



GSTD 2005/2 - Goods and services tax: is an invoice that is posted on a website 'issued' for the purposes of Division 29 of the A New Tax System (Goods and Services Tax) Act 1999 ?

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 This document has changed over time. This is a consolidated version of the ruling which was published on *24 April 2013*



Goods and Services Tax Determination

Goods and services tax: is an invoice that is posted on a website 'issued' for the purposes of Division 29 of the *A New Tax System (Goods and Services Tax) Act 1999*?

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.]*

1. Yes, an invoice is 'issued' for the purposes of Division 29 of the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act) when it is posted on a website, provided that:

- the invoice is posted in an area that is readily accessible by the entity to whom the invoice is to be issued;
- the invoice can be downloaded or printed in a readable format by the entity; and
- the entity has been informed that the invoice has been posted on the website, for example, by email, or is aware by arrangement or agreement that invoices will be posted on the website.

Background***Invoice and tax invoice***

2. An invoice is a document notifying an obligation to make a payment.¹ A tax invoice is a document that contains the information about a taxable supply required by the GST Act.² However, the one document can satisfy the requirements of both an invoice and a tax invoice. Similarly, a recipient created tax invoice (RCTI) can also be an invoice.

3. You must hold a tax invoice to claim an input tax credit for a creditable acquisition unless the Commissioner has made a written determination indicating otherwise.³ The supplier usually gives the recipient a tax invoice for the supply. However, the Commissioner has determined that, in certain circumstances, the recipient of a supply may issue tax invoices, known as an RCTI, to the supplier for that supply.

4. A tax invoice can be issued in electronic form, for example, by electronic data interchange (EDI).⁴

5. When we refer to an invoice in this Determination, we are referring equally to an invoice issued by a supplier and to an RCTI issued by a recipient of a supply that also satisfies the definition of an invoice for GST purposes. We are also referring to an invoice prepared by a third party who is authorised to determine and notify an amount payable by one party to another.⁵

Attributing GST and input tax credits

6. Under section 29-5 of the GST Act, GST payable on a taxable supply made by a supplier that does not account for GST on a cash basis is attributable to (that is, must be brought to account for) the tax period in which any of the consideration is received for the supply. However, if an invoice is issued relating to the supply before any of the consideration is received, GST is attributable to the tax period in which the invoice is issued.

7. Under section 29-10 of the GST Act, the input tax credit for a creditable acquisition by a recipient who does not account on a cash basis is attributable to (that is, may be claimed for) the tax period in which any of the consideration is provided for the supply. However, if an invoice is issued before any of the consideration is provided, the input tax credit entitlement of the recipient is attributable to the tax period in which the invoice is issued, provided the requirement to hold a tax invoice is satisfied.

8. Therefore, if an invoice is issued in respect of a taxable supply before any of the consideration is provided by the recipient, the date of issue of the invoice will determine the earliest tax period in which GST and input tax credits are to be attributable.

Explanation

9. If a supplier operates its business using a website on the internet, the supplier may provide invoices by making them accessible to recipients on its website or the website of a third party. When a supply is made and an invoice is prepared, the supplier will usually tell

¹ Section 195-1 of the GST Act.

² Subsection 29-70(1) of the GST Act sets out the information that must be contained in a tax invoice.

³ Subsection 29-10(3) of the GST Act.

⁴ Paragraph 12 of Goods and Services Tax Ruling 2013/1 *Goods and services tax: tax invoices*.

⁵ Paragraph 32 of Goods and Services Tax Ruling GSTR 2000/34 (which explains what is an invoice for the purposes of the GST Act).

the recipient by email or other medium that an invoice has been posted on the website. Alternatively, the supplier and recipient may have an arrangement or agreement that the recipient will access the website, either at the recipient's convenience or periodically, to download or print invoices posted on the website. The arrangement or agreement may be contained in the terms of trade, letters, emails or file notes. To access an invoice, the recipient is usually required to log onto the website, enter a password and then print or download the invoice for the supply.

10. Attribution of GST and input tax credits occurs if an invoice is 'issued' by the supplier before any of the consideration for the supply is received.⁶ The ordinary meaning of the verb 'issue' in this context means 'to send out; discharge; emit'.⁷

11. The Commissioner considers that an invoice is issued when the supplier 'sends' the invoice to the recipient. The date when the invoice issues is the date that the invoice is electronically transmitted, posted, couriered, hand delivered or is sent by similar method.⁸

12. In our view, a supplier can provide an invoice to a recipient when the invoice is posted on the supplier's website, or is hosted on the website of a third party, in an area that is readily accessible by the recipient and from which the invoice can be downloaded or printed in a readable format. This is provided that the recipient has been informed that the invoice has been posted on the website, for example, by email, or is aware by arrangement or agreement with the supplier that invoices will be posted on the website. We consider that this view strikes a fair balance between allowing suppliers the efficiency of using electronic transmission and ensuring that recipients can access the data transmitted.

13. The date that the recipient is informed that the invoice has been provided via the website is the date that the invoice is issued for the purposes of the attribution rules in Division 29 of the GST Act. Alternatively, if there is an arrangement or agreement that the supplier will place invoices on its website and the recipient will access those invoices at its convenience, the date that the invoice is issued for attribution purposes is the date that the invoice is posted on the website.

14. This Determination applies equally to invoices in the form of RCTIs.

Example

15. *A supplier of spare parts, GoodGear Pty Ltd ('GoodGear'), places invoices for supplies made to Best Parts Pty Ltd ('Best Parts') on its website. It is the usual practice of GoodGear to send an email to Best Parts on the same day informing them that invoices have been posted to the website. Occasionally, the email may not be sent until a day or two later.*

16. *The date that the invoice provided by GoodGear is issued is the date that GoodGear emails Best Parts informing them that the invoice has been posted on the website.*

17. *Alternatively, if the agreed business practice between the two parties is for GoodGear to place invoices for supplies made on its website when the invoice is prepared, then the date that the invoice is issued is when it is posted on the website.*

⁶ Paragraphs 29-5(1)(b) and 29-10(1)(b) of the GST Act.

⁷ The Macquarie Dictionary, Revised Third Edition, 2001.

⁸ Paragraph 33 of GSTR 2000/34.

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Date of effect

18. This Determination applies [to tax periods commencing] both before and after its date of issue. However, this Determination 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 Determination (see paragraphs 75 and 76 of Taxation Ruling TR 2006/10).

19. Changes made to this Determination by Addenda that issued on 31 October 2012 and 24 April 2013 have been incorporated into this version of the Determination. Refer to each Addendum to see how that Addendum amends this Determination.

Commissioner of Taxation

8 June 2005

Previous draft:

GSTD 2004/D2

Related Rulings/Determinations:

TR 2006/10; GSTR 2000/34;
GSTR 2013/1; GSTD 2005/1

Subject references:

- electronic data interchange
- invoice
- issue date
- recipient created tax invoice
- record keeping
- tax invoice
- website

Legislative references:

- ANTS(GST)A 1999 Div 29
- ANTS(GST)A 1999 29-5
- ANTS(GST)A 1999 29-5(1)(b)
- ANTS(GST)A 1999 29-10
- ANTS(GST)A 1999 29-10(1)(b)
- ANTS(GST)A 1999 29-10(3)
- ANTS(GST)A 1999 29-70(1)
- ANTS(GST)A 1999 195-1
- TAA 1953 Sch 1 Div 358

Other references:

- The Macquarie Dictionary, Revised Third Edition, 2001

ATO references

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