



***GSTA TPP 020 - Goods and services tax: When a retail outlet makes a supply to a customer in exchange for a section 100-5 voucher, commonly referred to as a face value voucher (FVV), is the supply by the retail outlet a taxable supply?***

 This cover sheet is provided for information only. It does not form part of *GSTA TPP 020 - Goods and services tax: When a retail outlet makes a supply to a customer in exchange for a section 100-5 voucher, commonly referred to as a face value voucher (FVV), is the supply by the retail outlet a taxable supply?*

 This document has changed over time. This is a consolidated version of the ruling which was published on *31 October 2012*



## Goods and Services Tax Advice

Goods and services tax: when a retail outlet makes a supply to a customer in exchange for a section 100-5 voucher, commonly referred to as a face value voucher (FVV), is the supply by the retail outlet a taxable supply?

### Preamble

*This document was published prior to 1 July 2010 and was a public ruling for the purposes of former section 37 of the **Taxation Administration Act 1953** and former section 105-60 of Schedule 1 to the **Taxation Administration Act 1953**.*

*From 1 July 2010, this document is taken to be a public ruling under Division 358 of Schedule 1 to the **Taxation Administration Act 1953**.*

*A public ruling is an expression of the Commissioner's opinion about the way in which a relevant provision applies, or would apply, to entities generally or to a class of entities in relation to a particular scheme or a class of schemes.*

*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.*

**[Note:** This is a consolidated version of this document. Refer to the Legal Database (<http://law.ato.gov.au>) to check its currency and to view the details of all changes.]

### Answer

Yes. The supply by the retail outlet to a customer on redemption of a FVV is a taxable supply if the requirements of section 9-5 are satisfied.

### Background

An entity sells FVVs to various retail outlets that sell them to their customers. Under the agreement, the FVVs can be redeemed at any participating retail outlet and the entity will reimburse a retail outlet that supplies goods on redemption of a voucher which it did not sell. A retail outlet makes a supply of goods to a customer on redemption of the FVV.

### Explanation

For section 100-5 vouchers (FVVS), the supply of a FVV for consideration is not a taxable supply, and there is no GST payable on that supply. A GST liability will arise on redemption of a FVV if the FVV is redeemed for a supply of goods or services that is a taxable supply under section 9-5.

*Note: The retail outlet that makes the supply on redemption may not be the retailer that sold the FVV to the customer. In this circumstance, the entity may pay the retail outlet that makes the supply on redemption. See GSTA TPP 21 for an explanation of the GST outcomes for this circumstance.*

### Application of this GST Advice

This Advice applies [to tax periods commencing] both before and after its date of issue. However, this Advice will not apply to taxpayers to the extent that it conflicts with the terms of a settlement of a dispute agreed to before the date of issue of this Advice (see paragraphs 75 and 76 of Taxation Ruling TR 2006/10).

**Related Rulings/Determinations/GST Advice:**

TR 2006/10; GSTA TPP 019

**Subject references:**

face value vouchers  
taxable supplies

**Legislative references:**

ANTS(GST)A 1999 9-5  
ANTS(GST)A 1999 Div 100  
ANTS(GST)A 1999 100-5  
ANTS(GST)A 1999 100-5(2)  
TAA 1953 Sch 1 Div 358

---

**ATO references**

NO:	05/3095
ISSN:	1833-0053