GSTD 2006/2W - Goods and services tax: does an Australian entity make a taxable supply when it supplies repair services under a warranty given by a non-resident manufacturer?

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This document has changed over time. This is a consolidated version of the ruling which was published on *25 January 2017*

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Notice of Withdrawal

Goods and Services Tax Determination

Goods and services tax: does an Australian entity make a taxable supply when it supplies repair services under a warranty given by a non-resident manufacturer?

Goods and Services Tax Determination GSTD 2006/2 is withdrawn with effect from today.

1. GSTD 2006/2 states that a GST registered entity does not make a GST-free supply when it supplies repair services to a non-resident under a warranty given by a non-resident manufacturer:

- who is not in Australia when the repairs are done
- who acquires the repair services in carrying on its enterprise, but who is not registered or required to be registered, and
- the supply is provided, or is required to be provided under an agreement between the supplier and the non-resident manufacturer, to another entity in the indirect tax zone (ITZ).

2. This Determination is being withdrawn because section 3 and item 20 in Part 2 of Schedule 2 to the *Tax and Superannuation Laws Amendment (2016 Measures No. 1) Act 2016* inserts section 38-191 into the GST Act. Section 38-191 of the GST Act applies in relation to working out net amounts for tax periods starting on or after 1 October 2016, subject to a transitional rule.[1] The amendments ensure that a supply of a repair, renovation, modification or treatment of goods is GST-free if it is made to a non-resident that is not in the ITZ, therefore, GSTD 2006/2 no longer applies.

Commissioner of Taxation
25 January 2017

[1] Item 27 in Part 5 of Schedule 2 to the *Tax and Superannuation Laws Amendment (2016 Measures No. 1) Act 2016.*

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