

GSTR 2003/11A1 - Addendum - Goods and services tax: payment on early termination of a lease of goods

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Addendum

Goods and Services Tax Ruling

Goods and services tax: payment on early termination of a lease of goods

This Addendum amends Goods and Services Tax Ruling GSTR 2003/11 to reflect amendments to the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act). In particular, the Addendum updates GSTR 2003/11 for amendments made to Subdivision 29-C.

The amendments to Subdivision 29-C are in relation to tax invoices and apply to net amounts for tax periods starting on or after 1 July 2010.

This Addendum also makes further minor amendments to GSTR 2003/11 for other minor technical changes and to update the references section of GSTR 2003/11.

GSTR 2003/11 is amended as follows:

1. Paragraph 1

In the third dot point, omit 'State or Territory'; substitute 'Commonwealth'.

2. Footnote 2

Omit footnote; substitute:

²See for example, subsection 179(1) of the *National Consumer Credit Protection Act 2009* (Cth).

3. Date of Effect

Omit paragraphs 6 and 7; substitute:

6. This Ruling applies 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).

7. Changes made to this Ruling by the Addendum that issued on 24 April 2013 have been incorporated into this version of the Ruling.^{5A}

4. Paragraph 10

In the third dot point, omit 'State or Territory'; substitute 'Commonwealth'.

5. Footnote 6

Omit the footnote; substitute:

⁶See for example, subsection 179(1) of the *National Consumer Credit Protection Act 2009* (Cth).

6. Footnote 9

Omit the footnote; substitute:

⁹The following analysis is based on GSTR 2001/4.

7. Paragraph 21

Omit 'section 9-15'; substitute 'sections 9-15 and 9-17'.

8. Paragraph 51

(a) In the associated heading, omit 'State or Territory'; substitute 'Commonwealth'.

(b) Omit 'State or Territory consumer credit legislation'; substitute 'the *National Consumer Credit Protection Act 2009* (Cth)'.

9. Paragraph 52

Omit the first two sentences including footnote 27; substitute:

Part 11 of the *National Consumer Credit Protection Act 2009* (Cth) regulates certain consumer leases relating to goods and also confers statutory rights on the lessee which cannot be excluded by agreement between parties.

10. Paragraph 53

Omit 'Part 10 of the Code'; substitute 'The *National Consumer Credit Protection Act 2009* (Cth)'.

^{5A} Refer to the Addendum to see how it amends this Ruling.

11. Paragraph 54

Omit 'Part 10 of the Code'; substitute 'Part 11 of the *National Consumer Credit Protection Act 2009 (Cth)*'.

12. Footnote 28

Omit the footnote; substitute:

²⁸ See subsection 179(1) of the *National Consumer Credit Protection Act 2009 (Cth)*.

13. Footnote 29

Omit the footnote; substitute:

²⁹ See subsection 179(2) of the *National Consumer Credit Protection Act 2009 (Cth)*.

14. Paragraph 56

Omit 'Part 10 of the Code'; substitute 'Part 11 of the *National Consumer Credit Protection Act 2009 (Cth)*'.

15. Paragraph 58

Omit 'Part 10 of the Code'; substitute 'Part 11 of the *National Consumer Credit Protection Act 2009 (Cth)*'.

16. Paragraph 104

Insert 'Commonwealth' after the words 'or under'.

17. Paragraph 105

In the associated heading insert 'Commonwealth' after the words 'or under'.

18. Paragraph 108

In the associated heading insert 'Commonwealth' after the words 'or under'.

19. Paragraph 110

Insert 'Commonwealth' after the words 'or under'.

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20. Footnote 67

Omit the footnote; substitute:

⁶⁷ Assuming the notice meets the requirements for a tax invoice or the lessor provides a separate tax invoice which the lessee holds when it lodges its return. Paragraphs 109 to 111 of GSTR 2013/1 discuss the requirements for a tax invoice in the context of supplies made for a period or on a progressive basis, such as a supply by way of lease.

21. Paragraph 129

Under the example headed 'Voluntary termination' omit 'Consumer Credit Code' and substitute '*National Consumer Credit Protection Act 2009 (Cth)*'.

22. Paragraph 168

In the last sentence of the example, omit 'Consumer Credit Code' and substitute '*National Consumer Credit Protection Act 2009 (Cth)*'.

23. Detailed contents list

Omit:

Early termination pursuant to State or Territory consumer credit legislation	51
Alternative view on the GST treatment of early termination resulting from exercising a right to terminate early either in accordance with the original terms of the lease or under consumer credit legislation- Payments made on early termination by the lessee under the original terms of the lease are not consideration for a supply	105
Alternative view on the GST treatment of early termination resulting from exercising a right to terminate early in accordance with the original terms of the lease, under a separate agreement or under consumer credit legislation- Payments made on early termination are compensatory and do not have a sufficient nexus with a supply	108

Substitute:

Early termination pursuant to Commonwealth consumer credit legislation	51
Alternative view on the GST treatment of early termination resulting from exercising a right to terminate early either in accordance with the original terms of the lease or under Commonwealth consumer credit legislation- Payments made on early termination by the lessee under the original terms of the lease are not consideration for a supply	105

Alternative view on the GST treatment of early termination resulting from exercising a right to terminate early in accordance with the original terms of the lease, under a separate agreement or under Commonwealth consumer credit legislation- Payments made on early termination are compensatory and do not have a sufficient nexus with a supply

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24. Related Rulings/Determinations

Omit 'GSTR 1999/1; GSTR 2000/17'; substitute 'GSTR 2013/1; TR 2006/10'.

25. Legislative references

Omit:

- Consumer Credit (ACT) A95 4
- Consumer Credit (NSW) A95 5
- Consumer Credit (NT) A95 4
- Consumer Credit (Qld) A94
- Consumer Credit (Qld) Code Part 10
- Consumer Credit (Qld) Code 157
- Consumer Credit (Qld) Code 157(1)
- Consumer Credit (Qld) Code 157(2)
- Consumer Credit (SA) A95 5
- Consumer Credit (Tas) A96 5
- Consumer Credit (Vic) A95 5
- Consumer Credit (WA) A96
- Consumer Credit (WA) Code Part 10

Insert:

- ANTS(GST)A99 9-15(2)
- ANTS(GST)A99 9-17
- ANTS(GST)A99 29-70(1)
- National Consumer Credit Protection Act 2009 (Cth) Pt 11
- National Consumer Credit Protection Act 2009 (Cth) 179(1)
- National Consumer Credit Protection Act 2009 (Cth) 179(2)

26. APPENDIX A

Omit from the second paragraph 'Consumer Credit Code'; substitute '*National Consumer Credit Protection Act 2009 (Cth)*'.

27. APPENDIX B

Omit the last sentence in the second paragraph; substitute 'The lease is not regulated by Commonwealth consumer credit legislation.'

GSTR 2003/11

This Addendum explains the Commissioner's view of the law as it applies from 1 July 2010.

Commissioner of Taxation

24 April 2013

ATO references

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