

***RCTI 2017/6 -***



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## Legislative Instrument

# Goods and Services Tax: Recipient Created Tax Invoice Determination 2017 for Agricultural Products, Government Related Entities and Large Business Entities

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I, Timothy Dyce, Deputy Commissioner of Taxation, make this determination under subsection 29-70(3) of the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act).

Timothy Dyce  
Deputy Commissioner of Taxation  
Dated: 28/03/2017

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### Name of determination

1. This determination is the *Goods and Services Tax: Recipient Created Tax Invoice Determination 2017 for Agricultural Products, Government Related Entities and Large Business Entities*.

### Commencement

2. This determination commences on the day after it is registered on the Federal Register of Legislation.

### Repeal of previous determination

3. The determination replaces *A New Tax System (Goods and Services Tax) Act 1999 Classes of Recipient Created Tax Invoice Determination (No. 1) 2000* (F2006B11580) registered on 15 November 2006. The previous determination is repealed on commencement of the determination.

### Application

4. This determination applies to entities that are any of the following:
  - (a) a recipient of **agricultural products**;
  - (b) a recipient that is a government related entity; or
  - (c) a recipient that is a **large business entity**.

### Class 1: Recipients of agricultural products

5. A recipient of a taxable supply of **agricultural products** may issue a recipient created tax invoice (RCTI) for the taxable supply if it:
  - (a) determines the value of the taxable supply after the supply is made using a qualitative or quantitative process; and
  - (b) satisfies the requirements set out in paragraph 8.

## **Class 2: Recipients that are government related entities**

6. A government related entity that is a recipient of a taxable supply may issue an RCTI for the taxable supply if it satisfies the requirements set out in paragraph 9.

## **Class 3: Recipients that are large business entities**

7. A **large business entity** that is a recipient of a taxable supply may issue an RCTI for the taxable supply if it satisfies the requirements set out in paragraph 9.

The determination is substantially the same as the previous determination that it replaces. An entity that satisfied the requirements of the previous determination and that is a recipient of **agricultural products** which is a government related **or large business entity** will satisfy the requirements of the determination

### **Requirements that must be satisfied by a recipient of a taxable supply under this determination**

8. A recipient must satisfy the following requirements when issuing an RCTI under this determination:
  - (a) be registered for GST;
  - (b) set out the ABN of the supplier on the RCTI;
  - (c) issue the original or a copy of the RCTI to the supplier within 28 days of making, or determining, the value of a taxable supply and retain the original or the copy;
  - (d) issue the original or a copy of an adjustment note to the supplier within 28 days of any adjustment and must retain the original or the copy;
  - (e) reasonably comply with its obligations under the taxation laws; and
  - (f) have either a written agreement with the supplier that meets the requirements of paragraph 10, or a written agreement embedded in the RCTI that meets the requirements of paragraph 11.

### **Requirements of a written agreement with the supplier other than a written agreement embedded in the RCTI**

9. The written agreement the recipient has with the supplier must:
  - (a) specify the supplies to which it relates;
  - (b) be current and effective when the RCTI is issued; and
  - (c) contain the following conditions:
    - (i) the recipient can issue RCTIs 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 for GST; and
    - (iv) the recipient acknowledges that it is registered for GST when it enters into the agreement and that it will notify the supplier if it ceases to be registered for GST.

### **Requirements of a written agreement embedded in an RCTI**

10. The agreement that the recipient has with the supplier that is embedded in the RCTI must contain 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 must notify the recipient within 21 days of receiving this document if the supplier does not wish to accept the proposed agreement.*

## Definitions

11. The following expressions are defined for the purpose of this determination:

**Agricultural products** means products derived from viticulture, horticulture, pasturage, apiculture, poultry farming and dairy farming or other operations connected with the cultivation of the soil, the gathering in of crops and the rearing of livestock.

**Large business entity** means an entity that:

- (a) has a GST turnover that meets the **large business entity tax period turnover threshold**; or
- (b) is a member of a GST group and has a GST turnover that meets the **large business entity tax period turnover threshold**; or
- (c) satisfies the membership requirements of a GST group or proposed GST group and would meet the **large business entity tax period turnover threshold** if the entity were a member of the GST group or proposed GST group; or
- (d) is a joint venture operator of a GST joint venture where the joint venture operator or a participant of the GST joint venture has a GST turnover for that GST joint venture that meets the **large business entity tax period turnover threshold**.

**Large business entity tax period turnover threshold** means a tax period turnover threshold disregarding the operation of paragraphs 188-15(1)(a) and 188-20(1)(a) of the GST Act.

12. Other expressions in this determination have the same meaning as in the GST Act unless otherwise indicated.