

## COMMONWEALTH OF AUSTRALIA

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

#### DETERMINATION

Under subsection 29-10(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 is the *A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 3) 2000 - members of VISA INTERNATIONAL, AMERICAN EXPRESS INTERNATIONAL, DINERS CLUB INTERNATIONAL, MASTERCARD INTERNATIONAL, AUSTRALIAN CARD SERVICES PTY LTD, MOTORCHARGE LTD AND FLEET SYSTEMS PTY LIMITED.*

#### *Commencement*

2. (1) This determination commences on the date the *A New Tax System (Goods and Services Tax) Act 1999* commences.  
(2) This determination does not revoke, amend or vary the *A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 1) 2000* or the *A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 2) 2000.*

#### *Circumstances where the requirement for a tax invoice does not apply*

3. The circumstance set out in the following paragraphs is the circumstance of a kind in which the requirement for a tax invoice under subsection 29-10(3) of the Act does not apply.
4. A MEMBER of a corporate card provider will not be required to hold a tax invoice for a creditable acquisition purchased with the corporate card in order to attribute an input tax credit on the acquisition to a tax period provided that at the time the MEMBER gives its GST return/Business Activity Statement (“BAS”) for the tax period to the Commissioner:
  - (a) The MEMBER holds a corporate card statement produced by the corporate card provider that includes the following details:
    - (i) The MEMBER’S name;
    - (ii) The name (s) of the person(s) who uses the corporate card to purchase the creditable acquisition or, in the case of fuel cards, the vehicle identifier;
    - (iii) The MEMBER’S Australian Business Number (‘ABN’) or address;
    - (iv) For each acquisition for which the MEMBER may claim an input tax credit the statement has:

- the date the MEMBER purchased the acquisition;
- the supplier's name;
- the supplier's ABN;
- the supplier's Branch Registration Number (where applicable);
- a brief description of the acquisition or, if that is not available, a description of the supplier's industry;
- the amount of GST paid; and
- the total amount paid; and

(b) The MEMBER has an effectively regulated corporate policy for making adjustments for expenditure on the corporate card that is of a private or domestic nature and were not made in connection with carrying on the MEMBER'S enterprise;

(c) The MEMBER has supplementary documentary supporting each acquisition on the statement that has a private or domestic component and the documentary evidence clearly identifies the creditable and non-creditable components of the acquisition;

(d) The corporate card provider meets the conditions set out in paragraph 5 and 6 below.

5. The corporate card provider must provide the date each supply on the statement was purchased.

6. Where all the information on the statement is not provided by the merchant to the corporate card provider/acquirer, the latter may, until 30 June 2004, separately obtain the supplier's ABN and GST registration status and then calculate the amount of GST on the supply provided the corporate card provider/acquirer:

(a) has obtained a signed statement from each merchant that states:

- (i) the merchant's ABN and Branch Registration Number (where applicable);
- (ii) whether or not the merchant is registered for GST;
- (iii) the type of supply or supplies (i.e., taxable, GST-free and/or input taxed) the merchant provides;
- (iv) where the merchant only provides taxable supplies, whether or not GST is calculated at 1/11<sup>th</sup> of the price for all the taxable supplies the merchant provides; and
- (v) provides the corporate card provider/acquirer with an undertaking that it will be notified -

- when they cease to be registered for GST; or
  - when they cease to make only taxable supplies where the GST is calculated at 1/11<sup>th</sup> of the price;
- (b) retains the signed statement for at least 5 years after the merchant ceases their association with the corporate card provider;
- (c) clearly identify each supply in the statement that may be a GST-free, input taxed or mixed supply;

- (d) clearly identify each supply where GST may not be 1/11<sup>th</sup> of the price; and
- (e) where a supply has been identified as being a supply that may be a GST-free, input taxed or a supply where GST may not be 1/11<sup>th</sup> of the price, advise the entity to obtain a tax invoice before attributing an input tax credit to a tax period; and
- (f) where the corporate card provider/acquirer has obtained information that the merchant is not registered, or ceases to be registered for GST, the corporate card provider and acquirer must not calculate an amount of GST for supplies from that merchant. Instead, the corporate card provider must state that the amount of GST included in the price of the supply is \$nil.

***Situations where a tax invoice is still required***

7. The MEMBER will still need to obtain a tax invoice before attributing input tax credits to a tax period for a supply on the corporate card statement where:
- (a) the corporate card statement indicates that the supply may be a mixed supply or a taxable supply where GST is not 1/11<sup>th</sup> of the price; or
  - (b) where there is an error on the corporate card statement in relation to the supply.

***Definitions***

8. The following expression is defined for the purposes of this determination:  
***the Act*** means the *A New Tax System (Goods and Services Tax) Act 1999*.  
***Corporate card provider*** is any one of the following credit or charge card providers:

- Financial institutions that issue VISA International corporate cards;
- American Express International;
- Diners Club International;
- Financial institutions that issue MasterCard International corporate cards;
- Australian Card Services Pty Ltd;
- Motorcharge Ltd; and
- Fleet Systems Pty Limited.

***Person(s) who uses the corporate card*** includes a partner, sole trader, director or employee of an entity.

***Corporate card statement*** is a statement of liability that is issued by a corporate card provider to one of its clients.

***Corporate card*** is a card that is issued to and in the name of an entity and is used to purchase goods and services for commercial purposes.

***Acquirer*** is a financial institution that signs a merchant and is responsible for settlement to the merchant of card transactions processed through that merchant.

***Member*** is the registered entity that is a corporate holder of the corporate card.

***Mixed supply*** is a supply of 1 or more taxable supplies and any one of the following supplies:

- a supply that is GST-free or input taxed;
- a supply that was made before 1 July 2000.

Other expressions in this determination have the same meaning as in the Act.

Dated this 28<sup>th</sup> day of June 2000.

Tracey Mellick  
Assistant Commissioner  
Goods and Services Tax Program  
Delegate of the Commissioner