



A New Tax System (Goods and Services Tax) Act Class of Recipient Created Tax Invoice (RCTI) for supplies of reinsurance or supplies of retrocession Determination (No. 30) 2000

as amended

made under subsection 29-70(3) of the *A New Tax System (Goods and Services Tax) Act 1999* and subsection 4(1) of the *Acts Interpretation Act 1901*.

This compilation was prepared on **18 May 2009** taking into account amendments up to *Recipient Created Tax Invoice – Embedded Agreement Amending Legislative Instrument 2009*

Prepared by the Goods and Services Tax Centre of Expertise,
Australian Taxation Office

Citation (see Note 1)

1. This determination may be cited as: *A New Tax System (Goods and Services Tax) Act Class of Recipient Created Tax Invoice (RCTI) for supplies of reinsurance or supplies of retrocession.*

Commencement (see Note 1)

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

Class of Tax Invoice that may be issued by a recipient that is a supply of reinsurance or a supply of retrocession

3. A recipient of a taxable supply may issue a tax invoice that belongs to a class of tax invoices specified below:

A tax invoice for a taxable supply that is:

- a) a supply of reinsurance; or
- b) a supply of retrocession

and satisfies the requirements set out in clause 4.

Requirements that must be satisfied by a recipient of a taxable supply, that is a supply of reinsurance or a supply of retrocession.

4. The recipient must satisfy the following requirements:
 - a) the recipient must be registered for GST;
 - b) the recipient must set out in the tax invoice the ABN of the supplier;
 - c) the recipient must issue the original or a copy of the tax invoice to the supplier within 28 days of making or determining the value of a taxable supply and must retain the original or the copy.;
 - d) the recipient must issue the original or a copy of an adjustment note to the supplier within 28 days of the adjustment and must retain the original or the copy;
 - e) the recipient must reasonably comply with its obligations under the taxation law;
 - f) the recipient must have either:
 - a written agreement with the supplier specifying the supplies to which it relates, that is current and effective when the RCTI is issued, agreeing that:
 - (i) the recipient can issue tax invoices in respect of the supplies;
 - (ii) the supplier will not issue tax invoices in respect of the supplies;
 - (iii) the supplier acknowledges that it is registered for GST when it enters into the agreement and that it

will notify the recipient if it ceases to be registered;
and

- (iv) the recipient acknowledges that it is registered when it enters into the agreement and that it will notify the supplier if it ceases to be registered for GST; or
- an agreement with the supplier embedded in an RCTI it issues that contains the following statement:

The recipient and the supplier declare that this agreement applies to supplies to which this tax invoice relates. The recipient can issue tax invoices in respect of these supplies. The supplier will not issue tax invoices in respect of these supplies. The supplier acknowledges that it is registered for GST and that it will notify the recipient if it ceases to be registered. The recipient acknowledges that it is registered for GST and that it will notify the supplier if it ceases to be registered for GST. Acceptance of this RCTI constitutes acceptance of the terms of this written agreement.

Both parties to this supply agree that they are parties to an RCTI agreement. The supplier agrees to notify the recipient if the supplier does not wish to accept the proposed agreement within 21 days of receiving this document.

- g) the recipient must not issue a document that would otherwise be a recipient created tax invoice, on or after the date when the recipient or the supplier has failed to comply with any of the requirements of this determination.

Definitions

5. The following words are defined for the purposes of this determination:

Reinsurance means a transaction between whereby one insurance entity (the "reinsurer") agrees to indemnify another insurance entity (the "cedent") against all or part of the loss that the latter sustains under a policy or policies which it has issued.

Retrocession means a transaction whereby one insurance entity (the "retrocessionaire") agrees to indemnify another insurance entity (the "reinsurer") against all or part of the loss that the latter sustains under a policy or policies of reinsurance that it has issued.

This determination takes effect from 1 July 2000 until it is withdrawn either by a further determination, or by a subsequent public ruling, or there is a specific change in legislation affecting the determination.

6. Other expressions in this determination have the same meaning as in A *New Tax System (Goods and Services Tax) Act 1999*.

Table of Instruments

Notes to the A New Tax System (Goods and Services Tax) Act Class of Recipient Created Tax Invoice (RCTI) for supplies of reinsurance or supplies of retrocession Determination (No. 30) 2000

Note 1

The A New Tax System (Goods and Services Tax) Act Class of Recipient Created Tax Invoice (RCTI) for supplies of reinsurance or supplies of retrocession Determination (No. 30) 2000 (in force under subsection 29-70(3) of the A New Tax System (Goods and Services Tax) Act 1999) as shown in this compilation is amended as indicated in the Tables below.

Table of Instruments

| Title | Date of FRLI registration | Date of commencement |
|---|----------------------------------|-----------------------------|
| A New Tax System (Goods and Services Tax) Act Class of Recipient Created Tax Invoice (RCTI) for supplies of reinsurance or supplies of retrocession | see F2006B11594 | 1 July 2000 |
| Recipient Created Tax Invoice – Embedded Agreement Amending Legislative Instrument 2009 | 14 May 2009 (see F2009L01772) | 1 July 2009 |

Table of Amendments

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ad. = added or inserted am. = amended rep. = repealed rs. = repealed and substituted

| Provision affected | How affected |
|---------------------------|---------------------|
| Clause 5 | am. (F2009L01772) |