

WTI 2018/1 -



Australian Government

Australian Taxation Office

Legislative Instrument

Goods and Services Tax: Waiver of Tax Invoice Requirement (Visa Purchasing Card) Determination 2018

I, Timothy Dyce, Deputy Commissioner of Taxation, make this determination under subsection 29-10(3) of the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act).

Signed by Timothy Dyce

Deputy Commissioner of Taxation

Dated: 24 September 2018

1. Name of determination

This determination is the *Goods and Services Tax: Waiver of Tax Invoice Requirement (Visa Purchasing Card) Determination 2018*.

2. Commencement

This determination commences on the day after its registration on the Federal Register of Legislation.

3. Repeal of previous determination

This determination repeals and replaces *Goods and Services Tax: Waiver of Tax Invoice Requirement (Visa Purchasing Card) Legislative Instrument (No. 2) 2008* (F2010C00775) registered on 3 September 2008.

4. Definitions

(1) The following expressions are defined for the purposes of this determination:

Cardholder is the entity participating in an arrangement under which the *Visa Purchasing Card* is issued to that entity, or other entities at its request.

Data matching provider means:

- (a) *Visa International*; or
- (b) a *Visa Purchasing Card* provider; or
- (c) an entity authorised by *Visa International* and/or a *Visa Purchasing Card* provider; or

- (d) any of the entities in paragraphs (a),(b), and (c) working in combination.

Electronic purchasing system is a computer based system that:

- (a) allows a *cardholder* to initiate the acquisition of supplies by transmission of an electronic based purchase order to the *supplier*;
- (b) records information in relation to acquisitions made by the *cardholder*; and
- (c) ensures that functions mentioned in paragraph (a) and (b) are undertaken in an accurate and reasonably secure manner.

GST Act means the *A New Tax System (Goods and Services Tax) Act 1999*.

GST registration number means the GST registration number of the *supplier*, which is either an Australian Business Number (ABN) or ATO Reference Number (ARN).

Matched data file is a file that is produced and issued by the *data matching provider* that meets the following requirements:

- (a) the *data matching provider* must produce and issue the file under secure systems and control mechanisms satisfying the ongoing security requirements of the *Visa Purchasing Card* provider or *Visa International*; and
- (b) the file must only contain transactions where the issuer's transaction data and the purchase order data file have been positively matched using the following data fields:
 - (i) the *supplier's* name or identification number;
 - (ii) the purchasing card number;
 - (iii) the price; and
 - (iv) the date.

Qualifying cardholder is a *cardholder* that satisfies paragraph (a) or (b), or paragraphs (c) and (d):

- (a) the *cardholder* is a government related entity; or
- (b) in respect of the *cardholder*, either:
 - (i) a determination under section 27-15 of the GST Act is in effect; or
 - (ii) a determination under section 27-15 of the GST Act would have been in effect if paragraphs 188-15(1)(a), 188-15(2)(b), 188-20(1)(a) or 188-20(2)(b) of the GST Act did not apply; or
- (c) one of the following applies:
 - (i) the *cardholder* satisfies or could satisfy the membership requirements of a GST group set out in section 48-10 of the GST Act; or
 - (ii) the *cardholder* is nominated in a written agreement for the formation of a GST joint venture made under paragraph 51-5(1)(ea) of the GST Act to be the joint venture operator of the joint venture; or

- (iii) the *cardholder* is nominated as the joint venture operator of the joint venture under paragraph 51-70(1)(c) of the GST Act; and
- (d) in respect of the *cardholder* or any *relevant entity*, either:
 - (i) a determination under section 27-15 of the GST Act is in effect; or
 - (ii) a determination under section 27-15 of the GST Act would have been in effect if paragraphs 188-15(1)(a), 188-15(2)(b), 188-20(1)(a) or 188-20(2)(b) of the GST Act did not apply.

Relevant entity means an entity that:

- (a) satisfies or could satisfy the membership requirements of the same GST group as a *cardholder*;
- (b) is a participant in the same GST joint venture as a *cardholder*, or
- (c) is or could be a member of a GST group of which an entity referred to in paragraph (b) is also or could also be a member.

Supplier includes an agent through whom the *supplier* makes a supply.

Visa International means the Visa International Service Association Inc.

Visa Purchasing Card is a *Visa International* branded card or account that is issued to and in the name of an entity (or other entities as requested) and is used to purchase goods and services for commercial purposes.

Visa Purchasing Card provider is an entity that issues *Visa Purchasing Cards* or an entity authorised to provide *Visa Purchasing Cards*.

- (2) Other expressions in this determination have the same meaning as in the GST Act.

5. Relief from requirement to hold a tax invoice

For the purposes of attributing an input tax credit for a creditable acquisition to a tax period, a *cardholder* is not required (under subsection 29-10(3) of the GST Act) to hold a tax invoice for the creditable acquisition if all the requirements in section 6 of this determination are satisfied.

6. Requirements for relief from holding a tax invoice

- (1) At the time the *cardholder* gives its GST return/Business Activity Statement for the tax period to the Commissioner:
 - (a) the *cardholder* must hold a *matched data file* that records a transaction which includes the creditable acquisition and meets the *matched data file* information requirements set out in section 7;
 - (b) the *cardholder* must meet all the requirements of section 13; and

- (c) section 14 must not require the *cardholder* to hold a tax invoice in relation to the acquisition.
- (2) For the *matched data file* referred to in subsection 4(1), the *data matching provider* must:
 - (a) meet the *data matching provider* requirements set out in section 12; and
 - (b) where any of the *matched data file* information specified in paragraph 7(d) for a particular supply is provided by the *cardholder* to the *data matching provider*, the cardholder-data method must be used in accordance with section 8.

7. Matched data file information requirements

The *matched data file* must include:

- (a) the date of issue of the *matched data file*;
- (b) the identity or ABN of the *cardholder*
- (c) the name(s) of the person(s) or department(s) that uses the *Visa Purchasing Card* to purchase the creditable acquisition;
- (d) for the particular creditable acquisition:
 - (i) the date the *cardholder* acquired the supply;
 - (ii) the identity of the *supplier*;
 - (iii) the *GST registration number* of the *supplier*;
 - (iv) the Branch Registration Number of the *supplier* (where applicable);
 - (v) a brief description of the supply or, if that is not available, a description or recognised code identifying the *supplier's* industry;
 - (vi) the GST payable; and
 - (vii) the total amount paid.

8. Use of the cardholder-data method for obtaining *matched data file* information

To use the cardholder-data method:

- (a) the *cardholder* must be a *qualifying cardholder*;
- (b) the particular supply recorded on the *matched data file* must only have been acquired and recorded by way of an *electronic purchasing system*; and
- (c) the requirements in sections 9, 10 and 11 must be satisfied.

9. Cardholder-data method – information *supplier* must provide to *qualifying cardholder*

The *supplier* must have provided the following details to the *qualifying cardholder* for recording on the *electronic purchasing system*:

- (a) the identity of the *supplier*;

- (b) the *GST registration number* of the *supplier*;
- (c) the Branch Registration Number of the *supplier* (where applicable);
- (d) in relation to each potential supply that can be acquired via the *electronic purchasing system*:
 - (i) a brief description of the potential supply;
 - (ii) the amount of GST to be paid; and
 - (iii) the total price to be paid.

10. Cardholder-data method – information *supplier* or *cardholder* must provide to *data matching provider*

The *supplier* or the *qualifying cardholder* must provide the *data matching provider* with:

- (a) the *GST registration number* of the *supplier*; and
- (b) the Branch Registration Number of the *supplier* (where applicable).

11. Cardholder-data method – *qualifying cardholder* and purchase order information requirements

Purchase order information requirements

- (1) For each acquisition initiated via the *electronic purchasing system*, the *qualifying cardholder* must provide a purchase order to the *supplier* that contains the following information:
 - (a) full or partial *Visa Purchasing Card* number;
 - (b) date of the purchase order;
 - (c) the identity of the *supplier*;
 - (d) the *GST registration number* of the *supplier*;
 - (e) the Branch Registration Number of the *supplier* (if applicable);
 - (f) the identity or the ABN of the recipient;
 - (g) a brief description of each thing supplied;
 - (h) for each description, the quantity of the goods or the extent of the services supplied;
 - (i) the price of the supply; and
 - (j) the amount of GST payable.

Qualifying cardholder requirements

- (2) A *qualifying cardholder* must also satisfy the following requirements:
 - (a) the *qualifying cardholder* must provide the following purchase order data from each purchase order to the *data matching provider*:
 - (i) the date of the purchase order;
 - (ii) the purchasing card number of the *qualifying cardholder*;
 - (iii) the identity or *GST registration number* of the *supplier*;
 - (iv) a brief description of each thing supplied;

- (v) the price of the supply; and
 - (vi) the amount of GST payable.
- (b) the *qualifying cardholder* must reasonably comply with its obligations under the taxation laws; and
- (c) the *qualifying cardholder* will transmit purchase order data to the *data matching provider* pursuant to a written agreement that the *qualifying cardholder* has with the *supplier*. The agreement must specify the supplies which will be made via the *electronic purchasing system* and contain the following terms:
- (i) the *qualifying cardholder* and the *supplier* agree that the *qualifying cardholder* will transmit purchase order data to the *data matching provider*;
 - (ii) the *supplier* and the *qualifying cardholder* must be registered for GST at the time that the *supplier* makes the supply recorded on the *matched data file*;
 - (iii) the *supplier* acknowledges that it will notify the *qualifying cardholder* if it ceases to be registered for GST; and
 - (iv) if the *supplier* issues a tax invoice that relates to a supply specified in the agreement, the *supplier* agrees that the tax invoice will be marked prominently or be easily identifiable as having resulted from an *electronic purchasing system* transaction.

12. Data matching provider requirements for matched data files

- (1) Where the *data matching provider* has reason to consider any information set out in paragraph 7(d) is not accurate, the *data matching provider* must not include that information in the *matched data file*.
- (2) The *data matching provider* must retain a copy of the *matched data file* for a period of 5 years from the date of the last supply recorded on that file.

13. Cardholder requirements

The *cardholder* must have in place:

- (a) an effectively regulated corporate policy (that includes the retention of documentary evidence) for determining the extent of creditable purpose for acquisitions made on the *Visa Purchasing Card* that are wholly or partly of a private or domestic nature; and
- (b) an effectively regulated corporate policy that ensures a tax invoice and the *matched data file* are not incorrectly used to claim input tax credits twice for a single creditable acquisition.

14. Situations where a tax invoice is still required

The *cardholder* must hold a tax invoice before attributing input tax credits to a tax period (if required by subsection 29-10(3) of the GST Act) for a creditable acquisition recorded on a *matched data file* where:

- (a) if the cardholder-data method is used, a requirement set out in section 8 is not satisfied in relation to that supply; or

- (b) there is an error on the *matched data file* in relation to that acquisition.

15. Reimbursement of employees etc

If the *cardholder* has a creditable acquisition because of section 111-5 of the GST Act:

- (a) they are taken to meet the requirements of paragraph 6(1)(a) if they hold a *matched data file* that includes the details at section 7 for the expense for which reimbursement is paid; and
- (b) any reference to a creditable acquisition in section 7 is taken to be a reference to the expense for which reimbursement is paid.