



Explanatory Statement

Goods and Services Tax: Waiver of Tax Invoice Requirement (Corporate Card Statements) No. 2 Determination 2020

General Outline of Instrument

1. This instrument is made under subsection 29-10(3) of the *A New Tax System (Goods and Services Tax) Act 1999*.
2. Under subsection 33(3) of the *Acts Interpretation Act 1901*, where an Act confers a power to make, grant or issue any instrument of a legislative or administrative character (including rules, regulations or by-laws) the power shall be construed as including a power exercisable in the like manner and subject to the like conditions (if any) to repeal, rescind, revoke, amend, or vary any such instrument.
3. This determination allows corporate card holders to claim input tax credits without holding a tax invoice in certain circumstances.
4. The instrument is a legislative instrument for the purposes of the *Legislation Act 2003*.
5. This instrument replaces *Goods and Services Tax: Waiver of Tax Invoice Requirement (Corporate Card Statements) Legislative Instrument 2020 F2020L00110* (the previous legislative instrument), registered on 10 February 2020.

Date of effect

6. The instrument is taken to have commenced on 11 February 2020, the date of commencement of the previous legislative instrument. It applies to tax periods that commence on or after 10 February 2020, being the application date in the previous legislative instrument.
7. The instrument adds an additional corporate card provider not included in the previous instrument and applies retrospectively to ensure taxpayers issued a credit card statement by that corporate card provider are not disadvantaged. For the purposes of subsection 12(2) of the *Legislation Act 2003* this instrument does not adversely affect the rights or liabilities of any person other than the Commonwealth.

What is this instrument about

8. The purpose of this instrument is to add a corporate card provider not included in the previous legislative instrument, that has requested to be added to the list of approved providers and has met the requirements as outlined in WTI 2020/2. The instrument allows holders of a corporate card statement from an approved provider to claim input tax credits without the requirement to hold a tax invoice.

What is the effect of this instrument

9. The effect of this instrument is, for tax periods commencing on or after 10 February 2020 that the GST tax invoice record keeping concessions contained in the revoked instrument continue to operate in substantially the same way.
10. The instrument allows an additional corporate card provider to issue corporate card statements that meet the requirements of this instrument.
11. Compliance Cost Impact: Minor – There will be no or minimal impacts for both implementation and ongoing compliance costs. The legislative instrument is minor or machinery in nature.

Background

12. This determination replaces *Goods and Services Tax: Waiver of Tax Invoice Requirement (Corporate Card Statements) Legislative Instrument 2020*, registered on 10 February 2020.
13. This determination includes a corporate card provider entity that has applied to be included in this legislative instrument. This determination is otherwise the same as the previous legislative instrument that it replaces. An entity that satisfied the requirements of the previous legislative instrument will satisfy the requirements of this determination.
14. The concession in this instrument and the revoked instrument are granted to reduce compliance costs for entities claiming input tax credits for creditable acquisitions, by permitting the entity (the holder of certain corporate cards) to claim an input tax credit without holding a tax invoice. Instead, the cardholder was required to hold a corporate card statement (issued by the corporate card provider) that met certain information requirements specified in the instruments.

Explanation

15. Provided the requirements of this instrument are met, 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 (section 7). In summary, the corporate card statement may be used to claim input tax credits where:
 - (a) the cardholder holds a corporate card statement for the creditable acquisition that contains the information set out in section 9
 - (b) the GST related information on the corporate card statement meets the accuracy requirements set out in section 12
 - (c) the cardholder meets the requirements of section 13 that ensure the cardholders use the statement accurately to claim input tax credits
 - (d) section 11 does not apply. This section requires the cardholder to hold a tax invoice in relation to the acquisition where the statement shows an estimated GST amount, or there is an error in relation to the acquisition, and
 - (e) the card statement issued by the corporate card provider meets the information requirements specified in this instrument by using either of two methods:
 - (i) the accurate method provided by paragraph 8(2)(b), or

- (ii) the signed statement method provided by paragraph 8(2)(c).
16. For low value transactions (currently those that do not exceed \$75 in value) there is no requirement under subsection 29-10(3) of the GST Act to hold a tax invoice. Therefore, this instrument is not applicable to low value transactions.

Consultation

17. Subsection 17(1) of the *Legislation Act 2003* requires, before the making of a determination, that the Commissioner is satisfied that appropriate and reasonably practicable consultation has been undertaken.
18. For this instrument, public consultation was undertaken for a period of 4 weeks commencing on 4 September 2020.
19. The draft instrument and draft explanatory statement were published on the ATO Legal database. Publication was advertised via the 'What's new' page on that system and via the 'Open Consultation' page on **ato.gov.au**. Major tax and superannuation publishers and associations monitor these pages and include the details in the daily and weekly Alerts and newsletters to their subscribers and members. This ensures advice of the draft is disseminated widely across the tax professional community, and that they are in an informed position to provide comments and feedback.
20. No feedback was received.

Legislative References

A New Tax System (Goods and Services Tax) Act 1999

Acts Interpretation Act 1901

Legislation Act 2003

Human Rights (Parliamentary Scrutiny) Act 2011

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*

Goods and Services Tax: Waiver of Tax Invoice Requirement (Corporate Card Statements) No. 2 Determination 2020

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Instrument

This Legislative Instrument allows corporate card holders to claim input tax credits without holding a tax invoice in certain circumstances.

Human rights implications

This Legislative Instrument does not engage any of the applicable rights or freedoms as it is considered to be minor or machinery in nature and does not substantially change the law.

The purpose of this instrument is to add a corporate card provider not included in the previous legislative instrument, that has requested to be added to the list of approved providers and has met the requirements as outlined in WTI 2020/2. The instrument allows holders of a corporate card statement from an approved provider to claim input tax credits without the requirement to hold a tax invoice

Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.