

GSTA TPP 022 - Goods and services tax: Is the fee for services provided by an entity to a retail outlet for the administration of an arrangement involving section 100-5 vouchers, commonly referred to as face value vouchers (FVVS), subject to GST?

⚠ This cover sheet is provided for information only. It does not form part of *GSTA TPP 022 - Goods and services tax: Is the fee for services provided by an entity to a retail outlet for the administration of an arrangement involving section 100-5 vouchers, commonly referred to as face value vouchers (FVVS), subject to GST?*

⚠ 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: is the fee for services provided by an entity to a retail outlet for the administration of an arrangement involving section 100-5 vouchers, commonly referred to as face value vouchers (FVVS), subject to GST?

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. If the requirements of section 9-5 of the GST Act are met, the fee is consideration for a taxable supply. GST is payable at the rate of 10% of the value of the supply of services.

Background

An entity sells FVVs to various retail outlets that sell them to their customers. Under an agreement, the FVVs can be redeemed in 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 customer purchases an FVV from a retail outlet and redeems it for supplies from a different retail outlet. The entity reimburses the retail outlet for the face value of the FVV presented by the customer.

The entity is paid by the retail outlet or retains a percentage of its reimbursement payment to the retail outlet for the entity's administration, advertising and promotional services it provides to the retail outlet.

Explanation

The fee that the entity receives represents consideration for the services the entity supplies to the retail outlet. This supply of services is a taxable supply, if the requirements of section 9-5 are met.

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; GSTA TPP 020; GSTA TPP 021

Subject references:

face value vouchers
taxable supplies
fee for services

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