



***GSTA TPP 022 - Goods and services tax: Is the fee for services provided by an entity to a retail outlet for the administration of an arrangement involving section 100-5 vouchers, commonly referred to as face value vouchers (FVVS), subject to GST?***

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 This document has changed over time. This is a consolidated version of the ruling which was published on *14 June 2005*



## Goods and Services Tax Advice

**Goods and services tax:** Is the fee for services provided by an entity to a retail outlet for the administration of an arrangement involving section 100-5 vouchers, commonly referred to as face value vouchers (FVVS), subject to GST?

### Preamble

*This document is a ruling for the purposes of section 37 of the Taxation Administration Act 1953. It illustrates the principles contained in **Goods and Services Tax Ruling GSTR 2003/5 on vouchers**. You can rely on the information presented in this document, which provides advice on the operation of the GST system.*

### Answer

Yes. If the requirements of section 9-5 of the GST Act are met, the fee is consideration for a taxable supply. GST is payable at the rate of 10% of the value of the supply of services.

### Background

An entity sells FVVs to various retail outlets that sell them to their customers. Under an agreement, the FVVs can be redeemed in any participating retail outlet and the entity will reimburse a retail outlet that supplies goods on redemption of a voucher which it did not sell.

A customer purchases an FVV from a retail outlet and redeems it for supplies from a different retail outlet. The entity reimburses the retail outlet for the face value of the FVV presented by the customer.

The entity is paid by the retail outlet or retains a percentage of its reimbursement payment to the retail outlet for the entity's administration, advertising and promotional services it provides to the retail outlet.

### Explanation

The fee that the entity receives represents consideration for the services the entity supplies to the retail outlet. This supply of services is a taxable supply, if the requirements of section 9-5 are met.

### Application of this GST Advice

This Advice is based on GSTR 2003/5. It explains our view of the law as it applied from 1 July 2000. You can rely on this Advice on and from its date of issue for the purposes of section 37 of the *Taxation Administration Act 1953*. Goods and Services Tax Ruling GSTR 1999/1 explains the GST rulings system and our view of when you can rely on our interpretation of the law in GST public and private rulings.

If this Advice conflicts with a previous private ruling that you have obtained, this public ruling prevails. However, if you have relied on a private ruling, you are protected in respect of what you have done up to the date of issue of this public ruling. This means that if you have underpaid an amount of GST, you are not liable for the shortfall prior to the date of issue of this later ruling. Similarly, you are not liable to repay an amount overpaid by the Commissioner as a refund.

### Commissioner of Taxation

Date

### Related Rulings/Determinations/GST Advice

GSTA TPP 019

GSTA TPP 020

GSTA TPP 021

### Subject references:

face value vouchers  
taxable supplies  
fee for services

### Legislative references:

ANTS(GST)A 1999 9-5  
ANTS(GST)A 1999 Div 100  
ANTS(GST)A 1999 100-5  
ANTS(GST)A 1999 100-5(2)  
TAA 1953 37

### ATO references

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