


GSTR 2004/1A - Addendum - Goods and services tax: reduced credit acquisitions

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Addendum

Goods and Services Tax Ruling

Goods and services tax: reduced credit acquisitions

This Addendum amends Goods and Services Tax Ruling GSTR 2004/1 as it relates to items 12, 14 and 15 of subregulation 70-5.02(2) of the A New Tax System (Goods and Services Tax) Regulations 1999.

This Addendum explains the Commissioner's view of the law as it applies both before and after its date of issue. You can rely upon this Addendum on and from its date of issue for the purposes of section 105-60 of Schedule 1 to the *Taxation Administration Act 1953*.

GSTR 2004/1 is amended as follows:

1. Paragraph 14

Omit 'GSTR 2000/22'; substitute 'GSTR 2006/3'.

2. Footnote 4

Omit the text; substitute:

See paragraphs 133 to 144 of GSTR 2006/3.

3. Paragraph 365

Omit the paragraph; substitute:

365. Where a lender self-insures (for example, through a group company) its mortgage or title risk, it may divest itself of some of the risk by acquiring reinsurance supplies. We consider that where this happens, 'insurance' (in the context of item 12) may be taken to include 'reinsurance' provided to lenders on their mortgage or title risk. In these circumstances, the acquisition of 'reinsurance' is a reduced credit acquisition under item 12.

4. Paragraph 371

Omit the last sentence.

GSTR 2004/1

5. Paragraph 409

Omit the paragraph; substitute:

409. Item 15 covers those activities undertaken once the loan has been established and is active. These services are commonly provided by a loan originator or broker.

6. Paragraph 411

Omit the paragraph; substitute:

411. *Statement preparation*, in this context, refers to the preparation of summaries of the details of loan accounts to be provided to borrowers.

7. Paragraph 412

Omit the second sentence; substitute:

The *filing and requisition of loan file records* refers to the record keeping function of the service provider in maintaining and making available the relevant loan file records held in a filing system.

8. Paragraph 652

Omit the definition; substitute:

payment to an agent or similar entity, or to an employee for particular services rendered. The payment may be made on a fixed sum or fixed percentage basis, or on a sliding scale based on the value of the transaction.

9. Paragraph 733

Omit 'section 92-1'; substitute 'subsection 92(1)'.

10. Paragraph 734

Omit 'section 92(1)'; substitute 'subsection 92(1)'.

11. Related Rulings/Determinations

Omit 'GSTR 2000/22'; substitute 'GSTR 2006/3'.

Commissioner of Taxation

30 May 2007

ATO references

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