GSTR 2000/23W - Goods and services tax: when consideration is provided and received for various payment instruments

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This Ruling has been replaced by GSTR 2003/12

This document has changed over time. This is a consolidated version of the ruling which was published on *8 October 2003*

Notice of Withdrawal

Goods and Services Tax Ruling

Goods and services tax: when consideration is provided and received for various payment instruments

Goods and Services Tax Ruling GSTR 2000/23 is withdrawn with effect from today. It is replaced by GSTR 2003/12.

1. The Ruling describes the various payment instruments that may be used in transactions and provides guidelines to help decide when consideration for a supply has been provided or received.

2. As part of the Australian Taxation Office's continuing review of Public Rulings to monitor their technical accuracy and practical application, we identified the need to clarify some of the issues in GSTR 2000/23 by issuing a new Ruling. Goods and Services Tax Ruling GSTR 2003/12 clarifies when consideration is provided and received where payment is made by way of cheque, using a voucher or a stored value card, made by way of points or credits in a formalised system of barter and when a supply is made on credit.

3. The main differences between the two Rulings are explained below.

Paragraphs of the new Ruling and an explanation of what has changed from GSTR 2000/23

Title of the Ruling

4. The title of the Ruling has changed to 'Goods and services tax: when consideration is provided and received for various payment instruments and other methods of payment'. The title was changed because the GSTR 2003/12 deals with various payment instruments and other methods of payment.

Paragraphs 8 to 10

5. The date of effect of the new Ruling is outlined in paragraphs 8 to 10 of that Ruling. GSTR 2000/23 is withdrawn with effect from the date of issue of GSTR 2003/12. You can rely upon GSTR 2000/23 until the date of issue of the new Ruling, GSTR 2003/12.

Paragraphs 18, 20 and 21

6. New paragraphs 18, 20 and 21 have been added to the background section of the Ruling. Paragraphs 18 and 20 explain that an input tax credit cannot be attributed to a tax period if a tax invoice for the acquisition is not held when the Business Activity Statement for that period is lodged. Paragraph 21 provides that the Commissioner can make a determination under section 29-25 specifying a different tax period to that which would otherwise apply under the basic attribution rules.

Paragraph 24

7. An explanation of when consideration is provided and received where payment is made by way of cheque is set out in paragraphs 24 to 29. A new footnote has been added to paragraph 24 (paragraph 18 in GSTR 2000/23) to include a reference to GSTR 2000/19 in respect of the GST treatment of dishonoured cheques to make the explanation more complete.

Paragraphs 41 to 50

8. Paragraphs 41 to 50 discuss when consideration is provided and received where payment for a supply is made using a voucher. This discussion was contained in paragraphs 35 to 39 of GSTR 2000/23. The new Ruling explains the meaning and GST treatment of a face value voucher and a non-face value voucher. The new paragraphs are consistent with the approach taken in relation to vouchers in GSTR 2003/5.

Paragraphs 51 to 64

9. Paragraphs 51 to 64 replace paragraphs 40 to 50 of GSTR 2000/23. These paragraphs deal with stored value cards. GSTR 2003/12 clarifies the types of things that are stored value cards and describes when the supply of the stored value card is a taxable supply.

Paragraphs 65 to 67

10. Paragraphs 65 to 67 deal with barter schemes and replace paragraphs 51 to 54 of GSTR 2000/23. The Ruling clarifies when consideration is provided and received where supplies and acquisitions are made between members of a barter scheme and paid for by way of points or credits. GSTR 2003/12 states that

consideration is provided and received when the docket is signed, not when the transaction takes place as stated in GSTR 2000/23.

Paragraphs 68 to 76

11. Paragraphs 68 to 76 (paragraphs 55 to 60 in GSTR 2000/23) were rewritten to more clearly explain when consideration is provided and received where direct barter of goods and services occurs and there is a time lapse between the provision of goods and services.

Paragraph 78

12. Paragraph 78 (paragraph 62 in GSTR 2000/23) is rewritten to clarify that where a supply is made on credit, consideration is provided and received when an amount is paid, unless the arrangement is in the nature of a line of credit or overdraft.

13. A number of other minor changes are made to the Ruling to improve readability.

Commissioner of Taxation
8 October 2003

ATO references
NO: 2002/011971
ISSN: 1443-5160