

COMMONWEALTH OF AUSTRALIA

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

DETERMINATION

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*, I make the following determination:

Citation

1. This determination may be cited as the *A New Tax System (Goods and Services Tax) Act 1999 Classes of Recipient Created Tax Invoice Determination (No 2) 2001*.

Commencement

2. (a) This determination commences on the date of the *A New Tax System (Goods and Services Tax) Act 1999* commences.
(b) This determination does not revoke or vary any previous determination made by the Commissioner.

Application of the determination

3. This determination applies to an entity not determined previously as being able to issue a tax invoice belonging to a class of tax invoices that may be issued by a recipient.

Classes of Tax Invoices that may be issued by the recipient of a taxable supply

4. A product supplier, who is the recipient of a taxable supply from a fuel wholesaler, may issue a tax invoice that belongs to a class of tax invoices, for a taxable supply, being a right of access to the operators of the fuel wholesaler's franchisee network, where the recipient:
 - i. establishes the value of the supply rather than the supplier;
 - ii. satisfies the requirements set out in Clause 5.

Requirements that must be satisfied by a recipient of a taxable supply

5. A recipient must satisfy the following requirements:
 - (a) the supplier and the recipient must be registered for GST when the invoice is issued;
 - (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 laws;
 - (f) the recipient must issue the tax invoice pursuant to a written agreement that the recipient has with the supplier, which specifies the supplies to which it relates and contains the following terms:

- 1) the recipient may issue tax invoices in respect of the specified supplies;
 - 2) the supplier will not issue tax invoices in respect of those supplies;
 - 3) the supplier acknowledges that it is registered when it enters the agreement and that it will notify the recipient if it ceases to be registered;
 - 4) 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;
 - 5) the recipient indemnifies the supplier for any liability for GST and penalty that may arise from an understatement of the GST payable on any supply for which it issues a recipient created tax invoice.
- (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.
- (h) if the recipient has a current annual turnover of less than \$1,000,000, it must notify the Commissioner in writing of the recipient's intention to use recipient created tax invoices. This notification must be made before 14 days have elapsed, after the first occasion that a recipient created tax invoice is issued by that recipient.

Definitions

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

A product supplier means a business that supplies non fuel goods and services to the franchisees of a fuel wholesaler.

A franchisee means a franchised retail outlet that purchases fuel and related products from a nominated fuel wholesaler and also sells non fuel goods and services purchased from product suppliers.

A fuel wholesaler means a business that supplies fuel and related products to its franchisee network at wholesale prices.

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

Signed this 1st day of June 2001

original signed

Bruce Quigley

Senior Assistant Deputy Commissioner of Taxation

Goods and Services Tax Program