


# ***GSTR 2014/2A1 - Goods and services tax: treatment of ATM service fees, credit card surcharges and debit card surcharges***

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# Addendum

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## Goods and Services Tax Ruling

### Goods and services tax: treatment of ATM service fees, credit card surcharges and debit card surcharges

This Addendum is a public ruling for the purposes of the *Taxation Administration Act 1953*. It amends GSTR 2014/2 to:

- reflect changes to how the Ruling defines 'ATM' and 'ATM services', consistent with the decision in *Banktech Group Pty Ltd v Commissioner of Taxation* [2023] AATA 3850
- ensure currency of legislative and other citations
- make editorial changes where required to meet accessibility requirements.

GSTR 2014/2 is amended as follows:

**1. Paragraph 1**

Omit 'subregulation 40-5.09(4A) of the *A New Tax System (Goods and Services Tax) Regulations 1999*'; substitute 'subsection 40-5.09(5) of the *A New Tax System (Goods and Services Tax) Regulations 2019*'.

**2. Paragraph 2**

Omit 'unless otherwise specified'; substitute 'unless otherwise indicated'.

**3. Paragraph 3**

- (a) Omit the heading; substitute 'ATM services'.
- (b) Omit 'subregulation 40-5.09(4A)'; substitute 'subsection 40-5.09(5)'.
- (c) At the end of the third dot point, omit the semi-colon.

**4. Paragraphs 4, 6, 58**

Omit all instances of 'subregulation 40-5.09(4A)'; substitute 'subsection 40-5.09(5)'.

**5. Paragraph 5**

- (a) Omit the paragraph.

(b) After the paragraph, insert new paragraphs 5A to 5H, including headings:

***What is an ATM?***

5A. The term 'ATM' is defined in the GST Regulations to mean 'automatic teller machine'. Consistent with the Administrative Appeals Tribunal decision in *Banktech Group Pty Ltd and Commissioner of Taxation* [2023] AATA 3850 (*Banktech*), the term 'ATM' has its ordinary meaning.

5B. The following 3 requirements must be met for a facility, machine or device<sup>A1</sup> to satisfy the ordinary meaning of an ATM:

- its primary purpose and function is to provide banking facilities to account holders in relation to accounts with authorised deposit-taking institutions (for example, bank or credit unions) or overseas equivalent financial institutions
- it dispenses cash to account holders upon request, and
- it is properly characterised as an ATM.

5C. We consider that the following non-exhaustive list of factors indicate that a device is *more* likely to be properly characterised as an ATM:

- level of automation – a high level of automation to execute transactions (that is, absence of non-cardholder intervention)
- configuration of equipment – the device operates as a single self-contained unit (that is, no additional component(s) are required to enable execution of transactions)
- how the device is objectively characterised by the supplier of the service – the device is characterised as an ATM for commercial purposes including marketing (for example, signage on and around the device, promotional material), commercial documentation (for example, service and operation agreements) and internal purposes
- types of transactions supported – the device is designed or operated to execute transactions limited to one or more of the following: withdrawal from an account<sup>A2</sup>, a deposit into an account, an electronic transfer from an account and advice of the balance of an account
- payments for goods and services – the device is not primarily designed or operated to allow a merchant to accept payments from a customer for goods and services
- payment system utilised – the device utilises the payment system designated by the Reserve Bank of Australia as the ATM system (ATM payment system) in order to execute and process relevant transactions.

5D. No one particular factor, viewed in isolation, is determinative. Whether a particular device is properly characterised as an ATM will depend on the facts and circumstances of each case.

5E. However, a self-contained device will be characterised as an ATM where the device:

- allows the cardholder to perform the relevant transaction in relation to their account

- doesn't require non-cardholder human intervention, and
- utilises the ATM payment system.

For a self-contained device with these features, the potential absence of the other factors at paragraph 5C of this Ruling is outweighed.

5F. Having regard to the primary purpose and function of the device and the factors in paragraph 5C of this Ruling, it follows that not every device that dispenses cash to the user is properly characterised as an ATM. That is, not all economically equivalent services (such as a withdrawal of cash) are properly characterised as ATM services.<sup>A3</sup>

### **Listed ATM services**

5G. Once it is established that the device is an ATM, the ATM service must be one of the 4 ATM services listed under subsection 40-5.09(5) of the GST Regulations. The listed ATM services specify that they relate to an 'account'. An account includes any monetary account with an ADI or equivalent overseas bank or financial institution, and an account with a non-ADI credit, charge or prepaid card provider.

- (c) In new paragraph 5B, after 'facility, machine or device', insert new footnote A1:

<sup>A1</sup> For the purposes of this Ruling, any subsequent reference to 'device' should be taken to refer to a facility, machine or device.

- (d) In new paragraph 5C, in the fourth dot point, after 'withdrawal from an account', insert new footnote A2:

<sup>A2</sup> For the purposes of subsection 40-5.09(5), 'Account' is defined in section 196-1.01. It includes ADI accounts and non-ADI accounts that meet the requirements in paragraph (b) of the definition. This is explained at paragraphs 205 to 206 of Goods and Services Tax Ruling GSTR 2002/2 *Goods and services tax: GST treatment of financial supplies and related supplies and acquisitions*.

- (e) At the end of new paragraph 5G, insert new footnote A3:

<sup>A3</sup> *Banktech* at [113–114].

## **6. Paragraph 7**

- (a) Omit the wording of the paragraph; substitute:

A device that is used to access a payment system other than the ATM system (for example, the payment system designated by the Reserve Bank of Australia (RBA) as the EFTPOS system) is not, by reason of the payment system alone, precluded from being used to provide an ATM service under subsection 40-5.09(5) of the GST Regulations.

- (b) After paragraph 7, insert new paragraphs 7A to 7P, including headings:

### **Example A1: Cash dispensing device – an ATM**

7A. *The JLB Shopping Centre (JLB) has a cash dispensing device located in the centre.*

7B. *The device comprises a single freestanding unit. The device is badged with the label 'ATM' and signage around the device states 'ATM Here'. The device is owned and operated by Kash4Kustomers Pty Ltd (K4K). The agreement entered*

into between JLB and K4K allowing the device to be located at the shopping centre refers to the device as an ATM. The transactions supported by the device are limited to cash withdrawals and balance enquiries. K4K uses and complies with the rules of the ATM payment system in order to execute transactions from the device.

7C. In order to utilise the cash dispensing device, a cardholder inserts their card into the device, enters their personal identification number (PIN) and follows the prompts on screen. Cash is dispensed directly to the cardholder. Non-cardholder human intervention is not required to complete the transaction.

7D. Having regard to the requirements at paragraph 5B and the factors at paragraph 5C of this Ruling, the cash dispensing device is an ATM, within the ordinary meaning of that term.

**Example A2: Cash dispensing device – not an ATM**

7E. The VRB Hotel has a cash dispensing device located inside the venue.

7F. The equipment comprises a screen, EFTPOS terminal, cash dispenser and a remote control device. The remote control device is kept behind the concierge desk approximately 10 metres away from the EFTPOS terminal. Signage on and around the equipment states 'Cash Withdrawals Available' while the screen states 'See Staff for access'. The only transaction type supported by the device is cash withdrawals. The device accesses the EFTPOS payment system to execute transactions.

7G. To make a cash withdrawal, a cardholder must approach hotel staff and request to withdraw a specified amount. Hotel staff use the remote control device to enable the equipment and enter the requested amount. The cardholder subsequently inserts their card into the EFTPOS terminal and enters their PIN. The cardholder confirms the withdrawal amount and service fee on screen. Cash is dispensed directly to the cardholder. The cash dispensing device accesses the EFTPOS payment system and does not support transaction types other than cash withdrawal.

7H. Having regard to the requirements at paragraph 5B and the factors at paragraph 5C of this Ruling, the cash dispensing device is not an ATM, within the ordinary meaning of that term.

**Example A3: Withdrawal of cash and no purchase – not an ATM**

7I. The Tas Supermarket offers a cashout service at its self-service register. The design and primary function of the device is to allow customers to pay for their supermarket purchases. The device also allows customers to obtain a cash withdrawal from their account.

7J. The self-service register (or self-service checkout) is a self-contained physical unit comprising a computer screen, scanner, scales, shelving for groceries and shopping bags, cash dispenser, cash acceptor, and EFTPOS terminal. Signage on and above the cash dispenser states 'Cash Out Available'. The transaction types supported by the self-service register are limited to customer purchases (via both the EFTPOS terminal and cash payments) and cash withdrawals. The register accesses the EFTPOS payment system in order to execute cashout transactions.

7K. To make a cash withdrawal, a cardholder selects 'Cash Out' on the computer touch screen and inserts their card into the EFTPOS terminal. A purchase is not required to make a cash withdrawal. The cardholder inputs the cash amount required and their PIN into the EFTPOS terminal. Cash is dispensed directly to the cardholder. The self-service register accesses the EFTPOS payment system to execute the cashout transactions it supports. Non-cardholder human intervention is not required to complete the transaction.

7L. While the self-service register is automated and doesn't consist of multiple physically separated devices, on balance, it is not an ATM. Consistent with the Tribunal's observations in *Banktech*<sup>A4</sup>, notwithstanding that the cardholder experience may be that a withdrawal of cash through an EFTPOS terminal at a retailer's check out is substantially equivalent to an ATM service, it is not an ATM service. Even though it is self-serve, the overall cardholder experience and the physical characteristics reflect its primary function, being to self-checkout and make payments for supermarket items, rather than being an ATM whose primary purpose and function is to perform non-purchase banking transactions in relation to the cardholder's account.

7M. Having regard to the requirements at paragraph 5B and the factors at paragraph 5C of this Ruling, the self-service register is not an ATM, within the ordinary meaning of that term.

7N. If Tas Supermarket charges a fee or surcharge for cashout transactions, that fee is consideration for a taxable supply – consistent with paragraph 36 of this Ruling.

7O. Examples 8 and 10 of this Ruling are further examples of merchants supplying cash withdrawal services, where those services are not supplies of ATM services.

#### **Credit card surcharge – where no ATM service**

7P. Paragraphs 8 to 28 of this Ruling regarding credit card surcharges and paragraphs 29 to 47 regarding debit card surcharges do not relate to ATMs or ATM services. When these paragraphs deal with transactions that involve a withdrawal of cash, they proceed on the basis that the relevant device has been assessed properly as not being an ATM, and the supply is not an ATM service. Paragraphs 3 to 7N of this Ruling address whether a device satisfies the ordinary meaning of ATM (and whether the relevant services constitute ATM services). The only exceptions are Examples 8 and 10 of this Ruling, which further illustrate when merchants providing cash withdrawals are not supplying ATM services.

- (c) In new paragraph 7L, after '*observations in Banktech*', insert new footnote A4:  
<sup>A4</sup> *Banktech* at [114].

#### **7. Paragraph 8**

Omit the heading.

#### **8. Paragraph 11**

- (a) After 'liability for a', insert 'prior'.  
 (b) After 'paragraph 19-10(1)(b)', insert a comma.

**9. Paragraph 12**

In footnote 3, omit 'subregulation 40-5.09(1) and item 2 of subregulation 40-5.09(3)'; substitute 'subsection 40-5.09(1) and table item 2 of subsection 40-5.09(3)'.

**10. Paragraph 14**

After '*purchases a shirt with a*', insert '*displayed*'.

**11. Paragraph 15**

(a) Omit '*is \$56.65*', insert '*to Anna is \$56.65*'.

(b) Omit '*1/11<sup>th</sup> of the GST inclusive*'; substitute '*one-eleventh of the GST-inclusive*'.

**12. Paragraph 19**

Omit the wording of the paragraph; substitute:

*Ben enrolls in 3 college subjects. One of the subjects is a taxable supply under section 9-5 and the other 2 subjects are GST-free under section 38-85. The college charges \$1,000 (inclusive of GST) for the taxable subject, \$800 for one GST-free subject and \$700 for the other. The total amount payable by Ben is \$2,500.*

**13. Paragraph 21**

Omit the formula; substitute ' $(1,000 \div 2,500) \times 100 = 40$ '.

**14. Paragraph 22**

Omit the wording of the paragraph; substitute:

*Stephanie acquires \$220 worth of paper supplies for her business from her newsagent, who allows Stephanie 30 days to pay her account before imposing late payment fees. The supply of the paper by the newsagent is a taxable supply under section 9-5 and the acquisition by Stephanie is a creditable acquisition under section 11-5. The newsagent imposes a surcharge of 2% of the price if payment is made using a credit card.*

**15. Paragraph 23**

After '\$4.40', insert a comma.

**16. Paragraph 25**

In footnote 5, omit ', subregulation 40-5.09(1) and item 2 of subregulation 40-5.09(3)'; substitute 'and subsection 40-5.09(1) and table item 2 of subsection 40-5.09(3)'.

**17. Paragraph 27**

After 'government agency for', insert 'a fee of'.

**18. Paragraph 28**

Omit 'subsection 81-10(1) and subsection 81-10(4)'; substitute 'subsections 81-10(1) and (4)'.

**19. Paragraph 29**

Omit the heading; substitute 'Debit card surcharge – where no ATM service'.

**20. Paragraph 31**

After 'paragraph 19-10(1)(b)', insert a comma.

**21. Paragraph 32**

In footnote 7, omit 'subregulation 40-5.09(1) and item 2 of subregulation 40-5.09(3)'; substitute 'subsection 40-5.09(1) and table item 2 of subsection 40-5.09(3)'.

**22. Paragraph 33**

(a) Omit 'under'; substitute 'for'.

(b) After the paragraph, insert new paragraph 33A:

33A. For the purposes of this Ruling, any reference to debit card surcharges also applies to prepaid card surcharges.<sup>7A</sup>

(c) At the end of new paragraph 33A, insert new footnote 7A:

<sup>7A</sup> The RBA has separately designated prepaid card payment systems, for example, EFTPOS, Mastercard and Visa Prepaid. See Designation No 3 of 2015, Designation No 4 of 2015 and Designation No 5 of 2015, made under subsection 11(1) of the *Payment Systems (Regulation) Act 1998*. The same surcharging rules that apply to debit cards apply to prepaid cards – see Standard No. 3 of 2016 Scheme Rules Relating to Merchant Pricing for Credit, Debit and Prepaid Card Transactions, made under section 18 of the *Payment Systems (Regulation) Act 1998*.

**23. Paragraph 35**

Omit '1/11<sup>th</sup> of the GST inclusive'; substitute 'one-eleventh of the GST-inclusive'.

**24. Paragraph 36**

(a) After 'through a debit card transaction', insert ', where that is not an ATM service,'.

(b) In footnote 8, omit 'item 6(b) of the table in subregulation'; substitute 'table item 6(b) of subsection'.

**25. Paragraph 37**

Omit the wording of the paragraph; substitute:

*Steve withdraws \$100 from his savings account using his debit card at a bar. Steve must request a staff member to initiate and process the cash withdrawal transaction. To process the request, the bar staff member uses an EFTPOS device that is primarily used to process payments for purchases made at the bar. Once the transaction is authorised, the staff member removes the \$100 from the cash register and hands it over the bar to Steve. The EFTPOS device and cash register are not an ATM and the supply of the service is not an ATM service. The merchant advises Steve that there is a \$2 surcharge to use the debit card facility. The surcharge has a sufficient nexus with the service supplied to Steve of accessing the relevant payment system to be regarded as being paid for the supply. The merchant makes a taxable supply for which it is liable for GST of \$0.18.*

**26. Paragraph 41**

- (a) Omit the heading; substitute '**Example 9: Debit card surcharge – fixed amount**'.
- (b) Omit the wording of the paragraph; substitute:

*Joanne purchases meat from a shop with a displayed price of \$20. A sign at the store's counter states that all debit card transactions incur a flat \$2 surcharge.*

**27. Paragraph 44**

After 'regarded as being paid for', omit 'the supply'; substitute 'that supply alone'.

**28. Paragraph 45**

Omit the wording of the paragraph; substitute:

*Assume the same facts as for Example 9 of this Ruling, except that the merchant charges a surcharge calculated as 1.5% of the combined price of the meat and amount of the cash withdrawal. In addition, Joanne must request a staff member to initiate and process the payment and cash withdrawal transaction. To process the request, the staff member uses an EFTPOS device that is primarily used to process payments for purchases made at the shop. Once the transaction is authorised, the staff member removes the cash from the cash register and hands it over the counter to Joanne. The EFTPOS device and cash register are not an ATM and the supply of the service is not an ATM service.*

**29. Paragraph 47**

Omit the formula; substitute ' $(50 \div 70) \times 1.05 = 0.75$ '.

**30. Paragraph 49**

- (a) Omit the wording of the paragraph; substitute:

Changes made to this Ruling by an addendum that issued since its original publication have been incorporated into this version of the Ruling. Refer to the

addendum for details of how that addendum amended the Ruling, including the date of effect of the amendments.

- (b) After the paragraph, insert new paragraph 49A.

49A. Where an addendum applies to tax periods both before and after its date of issue, both the pre-addendum wording of the Ruling and the revised wording in the addendum apply for tax periods prior to the issue date of the addendum. In these circumstances, entities can choose to rely on either version when applying the Ruling to the past periods.

**31. Paragraph 50**

- (a) Omit the Heading, insert '**ATM services**'.
- (b) Omit 'Subregulation 40-5.09(4A)'; substitute 'Subsection 40-5.09(5)'.

**32. Paragraph 51**

- (a) Omit 'subregulation 40-5.09(4A)'; substitute 'subsection 40-5.09(5)'.
- (b) After the paragraph, insert new paragraph 51A:

51A. The term 'ATM' is defined in the GST Regulations to mean 'automatic teller machine'. Consistent with *Banktech*, 'ATM' has its ordinary meaning.

**33. Paragraphs 52 to 57**

Omit the paragraphs, including footnotes 10 to 15.

**34. Paragraph 59**

- (a) Omit 'facility, machine or'.
- (b) After 'EFTPOS system) is not', insert ', by reason of the payment system alone, precluded from being'.
- (c) Omit 'Subregulation 40-5.09(4A)'; substitute 'Subsection 40-5.09(5)'.
- (d) After paragraph 59, insert new paragraphs 59A to 59K:

59A. In *Banktech*, the Administrative Appeals Tribunal considered whether the term 'ATM services' possesses a specialist, technical or trade meaning or has its ordinary meaning.

59B. The Tribunal determined that the expression 'ATM services' was a composite expression to be construed in accordance with its ordinary meaning.<sup>15A</sup>

59C. In considering the ordinary meaning of 'ATM service', the Tribunal had regard to the Tribunal Member's personal experience of ATMs, the dictionary meaning of 'ATM service', the definition of 'ATM' and 'ATM transactions' submitted by the applicant, the function of the equipment and the description of the equipment used by the applicant.<sup>15B</sup>

59D. The Tribunal concluded that the expression 'automatic teller machine service' itself suggests its ordinary meaning: services that a teller might have provided but which are provided in an automated way through a machine.<sup>15C</sup> That

is, an ATM provides those services automatically, without any human intervention other than that of the cardholder.

59E. Though not the focus of the Tribunal because of the particular facts, a threshold requirement for a device to meet the ordinary meaning of ATM is that its primary purpose and function is to provide banking facilities. This is consistent with *Banktech* where the Tribunal observed at [115] that an ATM provides services in an automated way, without human intervention other than by the account holder, that a bank *teller* might have provided. This is also consistent with the dictionary meaning of ATM considered by the Tribunal, which refers to 'basic banking facilities', (see [116] and [117]) and the Tribunal's references to bank accounts and bank systems (for example, see [61], [87] and [90]).

59F. In determining that the supplies made through the cash dispensing equipment did not constitute 'ATM services', the Tribunal noted the following characteristics of the equipment<sup>15D</sup>:

- Venue staff intervention was required to operate the equipment, contrary to the 'automatic' dimension of ATMs.
- The equipment comprised multiple components, some located up to 25 metres apart, contrary to the common understanding that an ATM is operated as a single unit.
- The equipment was not marketed as an ATM.

59G. The cash dispensing equipment in *Banktech* utilised the EFTPOS payment system, not the ATM payment system, to execute cardholder transactions. The Tribunal observed at [94] that there was an undisputed distinction between the ATM and EFTPOS payment systems, but this didn't mean that 'ATMs' were restricted to devices operating on the ATM payment system for the purposes of the GST Regulations. The Tribunal at [112] considered that none of the following features of a cash withdrawal, in isolation, prevented the cash withdrawal service from being characterised as an ATM service:

- unavailability of other services, such as account balances
- use of the term 'surcharge' for the fee
- use of the EFTPOS network
- messaging format
- description of the service as an EFTPOS cashout service.

59H. It follows that while 'ATM' does not take on a technical meaning, we consider the ordinary meaning is materially influenced by how the requirements of the respective payment systems give rise to the type of differences that the Tribunal referred to in characterising the particular arrangement in *Banktech*. For example, key features such as levels of automation, physical characteristics, marketing and cardholders' experience (*Banktech* at [114]) of what type of devices they are using are influenced by the underlying payment system. Further, while the description of the service as an EFTPOS cashout service was considered in isolation not to be determinative, this description by the supplier and its marketing of the service as an EFTPOS cashout was relevant to the marketing factor set out by the Tribunal.

59I. As such, while the factors in paragraph 59G of this Ruling which distinguish devices that use the EFTPOS system from those that use the ATM payment system are not of themselves determinative, they remain facts and circumstances to be taken into account when weighing the various factors.

59J. While the Tribunal observations in *Banktech* at [94] and [112] make it clear that a device using the EFTPOS payment system doesn't prevent a device being an ATM, the Tribunal didn't directly address if a device that was using the ATM payment system might not be an ATM. Having regard to the factors in paragraph 59G of this Ruling, we accept that a self-contained device will be characterised as an ATM where the device:

- allows the cardholder to perform the relevant transaction in relation to their account
- doesn't require non-cardholder human intervention, and
- utilises the ATM payment system.

#### **Credit card surcharge – where no ATM service**

59K. Paragraphs 60 to 91 of this Ruling regarding credit card surcharges and debit card surcharges does not relate to ATMs or ATM services. When this part of this Ruling deals with transactions that involve a withdrawal of cash, it proceeds on the basis that the relevant device has been assessed and determined to not be an ATM, and the supply is not an ATM service. Whether a device satisfies the ordinary meaning of ATM (and whether the relevant services constitute ATM services) is determined with regard to paragraphs 3 to 7N of this Ruling.

- (e) At the end of new paragraph 59B, insert new footnote 15A:  
<sup>15A</sup> *Banktech* at [99] and [109].
- (f) At the end of new paragraph 59C, insert new footnote 15B:  
<sup>15B</sup> *Banktech* at [110–111].
- (g) In new paragraph 59D after the first sentence, insert new footnote 15C:  
<sup>15C</sup> *Banktech* at [115].
- (h) In new paragraph 59F, after 'characteristic of the equipment', insert new footnote 15D:  
<sup>15D</sup> *Banktech* at [21].

#### **35. Paragraph 60**

Omit the heading.

#### **36. Paragraph 61**

- (a) After 'surcharge to recover', insert 'certain'.
- (b) Omit the wording of footnote 17, insert:

See Standard No. 3 of 2016 Scheme Rules Relating to Merchant Pricing for Credit, Debit and Prepaid Card Transactions, made under section 18 of the *Payment Systems (Regulation) Act 1998*.

**37. Paragraph 62**

After 'consideration for a supply<sup>18</sup>', insert a comma.

**38. Paragraph 64**

(a) Omit the wording of the paragraph (excluding footnote); substitute:

In *Waverley Council and Commissioner of Taxation*<sup>21</sup> (*Waverley Council*), the Administrative Appeals Tribunal considered the GST treatment of an administration fee payable by a customer to the Waverley Council when the customer used a credit card to pay fees or charges to the Council. The Tribunal stated at [42]:

The question comes down to one of characterising the credit card administration fee – either as a stand-alone fee in itself, or as part of the “underlying” tax, fee or charge that the credit card is being used to pay. We think that the fee is correctly characterised as part of the fee for the underlying supply. The person procuring the supply is buying, for example, a parking permit. There is one payment. In a practical sense there is one supply.

(b) Omit the wording of footnote 21; substitute '[2009] AATA 442.'.

**39. Paragraph 67**

Omit the wording of the paragraph; substitute:

Practical issues may arise where a merchant needs to apportion a credit card surcharge between supplies of different characters. These issues can similarly concern a merchant seeking to apportion debit card surcharges (see paragraphs 88 to 91 of this Ruling). We will consider any fair and reasonable approaches.

**40. Paragraph 69**

(a) After 'liability for a', insert 'prior'.

(b) After 'paragraph 19-10(1)(b)', insert a comma.

**41. Paragraph 70**

In footnote 24, omit 'subregulation 40-5.09(1) and item 2 of subregulation 40-5.09(3)'; substitute 'subsection 40-5.09(1) and table item 2 of subsection 40-5.09(3)'.

**42. Paragraph 75**

Omit the heading; substitute '**Debit card surcharge – where no ATM service**'.

**43. Paragraph 76**

(a) Omit 'EFPTOS'; substitute 'EFTPOS'.

- (b) Omit the wording of footnote 26; substitute 'EFTPOS Scheme Rules version V4.2 (effective 2 May 2023).'
- (c) Omit both instances of 'eftpos'; substitute 'EFTPOS'.

**44. Paragraph 77**

- (a) Omit all instances of 'eftpos'; substitute 'EFTPOS'.
- (b) Omit the wording of the second dot point; substitute:
- is processed via an Interchange Link or processing infrastructure owned or operated by, or on behalf of, EFTPOS Payments Limited Australia, or a combination of both of these, and
- (c) In the third dot point, omit 'clause 20.1'; substitute 'clause 22.1'.

**45. Paragraph 78**

- (a) Omit 'Clause 20.1'; substitute 'Clause 22.1'.
- (b) In footnotes 29 and 30, omit all instances of 'eftpos'; substitute 'EFTPOS'.
- (c) Omit 'eftpos Cardholder initiated'; substitute 'EFTPOS consumer-initiated'.
- (d) Omit 'eftpos'; substitute 'EFTPOS'.

**46. Paragraph 79**

- (a) Omit the wording of the paragraph; substitute:
- Under clause 24.3 of the EFTPOS Scheme Rules, a merchant is permitted to surcharge an EFTPOS transaction. Merchants who accept EFTPOS debit cards as payment of goods or services are able to charge a surcharge to recover certain debit card acceptance costs.<sup>31A</sup>
- (b) At the end of paragraph 79, insert new footnote 31A:
- <sup>31A</sup> See Standard No. 3 of 2016 Scheme Rules Relation to Merchant Pricing for Credit, Debit and Prepaid Card Transactions, made under section 18 of the *Payment Systems (Regulation) Act 1998*.

**47. Paragraph 80**

- (a) Omit the wording of the paragraph; substitute:
- Under section 11 of the *Payment Systems (Regulation) Act 1998*, the RBA has designated both the Visa Debit system and Debit MasterCard as payment systems operated within Australia.<sup>32</sup> Merchants who accept Visa Debit or Debit MasterCard debit cards as payment of goods or services are able to charge a surcharge to recover certain debit card acceptance costs.<sup>33</sup>
- (b) Omit the wording of footnote 32; substitute:
- <sup>32</sup> See Designation of Payment Systems dated 18 February 2004 for Visa debit and Designation No. 2 of 2015 for Debit MasterCard, made under subsection 11(1) of the *Payment Systems (Regulation) Act 1998*.
- (c) Omit the wording of footnote 33; substitute:

<sup>33</sup> Under Standard No. 3 of 2016 Scheme Rules Relating to Merchant Pricing for Credit, Debit and Prepaid Card Transactions, made by the RBA under section 18 of the *Payment Systems (Regulation) Act 1998*.

**48. Paragraph 81**

Omit the paragraph, including footnote 34.

**49. Paragraph 85**

In footnote 38, omit 'subregulation 40-5.09(1) and item 2 of subregulation 40-5.09(3)'; substitute 'subsection 40-5.09(1) and table item 2 of subsection 40-5.09(3)'.

**50. Paragraph 87**

In footnote 39, omit 'item 6(b) of the table in subregulation 70-5.02(2)'; substitute 'table item 6(b) of subsection 70-5.02(2)'.

**51. Paragraph 92 – Detailed contents list**

Omit the detailed contents list; substitute:

The following is a detailed contents list for this Ruling:

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This Addendum applies both before and after its date of issue.

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