

## ***Recoveries and adjustment events -***

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⚠ This publication is extracted from the Insurance Industry Partnership - issues register. See issue 29 of that register. This publication should be read in conjunction with the related content of that register where further context is required.

⚠ This document has changed over time. This is a consolidated version of the ruling which was published on *27 June 2018*



## Insurance Industry Partnership

### Recoveries and adjustment events

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If you rely on this ruling, the Commissioner must apply the law to you in the way set out in the ruling (unless the Commissioner is satisfied that the ruling is incorrect and disadvantages you, in which case the law may be applied to you in a way that is more favourable for you – provided the Commissioner is not prevented from doing so by a time limit imposed by the law). You will be protected from having to pay any underpaid tax, penalty or interest in respect of the matters covered by this ruling if it turns out that it does not correctly state how the relevant provision applies to you.

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### Recoveries and adjustment events

#### **Issue**

1. Does the recovery of money or digital currency by the insurer from the at-fault third party constitute an adjustment event under Division 19 of the GST Act in relation to acquisitions made by insurers directly for the purpose of settling a claim?

#### **ATO view**

2. Where an insurer has made acquisitions under Division 11 of the GST Act directly for the purposes of settling an insurance claim and subsequently recovers money or digital currency from an at-fault third party in relation to those acquisitions, the recovery of that money or digital currency by the insurer does not constitute an adjustment event under Division 19.