GSTR 2000/26 - Goods and services tax: corporate card statements - entitlement to an input tax credit without a tax invoice

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Goods and Services Tax Ruling

Goods and services tax: corporate card statements - entitlement to an input tax credit without a tax invoice

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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.]

What this Ruling is about

1. This Ruling explains two determinations that the Commissioner has made under subsection 29-10(3) of the *A New Tax System (Goods and Services Tax) Act 1999* ('the GST Act'). The determinations are appended to this Ruling as Schedule 1 and Schedule 2; and set out the circumstances in which a registered entity that holds a corporate card statement (issued by certain organisations) can claim an input tax credit for a creditable acquisition without holding a tax invoice for that acquisition. The relevant organisations are listed in the citations contained in the determinations.[1]

2. This Ruling also explains how a corporate card provider that is not covered by either determination can request the Commissioner to make a further determination for entities that use their corporate card statements to claim input tax credits for their creditable acquisitions on the statement.

3. The Ruling also:

- describes the information that a corporate card statement must contain for either determination to apply;
- sets out the requirements you must meet for either determination to apply to you; and
- sets out the requirements the corporate card provider must meet when issuing a corporate card statement for either determination to apply.

4. Certain terms used in this Ruling are defined or explained in the **Definitions** section of the Ruling. These terms, when first mentioned elsewhere in the body of the Ruling, appear in **bold** type.

5. The expression 'you' in this Ruling refers to a registered entity that is the corporate holder of the corporate card.

6. All legislative references are to the GST Act (unless otherwise specified).

[1] Schedule 1 is the determination issued on 28 June 2000 that contains the 30 June 2004 deadline and that has been terminated as at 30 June 2004. Schedule 2 is the determination that contains the new 30 June 2006 deadline and that commences from 1 July 2004.

Date of effect

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

Background

Input tax credits

8. You can claim an input tax credit for any creditable acquisition that you make.[2] However, you must hold a tax invoice before claiming an input tax credit for a creditable acquisition (see paragraph 12). An acquisition is creditable if:[3]

- you acquire a thing solely or partly for a creditable purpose;
- the supply of the thing to you is a taxable supply;
- you provide, or are liable to provide, consideration for the supply; and
- you are registered, or required to be registered.

Creditable purpose

9. You acquire something for a creditable purpose to the extent to which you acquire it in carrying on your enterprise.[4] However, something that you acquire will not be acquired for a creditable purpose to the extent that:[5]

- it relates to making input taxed supplies; or
- it is of a private or domestic nature.

10. The input tax credit for a creditable acquisition is the amount of GST that is payable by the supplier.[6] However, if an acquisition is only partly creditable, you will need to apportion the input tax credit.

11. Your input tax credits are offset against your GST payable for a particular tax period in arriving at your net amount of GST liability.[7]

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[2] Section 11-20.
[3] Section 11-5.
[4] Subsection 11-15(1).
[5] Subsection 11-15(2).
[6] Section 11-25.
[7] Subsection 17-5(1).

Tax invoices

12. Even though something may be a creditable acquisition, you cannot claim an input tax credit in your GST return[8] for a particular tax period until you hold a tax invoice for the acquisition.[9] However, if the GST exclusive value of the taxable supply is $75 or less, you will not need a tax invoice.[10]

13. The GST Act requires that a tax invoice must comply with the following requirements:[11]

- be issued by the supplier of the supply or supplies to which the document relates, unless it is a recipient created tax invoice (in which case it is issued by the recipient);
- be in the approved form;
- contain enough information to enable the following to be clearly ascertained:
  - the identity and ABN of the supplier;
  - the identity or ABN of the recipient if the total price of the supply or supplies is at least $1,000, or such higher amount as the regulations specify;
  - what is supplied, including the quantity (if applicable) and the price;
  - the extent to which each supply included on the document is a taxable supply;
  - the date the document is issued;
  - the amount of GST (if any) payable in relation to each supply included on the document; and
  - such other matters as the regulations specify;[12]
- it can be clearly ascertainable from the document that the document was intended to be a tax invoice or if it was issued by the recipient, a recipient created tax invoice.

If the recipient is a member of a GST group, section 48-57 may relax the requirements relating to the recipient's identity.

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[8] Your GST return is part of your Business Activity Statement.
[9] Subsection 29-10(3).
[10] Subsection 29-80(1).
[11] Subsection 29-70(1).
[12] Currently the regulations do not specify any other matters.

14. A tax invoice for a taxable supply that is made through a GST branch must show the GST branch registration number of the branch.[13]

15. However, the Commissioner can determine that, in certain circumstances, you may claim an input tax credit in your GST return for a particular tax period without holding a tax invoice.[14]

Ruling

Circumstances in which a tax invoice is not required

16. The Commissioner has determined[15] that you can claim an **input tax credit** for a **creditable acquisition** without holding a **tax invoice** for that acquisition if you hold a **corporate card statement** from a corporate card provider and the following requirements are satisfied:

(a) the corporate card statement has the following details:

(i) your name;

(ii) the name (s) of the person(s) who uses the corporate card to purchase the creditable acquisition or, in the case of fuel cards, the vehicle identifier;

(iii) your Australian Business Number ('ABN') or address;

(iv) for each acquisition for which you may claim an input tax credit the statement has:

- the date you purchased the acquisition;
- the supplier's name;
- the supplier's ABN;
- the supplier's Branch Registration Number (where applicable);
- a brief description of the acquisition or, if that is not available, a description of the supplier's industry;
- the amount of GST paid; and
- the total amount paid; and

[13] Paragraph 54-50(1)(a).
[14] Subsection 29-10(3).
[15] Copies of the determinations are attached in Schedule 1 and Schedule 2 to this Ruling.

(b) you have an effectively regulated corporate policy for making adjustments for expenditure on the **corporate card** that is of a private or domestic nature and is not made in connection with carrying on your enterprise;

(c) you have supplementary documentary evidence supporting each acquisition on the statement that has a private or domestic component and the documentary evidence clearly identifies the creditable and non-creditable components of the acquisition; and

(d) your corporate card provider meets the conditions outlined in paragraphs 18 to 24.

17. However, in some circumstances you may still need to obtain a tax invoice to substantiate creditable acquisitions from certain suppliers (see paragraphs 29 and 70-71 below).

Additional requirements for the corporate card provider

18. This Ruling only applies to a corporate card issued by the following corporate card providers:

- Financial institutions that issue VISA International corporate cards;
- American Express International;
- Diners Club International;
- Financial institutions that issue MasterCard International corporate cards;
- Australian Card Services Pty Ltd;
- Motorcharge Ltd; and
- Fleet Systems Pty Limited.

19. If your card is not issued by one of the above named corporate card providers, you will need a tax invoice to claim your input tax credits for your creditable acquisitions.

Applications for determinations in respect of other corporate card providers

20. A card provider that is not one of the corporate card providers listed in paragraph 18 above can request that the Commissioner make a determination for the card provider's clients in respect of the card statements the provider issues. We explain the procedures to be followed when making these requests in paragraphs 76 and 77 below.

Tax point of the supply

21. The corporate card statement must show the date the goods or services were purchased from the supplier (see paragraphs 35 to 38). In some instances this may be same as the date the information was transmitted by the supplier to the corporate card provider.

Requirements for certain corporate card providers

22. Rather than modifying existing point of sale systems, some corporate card providers/**acquirers** may, until 30 June 2006, prefer to obtain information such as the merchant's ABN and registration status separately and then determine the GST amount by using a 1/11th calculation of the GST-inclusive price of the supply.

23. In these circumstances, where the merchant is unable to transmit all the details required on the statement to the corporate card provider for supplies it makes, the corporate card provider/acquirer must, before including a GST amount in the statement:

(a) obtain a signed statement from each merchant that states:

(i) the merchant's ABN and Branch Registration Number (where applicable);

(ii) whether or not the merchant is registered for GST;

(iii) the type of supply or supplies (i.e., taxable, GST-free and/or input taxed) the merchant provides;

(iv) where the merchant only provides taxable supplies, whether or not GST is calculated at 1/11th of the price for all the taxable supplies the merchant provides; and

(v) provides the corporate card provider/acquirer with an undertaking that it will be notified -

- when they cease to be registered for GST; or
- when they cease to make only taxable supplies where the GST is calculated at 1/11th of the price;

(b) retain the signed statement for at least 5 years after the merchant ceases their association with the corporate card provider;

(c) clearly identify each supply in the statement that may be a GST-free, input taxed or mixed supply;

(d) clearly identify each supply where GST may not be 1/11th of the price; and

(e) where a supply has been identified as being a supply that may be a GST-free, input taxed or a supply where GST may not be 1/11th of the price, advise the entity to obtain a tax invoice before attributing an input tax credit to a tax period.

24. Where the corporate card provider/acquirer obtains information that the merchant is not registered, or ceases to be registered for GST, the corporate card provider and acquirer should not calculate an amount of GST but state that the amount of GST included in the price of the supply is $nil.

Double claiming of input tax credits

25. If you receive a tax invoice for a supply that, because of this Ruling, you are able to substantiate using your corporate card statement, you cannot use both the tax invoice and the corporate card statement to claim your input tax credit in relation to that supply.

26. In this situation you must not use the tax invoice to attribute your input tax credits to a tax period, unless you receive the tax invoice before the applicable corporate card statement[16] and you choose to use the tax invoice to substantiate your input tax credit for that supply (see paragraph 37). No further claim for input tax credit in relation to the supply must be made when you later receive the statement.

27. If you make a false statement to a tax officer which leads to your **net amount** for a tax period being incorrect you may be guilty of an offence.[17]

Additional requirements for suppliers

28. There are no additional requirements for suppliers. However, as an accounting control option to avoid double counting of input tax credits, a supplier can choose to indicate on any tax invoice they issue whether or not the payment was made via a corporate card.

[16] The applicable corporate card statement is the corporate card statement that informs you of your liability to the corporate card provider for the supply to which the tax invoice relates.
[17] Subsection 284-75(1) in Schedule 1 to the *Taxation Administration Act 1953*.

Situations where you need to obtain a tax invoice

29. Where the corporate card statement indicates that the supply may be a **mixed supply** or a taxable supply where GST is not $1/11^{th}$ of the price, you need to obtain a tax invoice to substantiate the input tax credits for the supply. If you don't already hold one, you will need to ask the supplier for a tax invoice before attributing an input tax credit to a tax period.

30. In cases where all the information that is required under paragraph 16 of the Ruling is transmitted by the merchant to the corporate card provider, the corporate card statement will not in those circumstances indicate that a tax invoice is needed. As long as all the other requirements of this Ruling are satisfied, you may use the whole statement to attribute input tax credits to a tax period.

Explanations (this forms part of the Ruling)

31. In business today many entities use corporate credit or charge cards as a means of keeping expenses under control as well as eliminating much of the paperwork traditionally surrounding the purchasing process. The term 'corporate card' is defined in paragraph 85 and is not necessarily restricted to cards referred to in the market place as 'corporate cards'. Cards referred to by card issuers as commercial cards, business cards, purchasing or procurement cards and fuel cards can also be 'corporate cards' – provided they fall within the definition in paragraph 85.

32. The main features of the corporate card are that it generally relieves suppliers from issuing invoices and entities from obtaining source documents from their employees before processing payments. It also reduces the need for multiple payments.

Information on the corporate card statement

33. The corporate card statement must contain all the information that is set out in paragraph 16 of this Ruling. If you receive a corporate card statement from a corporate card provider that is missing some of the information required you must obtain a tax invoice before attributing input tax credits to a tax period.

Your name

34. The name on the statement may be your legal name or your business name.

Date (and tax point) of supply

35. It is important for entities to know the date they acquired the goods or services for attribution purposes. Generally your input tax credit is attributable to the tax period in which you provide any of the consideration or an earlier **invoice** is issued relating to the supply. However, if you account for GST on a cash basis your input tax credits are attributable to the tax period in which you actually pay for the goods or services.[18]

36. When a payment is made by crediting or charging to a corporate card in person, consideration is provided and received when the recipient of the supply signs to authorise the transaction. When a payment is made remotely (e.g., by telephone or Internet) the consideration is provided and received when the cardholder gives the card number and other required details.[19]

37. There may be circumstances where the supplier does not transmit the information relating to the sale to the corporate card provider for a number of months. In these circumstances you will not be able to attribute the input tax credit until you receive the corporate card statement with the details of the creditable acquisition on it, unless you hold a tax invoice.

38. However, the supplier must attribute the GST payable to the tax period in which the recipient of the taxable supply signed the corporate card voucher or provided the card number and other details. Where the supplier accounts for GST on a non-cash basis and an invoice is issued in respect of the supply before any of the consideration is received, the supplier must attribute the GST payable to the tax period in which the invoice was issued.[20]

Where the creditable acquisitions on the statement relate to more than one tax period

39. The creditable acquisitions listed on a corporate card statement may relate to more that one tax period. You can only attribute your input tax credits for each acquisition on the statement to the tax period to which the creditable acquisition relates. However, where a creditable acquisition relates to a thing that was acquired during an earlier tax period and you have not already claimed input tax credits for the acquisition you may use the statement to claim input tax credits for it.

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[18] Regardless of which accounting method you use, you cannot claim an input tax credit unless you received a tax invoice (or corporate card statement if this Ruling applies to you).
[19] GST Ruling GSTR 2003/12 outlines the time that a supply is purchased or sold.
[20] Section 29-5.

Example 1

40. Foreman Enterprises is registered for GST and has monthly tax periods. Foreman Enterprises satisfies the requirements outlined in this Ruling and is able to use its corporate card statement to attribute input tax credits to a tax period. An extract from the corporate card statement received on 3 October 2000 outlines the following expenditure of Foreman Enterprises' employee:

Date of purchase	*Supplier*	*descp*	*Price*	*GST amt*
28 Aug 2000	Cameras 'R' Us (ABN xxx xxx xxx xx)	Photo film	$220	$20
8 Sept 2000	Motex (ABN xxx xxx xxx xx)	Petrol	$44	$4
15 Sept 2000	Better TVs (ABN xxx xxx xxx xx)	Electrical goods	$649	$59
1 Oct 2000	BCD Hardware (ABN xxx xxx xxx xx)	Paint, tools	$550	$50

41. Foreman Enterprises has not received a tax invoice for any of the purchases above. The earliest tax period in which Foreman Enterprises is able to attribute the input tax credits totalling $83 is the September 2000 tax period. The input tax credit of $50 can not be attributed to the September 2000 tax period, but is able to be attributed to the following tax period.

Supplier's branch registration number

42. An entity with a separately registered GST branch may make some supplies through that branch. When an entity registers a GST branch, the Commissioner will notify the entity of the GST branch registration number.[21]

43. Where an entity makes a taxable supply through a GST branch, the entity must show the GST branch registration number on any tax invoice it issues relating to a taxable supply.[22]

[21] Section 54-15.
[22] Paragraph 54-50(1)(a).

44. Similarly, where you purchase a creditable acquisition using a corporate card through a GST Branch, the corporate card provider must provide the merchant's GST Branch Registration Number on the corporate card statement. This is in addition to the requirement of providing the supplier's ABN.

Brief description

45. The corporate card statement must have a brief description of the supply on the statement. Where this information cannot be provided, a description of the supplier's industry (e.g., food and beverages, fuel) will suffice.

Liability

46. Many corporate card providers offer different liability schemes to suit the cardholder's preferences and obligations. Generally, there are 3 different types of liability scheme that apply:

- the corporate entity is fully liable for the expenses incurred on the corporate card;
- the corporate entity and the individual cardholder are jointly and severally liable for the expenses incurred on the corporate card; or
- the individual is wholly liable for the expenses incurred on the corporate card.

47. It makes no difference which liability scheme applies to the card. Division 111 has special rules to cover the situation where you reimburse an employee, an officer of a company or a partner for an expense he/she incurs for an acquisition directly related to that position.

48. Providing the requirements of the Division are met, the reimbursement is treated as consideration for an acquisition you make from that person.[23] You may claim the input tax credit for a creditable acquisition if you hold the corporate card statement that was issued to the person you reimbursed.[24]

[23] Subsection 111-5(1).
[24] Section 111-15.

Private and domestic nature

Policy for adjusting amounts that are of a private or domestic nature

49. As stated in paragraph 16, you are only able to use the corporate card statement to claim input tax credits for *creditable acquisitions*. In some instances the person who uses the corporate card may purchase goods and services that are of a private or domestic nature. Any such acquisitions must be adjusted for the purpose of claiming your input tax credits.

Example 2

50. Sandy uses her corporate card (which the corporate entity is fully liable for) to pay for a visit to a zoo in Mawson with her children. When the corporate card statement arrives, she reimburses her employer for the cost of the zoo visit. Sandy's employer has a policy to adjust for expenditure incurred on its corporate cards that is of private or domestic nature.

51. Sandy's employer is able to use the corporate card statement to claim input tax credits in its GST return for all the creditable acquisitions on the statement. However Sandy's employer must ensure that it does not claim an input tax credit for the cost of the zoo visit since it was not a creditable acquisition.

Example 3

52. Hari decides he feels like a burger when driving past his favourite fast food outlet and uses his corporate card to pay the bill. Hari's employer has no policy for adjusting amounts paid that are of private or domestic nature. Hari's employer is not able to use the corporate card statement to claim input tax credits for the acquisitions on the statement. Hari's employer must obtain tax invoices for all the creditable acquisitions on the statement before being able to claim input tax credits in its GST return.

Acquisitions that include a private or domestic component

53. Sometimes an acquisition on a statement may include a component that is of private or domestic nature. Examples of such expenditure may include a mobile phone account or hotel bill paid by a corporate card.

54. Where the acquisition is made in carrying on your enterprise but contains a private or domestic component, you will need to hold supplementary documentary evidence as well as the corporate card statement before claiming input tax credits for that acquisition. The supplementary documentary evidence must clearly identify the creditable and non-creditable components of the acquisition. Examples include an itemised receipt or invoice from the supplier.

55. You must also ensure that you apportion the input tax credits and do not claim credits in respect of the private or domestic component of the supply.

Example 4

56. Amber, who has an individual liability corporate card, goes interstate for 4 days for work purposes. During the evenings she watches the pay movies in her hotel room. Amber's employer has a strict policy of adjusting any acquisitions on the card statement that is of a private or domestic nature for the purposes of claiming input tax credits and does not reimburse her the cost of the movies during her stay interstate.

57. Even if Amber uses her corporate card to pay for the full hotel bill (including the pay movie portion) her employer can still use the corporate card statement to claim input tax credits on the other acquisitions on the statement (assuming all the other requirements of this Ruling are met). Amber gives her employer the itemised receipt for the expenditure from the hotel that shows the cost of the accommodation and of the movies separately. Amber's employer may claim input tax credits in relation to the cost of Amber's accommodation as it holds both the corporate card statement and the receipt but must not claim input tax credits in relation to the cost of the movies.

Interaction with Fringe Benefits Tax

58. GSTR 2001/3 (about GST and how it applies to supplies of fringe benefits) discusses the interaction between fringe benefits tax and GST and when entities are able to claim input tax credits in respect of fringe benefits provided to their employees. If your employee or associate of your employee uses a corporate card to purchase a fringe benefit or a benefit that, but for paragraph (g) of the definition of fringe benefit in the *Fringe Benefits Tax Assessment Act 1986*[25] would be a fringe benefit, and you are able to claim input tax credits for that benefit, the acquisition will not be considered to be of a private or domestic nature.

[25] Subsection 136(1) of the *Fringe Benefits Tax Assessment Act 1986.*

Example 5

59. Uma, an employee of Therese's Terrific Tax Agents, uses her corporate card (which she is individually liable for) to pay her $500 membership fee to an accounting body that her employer requires her to be a member of. Therese's Terrific Tax Agents reimburses Uma for the amount she had to pay on her corporate card bill. This payment is an expense payment fringe benefit and is a reimbursement that is directly related to Uma's activities as an employee to Therese's Terrific Tax Agents. As such Therese's Terrific Tax Agents is able to claim an input tax credit for the expense payment reimbursement[26] and the acquisition will not be not considered as private or domestic in nature to Therese's Terrific Tax Agents. As long as the other requirements of this Ruling are met, Therese's Terrific Tax Agents may use the corporate card statement to attribute the input tax credits to a tax period.

Situations where you will need to get a tax invoice

60. There may be some situations where you will still need to obtain a tax invoice even if all the requirements outlined in this Ruling are satisfied.

61. You will need to obtain a tax invoice before claiming an input tax credit in circumstances where the corporate card statement indicates that you need to obtain one.

Example 6

62. The following is an extract from Cason Cookies corporate card statement:

Date of purchase	*Supplier*	*descp*	*Price*	*GST amt*
08 Dec 2000	Publiccharge (ABN xxx xxx xxx xx)	Taxi travel	$19.60	$1.78
11 Dec 2000	J-Mart (ABN xxx xxx xxx xx)	Retail	$220.00	$20.00*
11 Dec 2000	Motex (ABN xxx xxx xxx xx)	fuel, consumables	$66.00	$6.00*

* Important: This may be a mixed supply. The GST has been calculated as if the supply was wholly taxable at 1/11th of the price. You will need to obtain a tax invoice before claiming an input tax credit in relation to this supply.

[26] Sections 111-5 and 111-10.

63. Cason Cookies will need to obtain a tax invoice to substantiate their input tax credit claim for the purchases from J-Mart and Motex.

64. In Example 1 (see paragraph 40), Foreman Enterprises purchased a supply from a mixed supplier (Motex supplies both taxable and GST-free items). However since the statement did not advise Foreman Enterprises that it needed to obtain a tax invoice before claiming an input tax credit in relation to the supply, Foreman Enterprises did not need to get one. In Example 1 it is assumed that all the information required under paragraph 16 of the Ruling is transmitted from Motex to the corporate card provider.

Additional requirements for corporate card providers

Additional requirements for certain corporate card providers

65. Corporate card providers that do not obtain all the information outlined in paragraph 16 from the merchant must satisfy the additional requirements in paragraphs 22 to 24. These requirements are needed to ensure that an entity's net amount for a tax period is accurate, even when it uses a corporate card statement to attribute its input tax credits to a tax period.

66. Where the merchant does not provide the corporate card provider/acquirer with a signed statement (of the kind referred to in paragraph 23), the corporate card provider should either:

- not include a GST amount for that merchant in the corporate card statement; or
- include a GST amount but clearly indicate on the statement that the supply is a mixed supply and a tax invoice is needed before claiming input tax credits.

67. Similarly, where the corporate card provider/acquirer is unsure or is sceptical of whether a merchant is registered for the purposes of GST, the corporate card provider should not include a GST amount for that merchant in the corporate card statement.

68. A corporate card provider/acquirer is only able to use the signed statement solution until 30 June 2006. After this time corporate card providers are not able to include the information required by paragraph 16 (e.g., amounts of GST, supplier's ABN) unless this information is transmitted by the supplier to them.

69. It may be an offence for a corporate card provider/acquirer, knowingly or otherwise, to make a false statement to an entity where that false statement leads to the net amount of that entity to be different from the net amount properly payable or receivable.[27]

[27] Subsection 284-75(1) in Schedule 1 to the *Taxation Administration Act 1953*.

Errors on the corporate card statement

70. Where there is an error on the corporate card statement in relation to a supply, the entity will require a tax invoice to attribute the input tax credit in relation to that supply. The corporate card statement may still be used instead of a tax invoice for other supplies (if any) on the statement.

71. If all the information that is required by paragraph 16 is not provided, or, for example, your name or ABN on the statement is incorrect, you will need a tax invoice for all supplies on the statement. If the error only relates to one of the supplies on the statement (for example, the ABN of the supplier is not provided or is incorrect), then you only need to obtain a tax invoice in respect of that supply.

Electronic statements

72. The information requirements for a corporate card statement, as outlined in this Ruling, apply irrespective of the form of the document. If a corporate card statement is included in an electronic message, the recipient is obliged to retain that message in a readily accessible form for five years in accordance with the GST record keeping requirements.[28]

Adjustments

73. From time to time you may need to make an adjustment to the amount of GST owed or refunded. This may occur if all or part of a purchase you made is cancelled or returned.

74. If you have accounted for input tax credits on an earlier GST return for an item that you have since returned, there may be an adjustment to your net amount as you may have over claimed input tax credits. If you have claimed excess input tax credits you will have an increasing adjustment. Generally, you must make an increasing adjustment when you become aware of the adjustment.

75. However, if you account for GST on a cash basis you attribute your increasing adjustment to the tax period to the extent that the consideration is received in respect of the adjustment. For example, if you return goods bought on a corporate card and you receive a credit on the card you would have an increasing adjustment equal to the amount of GST included in that re-credited amount.

[28] Section 70 of the *Taxation Administration Act 1953.*

Other corporate card providers

76. Registered corporate card providers not covered by the determination in Schedule 2 to this Ruling, may request the Commissioner to determine that entities who hold certain corporate card statements they issue do not need to hold a tax invoice to attribute input tax credits to a tax period. Relevant to the determination that the Commissioner may make is the amount of information the corporate card provider can detail in their statement as well as other information relating to the corporate card provider's client and merchant base (see paragraph 77 below).

77. Requests for a determination should be made in writing and include the following information and documents:

(a) registered name of the corporate card provider and its ABN;

(b) a sample of the corporate card statement the corporate card provider proposes to issue;

(c) the nature and type of corporate card(s) the corporate card provider issues;

(d) the number of clients the corporate card provider has;

(e) the type of industry in which the clients operate;

(f) the number of merchants who accept payment via the corporate card;

(g) the details of how the information will be transmitted from the merchant to the corporate card provider;

(h) the details of what information will be transmitted from the merchant to the corporate card provider;

(i) an explanation as to why the determination is requested.

Definitions

78. The following terms are defined for the purposes of this Ruling. Terms with asterisks are defined in section 195-1 of the GST Act:

Entities

79. Entity means any of the following:

(a) an *individual;

(b) a body corporate;

(c) a corporation sole;

(d) a body politic;

(e) a *partnership;

(f) any other unincorporated association or body or persons;

(g) a trust;

(h) a *superannuation fund.

Input tax credit

80. You are entitled to the input tax credit for any *creditable acquisition that you make.

Creditable acquisition

81. You make a creditable acquisition if:

(a) you acquire anything solely or partly for a *creditable purpose; and

(b) the supply of the thing to you is a *taxable supply; and

(c) you provide, or are liable to provide, *consideration for the supply; and

(d) you are *registered, or *required to be registered.

Tax invoice

82. A tax invoice is a document that complies with the following requirements:

- it is issued by the supplier of the supply or supplies to which the document relates, unless it is a recipient created tax invoice (in which case it is issued by the recipient);
- it is in the approved form;
- it contains enough information to enable the following to be clearly ascertained:
  - the identity and ABN of the supplier;
  - the identity or ABN of the recipient if the total price of the supply or supplies is at least $1,000, or such higher amount as the regulations specify;
  - what is supplied, including the quantity (if applicable) and the price;
  - the extent to which each supply included on the document is a taxable supply;

- the date the document is issued;
- the amount of GST (if any) payable in relation to each supply included on the document; and
- such other matters as the regulations specify;

- it can be clearly ascertained from the document that the document was intended to be a tax invoice, or if it was issued by the recipient, a recipient created tax invoice.

If the recipient is a member of a GST group, section 48-57 may relax the requirements relating to the recipient's identity.

A tax invoice must also satisfy the requirements of section 54-50, if applicable.

Person(s) who uses the corporate card

83. Includes a partner, sole trader, director or employee of an entity.

Corporate card statement

84. A corporate card statement is a statement of liability that is issued by a corporate card provider to one of its clients.

Corporate card

85. A corporate card is a card that is issued to and in the name of an *entity and is used to purchase goods and services for commercial purposes.

Acquirer

86. A financial institution that signs a merchant and is responsible for settlement to the merchant of card transactions processed through that merchant.

Net amount

87. Amounts of GST and amounts of input tax credits are set off against each other to produce a *net amount (which may be altered to take account of *adjustments).

Mixed supply

88. A supply of 1 or more *taxable supplies and any one of the following supplies:

- a supply that is *GST-free or *input taxed;
- a supply that was made before 1 July 2000.

Invoice

89. A document notifying an obligation to make a payment.

Detailed contents list

90. Below is a detailed contents list for this Ruling:

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Commissioner of Taxation
30 June 2000

Previous draft:

Previously released in draft form as GSTR 2000/D6

Related Rulings/Determinations:

TR 2006/10; GSTR 2003/12; GSTR 2001/3

Subject references:

- creditable acquisition
- goods and services tax
- input tax credits
- tax invoices

Legislative references:

- ANTS(GST)A 11-5
- ANTS(GST)A 11-15(1)
- ANTS(GST)A 11-15(2)
- ANTS(GST)A 11-20
- ANTS(GST)A 11-25
- ANTS(GST)A 17-5(1)
- ANTS(GST)A 29-5
- ANTS(GST)A 29-10(3)
- ANTS(GST)A 29-70(1)
- ANTS(GST)A 29-80(1)
- ANTS(GST)A 48-57
- ANTS(GST)A 54-15
- ANTS(GST)A 54-50
- ANTS(GST)A 54-50(1)(a)
- ANTS(GST)A 111-5
- ANTS(GST)A 111-10
- ANTS(GST)A 111-15
- TAA 1953 70
- TAA 1953 Sch 1 284-75(1)
- TAA 1953 Sch 1 Div 358

Other References

- Waiver of tax invoice determinations:
- A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 3) 2004 – members of Retail Decisions Pty Ltd
- A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 4) 2004 – corporate account holder of Cabcharge Australia Limited
- A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 5) 2004 – Business Travel Account Holder of American Express International Inc.
- A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 6) 2004 – Corporate Purchasing Account Holder of American Express International Inc.
- A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 7) 2004 – American Express International Inc. KR 1025 Electronic Data Feed
- A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 8) 2004 – Corporate Account Holder of Qantas Charge Card Qantas Airways Limited
- A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 9) 2004 – members of Custom Service Leasing Limited
- Waiver of adjustment note determinations:
- A New Tax System (Goods and Services Tax) Waiver of Adjustment Note Requirement Determination (No. 2) 2004 – Business Travel Account Holder of American Express International Inc.

- A New Tax System (Goods and Services Tax) Waiver of Adjustment Note Requirement Determination (No. 3) 2004 – Corporate Purchasing Account Holder of American Express International Inc.
- A New Tax System (Goods and Services Tax) Waiver of Adjustment Note Requirement Determination (No. 4) 2004 – Corporate Card members of American Express International Inc.
- A New Tax System (Goods and Services Tax) Waiver of Adjustment Note Requirement Determination (No. 5) 2004 – American Express International Inc. KR 1025 Electronic Data Feed

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Schedule 1

COMMONWEALTH OF AUSTRALIA

A NEW TAX SYSTEM (GOODS AND SERVICES TAX) ACT 1999

DETERMINATION

Under subsection 29-10(3) of the *A New Tax System (Goods and Services Tax) Act 1999* and subsection 4(1) of the *Acts Interpretation Act 1901* I make the following determination:

Citation

1. This determination is the *A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 3) 2000 - members of VISA INTERNATIONAL, AMERICAN EXPRESS INTERNATIONAL, DINERS CLUB INTERNATIONAL, MASTERCARD INTERNATIONAL, AUSTRALIAN CARD SERVICES PTY LTD, MOTORCHARGE LTD AND FLEET SYSTEMS PTY LIMITED.*

Commencement

2. (1) This determination commences on the date the *A New Tax System (Goods and Services Tax) Act 1999* commences.

(2) This determination does not revoke, amend or vary the *A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 1) 2000* or the *A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 2) 2000*.

Circumstances where the requirement for a tax invoice does not apply

3. The circumstance set out in the following paragraphs is the circumstance of a kind in which the requirement for a tax invoice under subsection 29-10(3) of the Act does not apply.

4. A MEMBER of a corporate card provider will not be required to hold a tax invoice for a creditable acquisition purchased with the corporate card in order to attribute an input tax credit on the acquisition to a tax period provided that at the time the MEMBER gives its GST return/Business Activity Statement ("BAS") for the tax period to the Commissioner:

(a) The MEMBER holds a corporate card statement produced by the corporate card provider that includes the following details:

(i) The MEMBER'S name;

(ii) The name (s) of the person(s) who uses the corporate card to purchase the creditable acquisition or, in the case of fuel cards, the vehicle identifier;

(iii) The MEMBER's Australian Business Number ('ABN') or address;

(iv) For each acquisition for which the MEMBER may claim an input tax credit the statement has:

- the date the MEMBER purchased the acquisition;
- the supplier's name;
- the supplier's ABN;
- the supplier's Branch Registration Number (where applicable);
- a brief description of the acquisition or, if that is not available, a description of the supplier's industry;
- the amount of GST paid; and
- the total amount paid; and

(b) The MEMBER has an effectively regulated corporate policy for making adjustments for expenditure on the corporate card that is of a private or domestic nature and were not made in connection with carrying on the MEMBER'S enterprise;

(c) The MEMBER has supplementary documentary supporting each acquisition on the statement that has a private or domestic component and the documentary evidence clearly identifies the creditable and non-creditable components of the acquisition;

(d) The corporate card provider meets the conditions set out in paragraph 5 and 6 below.

5. The corporate card provider must provide the date each supply on the statement was purchased.

6. Where all the information on the statement is not provided by the merchant to the corporate card provider/acquirer, the latter may, until 30 June 2004, separately obtain the supplier's ABN and GST registration status and then calculate the amount of GST on the supply provided the corporate card provider/acquirer:

(a) has obtained a signed statement from each merchant that states:

(i) the merchant's ABN and Branch Registration Number (where applicable);

(ii) whether or not the merchant is registered for GST;

(iii) the type of supply or supplies (i.e., taxable, GST-free and/or input taxed) the merchant provides;

(iv) where the merchant only provides taxable supplies, whether or not GST is calculated at $1/11^{th}$ of the price for all the taxable supplies the merchant provides; and

(v) provides the corporate card provider/acquirer with an undertaking that it will be notified -

- when they cease to be registered for GST; or
- when they cease to make only taxable supplies where the GST is calculated at $1/11^{th}$ of the price;

(b) retains the signed statement for at least 5 years after the merchant ceases their association with the corporate card provider;

(c) clearly identify each supply in the statement that may be a GST-free, input taxed or mixed supply;

(d) clearly identify each supply where GST may not be $1/11^{th}$ of the price; and

(e) where a supply has been identified as being a supply that may be a GST-free, input taxed or a supply where GST may not be $1/11^{th}$ of the price, advise the entity to obtain a tax invoice before attributing an input tax credit to a tax period; and

(f) where the corporate card provider/acquirer has obtained information that the merchant is not registered, or ceases to be registered for GST, the corporate card provider and acquirer must not calculate an amount of GST for supplies from that merchant. Instead, the corporate card provider must state that the amount of GST included in the price of the supply is $nil.

Situations where a tax invoice is still required

7. The MEMBER will still need to obtain a tax invoice before attributing input tax credits to a tax period for a supply on the corporate card statement where:

(a) the corporate card statement indicates that the supply may be a mixed supply or a taxable supply where GST is not $1/11^{th}$ of the price; or

(b) where there is an error on the corporate card statement in relation to the supply.

Definitions

8. The following expression is defined for the purposes of this determination:

the Act means the *A New Tax System (Goods and Services Tax) Act 1999*.

Corporate card provider is any one of the following credit or charge card providers:

- Financial institutions that issue VISA International corporate cards;
- American Express International;
- Diners Club International;
- Financial institutions that issue MasterCard International corporate cards;
- Australian Card Services Pty Ltd;
- Motorcharge Ltd; and
- Fleet Systems Pty Limited.

Person(s) who uses the corporate card includes a partner, sole trader, director or employee of an entity.

Corporate card statement is a statement of liability that is issued by a corporate card provider to one of its clients.

Corporate card is a card that is issued to and in the name of an entity and is used to purchase goods and services for commercial purposes.

Acquirer is a financial institution that signs a merchant and is responsible for settlement to the merchant of card transactions processed through that merchant.

Member is the registered entity that is a corporate holder of the corporate card.

Mixed supply is a supply of 1 or more taxable supplies and any one of the following supplies:

- a supply that is GST-free or input taxed;
- a supply that was made before 1 July 2000.

Other expressions in this determination have the same meaning as in the Act.

Dated this 28th day of June 2000.

Tracey Mellick
Assistant Commissioner
Goods and Services Tax Program
Delegate of the Commissioner

Schedule 2

COMMONWEALTH OF AUSTRALIA

A NEW TAX SYSTEM (GOODS AND SERVICES TAX) ACT 1999

DETERMINATION

I, Anthony Long, in the exercise of the powers and functions conferred upon me by delegation from the Commissioner of Taxation pursuant to section 8 of the *Taxation Administration Act 1953* (Cth), do hereby determine under subsection 29-10(3) of the *A New Tax System (Goods and Services Tax) Act 1999*:

Citation

1. This determination is the *A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 2) 2004 - members of Visa International, American Express International, Diners Club International, MasterCard International, Motorcharge Ltd, and Fleet Systems Pty Ltd.*

Commencement and application

2. (1) This determination commences on 1 July 2004.

(2) This determination terminates the *A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 3) 2000 - members of VISA INTERNATIONAL, AMERICAN EXPRESS INTERNATIONAL, DINERS CLUB INTERNATIONAL, MASTERCARD INTERNATIONAL, AUSTRALIAN CARD SERVICES PTY LTD, MOTORCHARGE LTD AND FLEET SYSTEMS PTY LIMITED* (the "predecessor determination").

(3) This determination does not revoke or vary any other previous determination made by the Commissioner or a delegate of the Commissioner.

(4) This determination applies in relation to net amounts for tax periods starting on or after 1 July 2004.

(5) The predecessor determination ceases to apply in relation to net amounts for tax periods starting on or after 1 July 2004.

Circumstances where the requirement for a tax invoice does not apply

3. The circumstance set out in the following paragraphs is the circumstance of a kind in which the requirement for a tax invoice under subsection 29-10(3) of the Act does not apply.

4. A member of a corporate card provider will not be required to hold a tax invoice for a creditable acquisition purchased with the corporate card in order to attribute an input tax credit on the acquisition to a tax period provided that at the time the member gives its GST return/Business Activity Statement ("BAS") for the tax period to the Commissioner:

   (a) The member holds a corporate card statement produced by the corporate card provider that includes the following details:

      (i) The member's name;

      (ii) The name(s) of the person(s) who uses the corporate card to purchase the creditable acquisition or, in the case of fuel cards, the vehicle identifier;

      (iii) The member's Australian Business Number ('ABN') or address;

      (iv) For each acquisition for which the member may claim an input tax credit the statement has:

         - the date the member purchased the acquisition;
         - the supplier's name;
         - the supplier's ABN;
         - the supplier's Branch Registration Number (where applicable);
         - a brief description of the acquisition or, if that is not available, a description of the supplier's industry;
         - the amount of GST paid; and
         - the total amount paid; and

   (b) The member has an effectively regulated corporate policy for making adjustments for expenditure on the corporate card that is of a private or domestic nature and were not made in connection with carrying on the member's enterprise;

(c) The member has supplementary documentation supporting each acquisition on the statement that has a private or domestic component and the documentary evidence clearly identifies the creditable and non-creditable components of the acquisition;

(d) The corporate card provider meets the conditions set out in paragraph 5 and 6 below.

5. The corporate card provider must provide the date each supply on the statement was purchased.

6. Where all the information on the statement is not provided by the merchant to the corporate card provider/acquirer, the latter may, until 30 June 2006, separately obtain the supplier's ABN and GST registration status and then calculate the amount of GST on the supply provided the corporate card provider/acquirer:

(a) has obtained a signed statement from each merchant that states:

(i) the merchant's ABN and Branch Registration Number (where applicable);

(ii) whether or not the merchant is registered for GST;

(iii) the type of supply or supplies (i.e., taxable, GST-free and/or input taxed) the merchant provides;

(iv) where the merchant only provides taxable supplies, whether or not GST is calculated at $1/11^{th}$ of the price for all the taxable supplies the merchant provides; and

(v) provides the corporate card provider/acquirer with an undertaking that it will be notified -

- when they cease to be registered for GST; or
- when they cease to make only taxable supplies where the GST is calculated at $1/11^{th}$ of the price;

(b) retains the signed statement for at least 5 years after the merchant ceases their association with the corporate card provider;

(c) clearly identify each supply in the statement that may be a GST-free, input taxed or mixed supply;

(d) clearly identify each supply where GST may not be $1/11^{th}$ of the price; and

(e) where a supply has been identified as being a supply that may be a GST-free, input taxed or a supply where GST may not be 1/11th of the price, advise the entity to obtain a tax invoice before attributing an input tax credit to a tax period; and

(f) where the corporate card provider/acquirer has obtained information that the merchant is not registered, or ceases to be registered for GST, the corporate card provider and acquirer must not calculate an amount of GST for supplies from that merchant. Instead, the corporate card provider must state that the amount of GST included in the price of the supply is $nil.

Situations where a tax invoice is still required

7. The member will still need to obtain a tax invoice before attributing input tax credits to a tax period for a supply on the corporate card statement where:

(a) the corporate card statement indicates that the supply may be a mixed supply or a taxable supply where GST is not 1/11th of the price; or

(b) where there is an error on the corporate card statement in relation to the supply.

Definitions

8. The following expressions are defined for the purposes of this determination:

the Act means the *A New Tax System (Goods and Services Tax) Act 1999*.

Corporate card provider is any one of the following credit or charge card providers:

- Financial institutions that issue VISA International corporate cards;
- American Express International;
- Diners Club International;
- Financial institutions that issue MasterCard International corporate cards;
- Motorcharge Ltd; and
- Fleet Systems Pty Limited.

Person(s) who uses the corporate card includes a partner, sole trader, director or employee of an entity.

Corporate card statement is a statement of liability that is issued by a corporate card provider to one of its clients.

Corporate card is a card that is issued to and in the name of an entity and is used to purchase goods and services for commercial purposes.

Acquirer is a financial institution that signs a merchant and is responsible for settlement to the merchant of card transactions processed through that merchant.

Member is the registered entity that is a corporate holder of the corporate card.

Mixed supply is a supply of 1 or more taxable supplies and any one of the following supplies:

- a supply that is GST-free or input taxed;
- a supply that was made before 1 July 2000.

Other expressions in this determination have the same meaning as in the Act.

Dated this 9th day of July 2004.
Anthony Long
ASSISTANT DEPUTY COMMISSIONER OF TAXATION
Goods and Services Tax (Financial Supplies & Insurance)