GSTR 2000/22W - Goods and services tax: determining the extent of creditable purpose for providers of financial supplies

This cover sheet is provided for information only. It does not form part of *GSTR 2000/22W - Goods and services tax: determining the extent of creditable purpose for providers of financial supplies*

This Ruling has been replaced by GSTR 2006/3

This document has changed over time. This is a consolidated version of the ruling which was published on *12 April 2006*

Generated on: 25 November 2026, 03:43:33 AM

Notice of Withdrawal

Goods and Services Tax Ruling

Goods and services tax: determining the extent of creditable purpose for providers of financial supplies

Goods and Services Tax Ruling GSTR 2000/22 is withdrawn with effect from today.

1. GSTR 2000/22 provides guidance on apportionment methodologies that can be used for calculating input tax credits and adjustments for change in use by providers of financial supplies under the *A New Tax System (Goods and Services Tax) Act 1999*. It also explains the way in which the reduced input tax credit provisions in Division 70 of that Act interact with these apportionment methodologies.

2. Goods and Services Tax Ruling GSTR 2000/22 is replaced by Goods and Services Tax Ruling GSTR 2006/3.

3. GSTR 2006/3 ('the Ruling') amalgamates the addendum to GSTR 2000/22 into the Ruling. A number of other changes are made to the Ruling to improve clarity and readability.

4. The Ruling gives more emphasis on principles set out by the High Court in *Ronpibon Tin NL v. FC of T* (1949) 78 CLR 47 by stating that the method chosen needs to be fair and reasonable in the circumstances of the enterprise. It also states that an entity is not limited to the particular apportionment methods set out in the Ruling, provided the method chosen is fair and reasonable.

5. The Ruling provides that if it is planned to use an acquisition or importation directly or indirectly for both creditable and non-creditable purposes then apportionment of input tax credits is required on a fair and reasonable basis.

6. The Ruling explains a number of direct and indirect methods which can be used to estimate the extent of creditable purpose. This includes expanded sections on indirect estimation methods based on revenue flows. It also includes examples of the application of the different methods.

7. The Ruling expresses a preference for the use of direct methods of apportionment, where they are available, with indirect methods used in the absence of direct methods. It emphasises that direct methods are not required, where it is fair and reasonable to use an indirect method.

8. The Ruling makes clear that whatever apportionment method is used it needs to exclude distorting factors from the calculation, for example, substantial one-off capital acquisitions.

9. The Ruling explains that taxpayers are required to keep records containing particulars of any election, choice, estimate, determination or calculation made under the GST law, and provides an expanded explanation of factors which could assist in determining the level of documentation required in an entity's circumstances.

Commissioner of Taxation
12 April 2006

ATO references
NO: 2005/18404
ISSN: 1443-5160
ATOlaw topic: Goods and Services Tax ~~ Financial supplies ~~ creditable purpose
Goods and Services Tax ~~ Financial supplies ~~ financial acquisitions threshold