform in relation to this ongoing relationship. The submitter agrees that debtor/creditor obligation cannot be assigned, but this fact shouldn't lead to the conclusions in the draft update to this Ruling.</p> <p>The extent of obligations that continue to be owed are minimal and relate to the National Credit Code. These obligations are largely met through highly automated systems which require little time and effort on the part of the lender of record.</p> <p>The debts must be 'bankruptcy-remote' from assets held by the originator. The extent to which the Commissioner considers the home loan originator owes obligations to the borrower challenges the SPV's capacity to be bankruptcy remote. An authorised deposit-taking institution must only act as servicer via an arm's length agreement.</p>	<p>The submitter raises an alternative view that was considered in the development of the final Ruling.</p> <p>The originator continues to have an ongoing relationship with the borrower following the assignment of receivables to the SPV, and the obligations under the loan contract will continue to apply. The originator will also continue to have statutory obligations under the <i>National Consumer Credit Protection Act 2009</i> (where applicable), which includes the National Credit Code.³</p> <p>However, we do not consider that a narrow view that focuses only on the acquisitions that relate to the fulfilment of the originator's specific contractual or other legal obligations is the correct way to apply paragraph 11-15(2)(a).</p> <p>For instance, there is likely no specific obligation to provide a bank branch or call centre under either the loan contract or the servicing agreement. The originator provides these customer service channels as an integral feature of the supply of the loan, throughout the life of the loan.</p> <p>On an objective assessment, where the originator makes acquisitions to perform its ongoing functions as the supplier of the loan (with the maintenance of an ongoing relationship with the borrower being an inherent</p>

³ See section 188 of the National Credit Code in Schedule 1 of the *National Consumer Credit Protection Act 2009*. For instance, this includes requirements to issue periodic statements and statements of account on request, and requirements for the ending and enforcement of credit contracts and related mortgages and guarantees.

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	<p>The SPV as beneficial owner engages the originator to perform duties in managing those debts on the SPV's behalf. The vast majority of time as servicer is spent on collection of principal and interest payments from borrowers. This is not an obligation that remains with a borrower as supplier of the loan, but a duty that it is contracted to perform for the SPV.</p> <p>While accepting that the performance of the originator's obligations represents input taxed activity, we believe that little in the way of resources (in the form of ongoing acquisitions) are consumed in performing these obligations.</p> <p>The submitter agrees with the conclusion of Example 6 of the draft update to this Ruling that the post-securitisation servicing acquisitions are made partly for a creditable purpose, but consider that current approaches to the apportionment of acquisitions more than reasonably factor in the extent of input taxed activity that remains once a debt has been securitised.</p> <p>The Commissioner should review his comments in paragraph 50 of the draft update to this Ruling to confirm that the extent of obligations performed by the home loan originator post-securitisation are limited to the discharge of statutory obligations that are predominantly fulfilled by means of automated systems.</p>	<p>feature of the provision of the credit arrangement), these acquisitions will continue to relate partly to the supply of the loan after it is securitised.</p> <p>Paragraph 50 of the final Ruling has been amended to reflect that the relevant analysis is not restricted to a consideration of the obligations the assignor is under as the supplier following the assignment.</p>
10	<p>Nature of the equitable assignment</p> <p>The assignment in equity of a debt is a legal chose in action, which satisfies all the legal requirements. In the draft update to this Ruling, the Commissioner views the equitable assignment as creating beneficial interest in the payment stream. This does not recognise that an assignment done in equity involves the assignment of the debt (the 'tree') and not becoming the beneficial owner of the payment streams ('fruit' of the tree).</p> <p>The Commissioner should amend paragraph 103 of the Ruling to confirm that an assignment done in equity involves the assignment of the 'tree' and not merely the assignment of the 'fruit' of the tree.</p>	<p>The use of the term 'assignment of the right to the payment stream' in the draft update to this Ruling reflects that this is the term used to refer to arrangements covered by the final Ruling. The commentary on securitisation which is the focus of the addendum similarly focuses on arrangements where there is an assignment of rights to payment streams (refer to paragraph 94 of the final Ruling).</p> <p>The final Ruling defines a typical securitisation arrangement as involving an equitable assignment of all of the originator's right, title, benefit and interest in the receivables, together with any related security interest, to the SPV (refer to paragraph 158A of the final Ruling).</p> <p>As is stated in paragraphs 42 and 44 of the final Ruling, the scope of the assignment will depend on the transaction. It may encompass all or part of the originator's rights under the loan, but is not likely to be a sale of the</p>

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		<p>underlying property as the originator retains rights or functions to perform. It is considered that unless there is a novation the originator remains the provider of the credit (refer to paragraph 40 of the final Ruling).</p> <p>The comments in Item 9 of this Compendium are equally applicable where all of the originator's rights under the loan are equitably assigned to the SPV. In particular, the legal relationship between the originator and borrower, and the obligations owed between them, continue following the assignment.</p> <p>We do not consider that this distinction alters the analysis or that the terminology used in the final Ruling should be changed.</p>
11	<p>The practicality of the Commissioner's views</p> <p>The submitter considers that self-assessing input tax credit entitlements on the basis of the draft update to this Ruling would be highly impractical and connotes an inappropriate and unreasonable expectation of tracing.</p>	<p>The final Ruling addresses the first step in the operation of Division 11, by identifying the relevant connection between common acquisitions made by a home loan originator and supplies for the purposes of paragraph 11-15(2)(a). The second step in the operation of Division 11 is determining an apportionment method that gives a fair and reasonable reflection of the extent of the relationships between those acquisitions and supplies.</p> <p>Additional points raised in relation to Goods and Services Tax Ruling GSTR 2006/3 <i>Goods and services tax: determining the extent of creditable purpose for providers of financial supplies</i> have been taken into account in the recent update to that Ruling, which clarifies our views and provides certainty to industry. Further explanation is provided in that Ruling, and in the Compendium to that Ruling.</p>
12	<p>Commissioner would be better served in providing more context to support the positions expressed</p> <p>The Commissioner should base his views on a fuller presentation of the facts and circumstances surrounding the operation of a lending enterprise that securitises.</p> <p>The Commissioner has based his views on a limited set of facts which do not properly establish the context. The Commissioner has not fully canvassed the context in which the process of securitisation takes place.</p> <p>The submitter considers that the unique circumstances of a</p>	<p>The final Ruling explains the steps in the securitisation process in detail. As explained in Issue 1 of this Compendium, we acknowledge that the supply of the loan and the supplies made as part of the securitisation process are interrelated from a commercial perspective. The final Ruling also notes the advantages offered by securitisation in terms of managing risk and raising funds.</p> <p>We do not agree with the submitter's suggestion that the satisfaction of the positive test in subsection 11-15(1) implies that the negative test in subsection 11-15(2) does not operate to deny creditable purpose for the relevant acquisitions.</p> <p>We have provided further context relating to paragraph 11-15(2)(a) in</p>

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	<p>securitising retail lending operation is an example where the satisfaction of the positive limb test (in subsection 11-15(1)) necessarily informs the application of the negative limb test in paragraph 11-15(2)(a).</p> <p>The draft update to this Ruling would benefit from a more detailed explanation of the surrounding legislative scheme in order to place the application of paragraph 11-15(2)(a) in its proper context.</p>	<p>paragraphs 109B and 109C of the final Ruling. We have also referenced Goods and Services Tax Ruling GSTR 2008/1 <i>Goods and services tax: when do you acquire anything or import goods solely or partly for a creditable purpose?</i> which provides further explanation.</p>
13	<p>Ruling should address situations where the originator is grouped with the SPV</p> <p>The Commissioner should address situations where the originator and SPV entities are grouped for GST purposes, and consider whether there is a relationship between acquisitions and the supply of securities by the SPV.</p> <p>In this regard, the submitter believes that the creditable use of non-origination costs extends to the supply of GST-free securities by the SPV to offshore investors.</p>	<p>Agreed. We have added paragraphs 109AAK to 109AAW to the final Ruling, to explain our view on the creditable purpose of acquisitions to provide home loans where the SPV is in the same GST group as the home loan originator.</p>
14	<p>Separate ruling product</p> <p>The Commissioner should develop a separate ruling product to express views in this area.</p>	<p>The final Ruling covers a range of GST issues around securitisation, such as when an SPV is entitled to reduced input tax credits. We have included the additional guidance in the final Ruling to ensure our relevant guidance is contained in a single product.</p>
15	<p>Commissioner has not made the case for why addendum is required</p> <p>The submitter is concerned that the Commissioner has not clearly articulated the case for change and why existing products (for example, GSTR 2006/3 and GSTR 2008/1) no longer provide certainty.</p>	<p>We have not previously issued public advice or guidance on the application of paragraph 11-15(2)(a) in the specific practical context of acquisitions made by a home loan originator. This is an area where we saw the need to provide clarity on the ATO's view and to ensure consistency across the industry (taking into account differences in the relevant factual situations).</p> <p>By clearly setting out the ATO's view on how paragraph 11-15(2)(a) applies in this area, the final Ruling provides the foundation that can be used to determine whether apportionment methods used by originators for the relevant acquisitions are fair and reasonable.</p>
16	<p>Alternative view</p> <p>The Commissioner should provide an 'Alternative view' section</p>	<p>The final Ruling provides the Commissioner's view and does not include an alternative view. In finalising this Ruling, we considered the detailed</p>

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	where it becomes evident that industry representatives have competing but arguable views.	submissions from various stakeholders, as covered in this Compendium.
17	<p>Differentiation from ‘Tier 2’ securitisation arrangements</p> <p>The submitter notes that by reference to footnote 51C at paragraph 107B of the draft update to this Ruling, the Commissioner attempts to exclude the application of the proposed revisions to the Ruling to ‘Tier 2’ securitisation arrangements. The submitter agrees with this decision but considers that it should be explained with more commentary in order to avoid confusion.</p>	<p>The updated final Ruling has been clarified to make the exclusion of Tier 2 securitisation arrangements more prominent at paragraph 109F. Paragraph 102 of the final Ruling has removed the scenario of an originator purchasing receivables from a third party.</p> <p>Footnote 51A has been added in paragraph 109A of the final Ruling explaining the use of the term ‘originator’. This reinforces paragraph 5 of the final Ruling, which states that ‘Where the term ‘originator’ is used this refers to an assignor under a typical securitisation arrangement’.</p>
18	<p>Date of effect</p> <p>The submitter considers that the changes will require a significant alteration to current practices in order to implement and is incumbent on the Commissioner, to negotiate with industry, a suitable transition period to allow sufficient time to effect the system/accounting changes required to comply with the views expressed in the draft update to this Ruling.</p> <p>The submitter believes it is incumbent on the Commissioner (consistent with Law Administration Practice Statement PS LA 2011/27 <i>Determining whether the ATO’s views of the law should be applied prospectively only</i>) to undertake research to determine whether previous publications or conduct could have conveyed a different view in relation to the application of paragraph 11-15(2)(a) in this context. The final Ruling should contain a statement on whether compliance action would be on a go-forward basis and provide reasons for such a position.</p>	<p>The updates to the final Ruling apply from the start of the first tax period commencing on or after 1 October 2020.</p> <p>Generally, the updates to the final Ruling provide additional commentary and examples for how to determine the creditable purpose of common acquisitions made by a home loan originator. In particular, the updates reflect our longstanding position where origination costs have been recognised as solely relating to the supplies of loans made by a home loan originator (for example, acquisitions of mortgage brokerage services).</p> <p>As we have made changes to our position on costs to service loans in paragraph 50 of the final Ruling, we have determined that it is appropriate for the final updates to the Ruling to apply prospectively.</p> <p>In the final Ruling, we have not provided a statement of our compliance action in relation to past periods, as these decisions must be made in the context of each taxpayer's particular facts and circumstances.</p>
19	<p>Potential conflict with Practical Compliance Guideline PCG 2017/15 GST and Customer Owned Banking Institutions</p> <p>The submitter considers that, irrespective of their size and access to resources, in the context of determining the application of paragraph 11-15(2)(a) in relation to its home loan acquisitions, non-customer owned banking institutions (COBIs) are in a similar situation to COBIs who are unable to determine the application of</p>	<p>PCG 2017/15 provides practical guidance on how the Commissioner will apply his compliance resources in respect of apportionment for COBIs, and applies to all eligible acquisitions across the whole entity. By contrast, the updates to this Ruling sets out our view of the application of paragraph 11-15(2)(a) to acquisitions in relation to home loans.</p>

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	<p>paragraph 11-15(2)(a) in their particular circumstances.</p> <p>The submitter asks the Commissioner to clarify his position on the application of PCG 2017/15 in light of the issue of the draft update to this Ruling.</p>	
20	<p>Description of origination acquisitions</p> <p>In describing the origination acquisitions, the Commissioner should be adopting terminology that is consistent with corresponding reduced credit acquisition descriptions.</p>	<p>We considered using the descriptions of reduced credit acquisition in subsection 70-5.02(1) of the GST Regulations, instead of the terms used in paragraph 109J of the final Ruling. However, we determined that this may create confusion as the reduced credit acquisition items do not necessarily align to the treatment of acquisitions under paragraph 11-15(2)(a). For example, item 14 of subsection 70-5.02(1) contains a list of loan application, management and processing services, some of which may be to originate loans and some of which may be to service loans.</p>
21	<p>Example 3 of the draft update to this Ruling</p> <p>The Commissioner's views indicate that the application of paragraph 11-15(2)(a) turns on an assessment of whether the 'benefit' of an acquisition forms part of a supply that is being made. The Commissioner is introducing a new concept which is both undefined and not supported by case law.</p>	<p>The use of the term 'benefit' of the lender's mortgage insurance or title insurance was to refer to what is supplied to the SPV (that is, the right to any payout under the policies), rather than providing a statement on the test for the application of paragraph 11-15(2)(a). The wording in Example 3 of the final Ruling has been clarified.</p>