

# ***GSTR 2004/1A2 - Addendum - Goods and services tax: reduced credit acquisitions***

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## Addendum

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### Goods and Services Tax Ruling

#### Goods and services tax: reduced credit acquisitions

This Addendum amends Goods and Services Tax Ruling GSTR 2004/1 to:

- make the explanation contained in this Ruling consistent with paragraphs 149 to 171 of GSTR 2008/1: Goods and services tax: when do you acquire anything or import goods solely or partly for a creditable purpose?
- update the preamble; and
- update the date of effect clauses.

#### **GSTR 2004/1 is amended as follows:**

##### **1. Preamble**

Omit 'section 37 of'; substitute 'section 105-60 of Schedule 1 to'.

##### **2. Paragraphs 10 and 11**

Omit the paragraphs; substitute:

10. This Ruling explains the Commissioner's view of the law as it applies both before and after its date of issue. You can rely on this Ruling on and from its date of issue for the purposes of section 105-60 of Schedule 1 to the *Taxation Administration Act 1953* (TAA). Goods and Services Tax Ruling GSTR 1999/1 explains the GST rulings system and the Commissioner's view of when you can rely on this interpretation of the law in GST public and private rulings.

11. Changes made to this Ruling by Addenda that issued on 30 May 2007 and 2 July 2008 have been incorporated into this version of the Ruling.<sup>1A</sup> You can rely on the changes made to the Ruling by each Addendum for the purposes of section 105-60 of Schedule 1 to the TAA from the date of issue of the relevant Addendum. If the Addendum conflicts with a previous private ruling that you have obtained or a previous public ruling, the Addendum prevails.

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<sup>1A</sup> Refer to each Addendum to see how that Addendum amends this Ruling.

11A. If you have relied on a previous ruling (including the public ruling that the Addendum amends), you are protected in respect of what you have done up to the date of issue of the relevant Addendum or, if there is a change to the legislation, you are protected in respect of what you have done up to the date the legislative change takes effect. This means that if you have relied on the previous ruling and have underpaid an amount of GST, you are not liable for the shortfall prior to either the issue date of the relevant Addendum or the date the legislative change takes effect, as appropriate. Similarly, if you have relied on the previous ruling you are not liable to repay an amount overpaid by the Commissioner as a refund.

### **3. Footnote 3**

At the end of the footnote insert:

For a detailed discussion of these concepts refer to Goods and Services Tax Ruling GSTR 2008/1 Goods and services tax: when do you acquire anything or import goods solely or partly for a creditable purpose?

### **4. Paragraph 39**

Omit the paragraph; substitute:

39. Where a financial supply provider acquires the services of a financial supply facilitator to effect a financial supply, the complexity of the transaction may require that the facilitator supply services over an extended period. The financial supply provider is entitled to reduced input tax credits from the time there is a relationship between an acquisition and the making of a financial supply. That is, the financial supply provider does not have to wait until the financial supply has been concluded before the entitlement arises. If the intended financial supply is not made, an entity whose activities were directed towards making that financial supply will retain the character of a financial supply facilitator.

### **5. Related Rulings/Determinations**

Insert:

GSTR 2008/1

This Addendum explains our view of the law as it applies from the date of issue of this Addendum. You can rely upon this Addendum on and from its date of issue for the purpose of section 105-60 of Schedule 1 to the *Taxation Administration Act 1953*. If this Addendum conflicts with a previous private ruling that you have obtained or a previous public ruling, this Addendum prevails. However, if you have relied on a previous ruling (including the public ruling that the Addendum amends), you are protected in respect of what you have done up to the date of issue of this Addendum or, if there is a change to the legislation, you are protected in respect of what you have done up to the date the legislative change takes effect. This means that if you have relied on the earlier ruling and have underpaid an amount of GST, you are not liable for the shortfall prior to either the issue date of this Addendum or the date the legislative change takes effect, as appropriate. Similarly, if you have relied on the earlier ruling you are not liable to repay an amount overpaid by the Commissioner as a refund.

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**Commissioner of Taxation**2 July 2008

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## ATO references

NO: 2006/20258

ISSN: 1443-5160

ATOLaw topic: Goods and Services Tax ~~ Financial supplies ~~ financial supplies and acquisitions  
Goods and Services Tax ~~ Financial supplies ~~ reduced credit acquisitions