



***GSTA TPP 038 - Goods and services tax: Will a supply that is taken to be made by the principal to the agent under subsection 153-55(2) of the GST Act be GST-free if the supply would have been GST-free if made by the principal through the agent to a third party?***

 This cover sheet is provided for information only. It does not form part of *GSTA TPP 038 - Goods and services tax: Will a supply that is taken to be made by the principal to the agent under subsection 153-55(2) of the GST Act be GST-free if the supply would have been GST-free if made by the principal through the agent to a third party?*

 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:** Will a supply that is taken to be made by the principal to the agent under subsection 153-55(2) of the GST Act be GST-free if the supply would have been GST-free if made by the principal through the agent to a third party?

### 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 2000/37 on agency**. You can rely on the information presented in this document, which provides advice on the operation of the GST system.*

### Answer

Yes, the supply that is taken to be made to the agent is GST-free.

### Background

The agent and the principal have entered into a Subdivision 153-B arrangement. The main business of the principal and the agent consists of making GST-free supplies.

### Explanation

Paragraph 74 of GSTR 2000/37 clarifies this issue as follows:

74. Section 153-50 provides that entities may enter into an arrangement under which an agent is treated as a separate supplier .... That is, the agent is treated as a principal in its own right. Further, nothing in this section prohibits supplies that are not taxable supplies ... from being included in such an arrangement. This includes supplies ... that are GST-free, input taxed or subject to the determination of the Treasurer under Division 81. Also, the nature of these supplies ..., as between the principal and the third party, is not changed by entering into a Subdivision 153-B arrangement. ...

*Note: Please see paragraph 75 of GSTR 2000/37 and paragraphs 74A and 83A to 83M of GSTR 2000/37A for a comprehensive treatment of these issues.*

### Application of this GST Advice

This Advice is based on GSTR 2000/37. 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 039  
GSTR 2000/37A

### Subject references:

agency  
subdivision 153-B  
GST-free

### Legislative references:

ANTS(GST)A 1999 Subdiv 153-B  
TAA 1953 37

### ATO references

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