

WTI 2004/5 -

COMMONWEALTH OF AUSTRALIA

A NEW TAX SYSTEM (GOODS AND SERVICES TAX) ACT 1999

DETERMINATION

I, Anthony Long in the exercise of the powers and functions conferred upon me, by delegation from the Commissioner of Taxation pursuant to section 8 of the *Taxation Administration Act 1953* (Cth), do hereby determine under subsection 29-10(3) of the *A New Tax System (Goods and Services Tax) Act 1999*:

Citation

1. This determination is the *A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No. 5) 2004 - Business Travel Account Holder of American Express International Inc.*

Commencement and application

2. (1) This determination commences on 1 July 2004.
- (2) This determination terminates the *A New Tax System (Goods and Services Tax) Waiver of Tax Invoice Requirement Determination (No.4) 2001 – Business Travel Account Holder of AMERICAN EXPRESS INTERNATIONAL INC.* (the "predecessor determination").
- (3) This determination does not revoke or vary any other previous determination made by the Commissioner or a delegate of the Commissioner.
- (4) This determination applies in relation to net amounts for tax periods starting on or after 1 July 2004.
- (5) The predecessor determination ceases to apply in relation to net amounts for tax periods starting on or after 1 July 2004.

Circumstances where the requirement for a tax invoice does not apply

3. The circumstance set out in the following paragraphs is the circumstance of a kind in which the requirement for a tax invoice under subsection 29-10(3) of the Act does not apply.
4. A Business Travel Account Holder of American Express International Inc. will not be required to hold a tax invoice for a creditable acquisition purchased through the Business Travel Account in order to attribute an input tax credit on the acquisition to a tax period provided that at the time the Business Travel Account Holder gives its GST return/Business Activity Statement ("BAS") for the tax period to the Commissioner:

- (a) The Business Travel Account Holder holds a Business Travel Account Statement produced by American Express International Inc. that includes the following details:
 - (i) The Business Travel Account Holder's name;
 - (ii) The name(s) of the person(s) who uses the Business Travel Account to purchase creditable acquisitions(s);
 - (iii) The Business Travel Account Holder's Australian Business Number ('ABN') or address; and
 - (iv) For each acquisition for which the Business Travel Account Holder may claim an input tax credit, the Business Travel Account Statement has:
 - date the Business Travel Account Holder purchased the acquisition;
 - the supplier's name;
 - the supplier's ABN;
 - the supplier's Branch Registration Number (where applicable);
 - a brief description of the acquisition or, if that is not available, a description of the supplier's industry;
 - the amount of GST paid; and
 - the total amount paid;
 - (b) The Business Travel Account Holder has an effectively regulated corporate policy for making adjustments for expenditure on the Business Travel Account that is of a private or domestic nature and was not made in connection with carrying on the Business Travel Account Holder's enterprise;
 - (c) The Business Travel Account Holder has supplementary documentation supporting each acquisition on the Business Travel Account Statement that has a private or domestic component, and the documentary evidence clearly identifies the creditable and non-creditable components of the acquisition; and
 - (d) American Express International Inc. meets the conditions set out in paragraphs 5 and 6 below.
5. American Express International Inc. must provide the date each supply on the statement was purchased.
 6. Where all the information required on the statement is not provided by the merchant to American Express International Inc., the latter may, until 30 June 2006, separately obtain the supplier's ABN and GST registration status and then calculate the amount of GST on the supply, provided American Express International Inc.:
 - (a) has obtained a signed statement from each merchant that states:
 - (i) the merchant's ABN and Branch Registration Number (where applicable);
 - (ii) whether or not the merchant is registered for GST;

- (iii) the type of supply or supplies (i.e., taxable, GST-free and/or input taxed) the merchant provides;
 - (iv) where the merchant only provides taxable supplies, whether or not GST is calculated at 1/11th of the price for all the taxable supplies the merchant provides; and
 - (v) provides American Express International Inc. with an undertaking that it will be notified –
 - when the merchant ceases to be registered for GST; or
 - when the merchant ceases to make only taxable supplies where the GST is calculated at 1/11th of the price;
- (b) retains the signed statement for at least 5 years after the merchant ceases its association with American Express International Inc.;
- (c) clearly identifies each supply in the statement that may be a GST-free, input taxed or mixed supply;
- (d) clearly identifies each supply where GST may not be 1/11th of the price;
- (e) where a supply has been identified as being a supply that may be GST-free or input taxed or a supply where GST may not be 1/11th of the price, advises the Business Travel Account Holder to obtain a tax invoice before attributing an input tax credit to a tax period; and
- (f) where American Express International Inc. has obtained information that the merchant is not registered, or ceases to be registered for GST, American Express International Inc. must not calculate an amount of GST for supplies from that merchant. Instead, American Express International Inc. must state that the amount of GST included in the price of the supply is \$nil.

Situations where a tax invoice is still required

7. The Business Travel Account Holder will still need to obtain a tax invoice before attributing input tax credits to a tax period for a supply on the Business Travel Account Invoice Statement where:
- (a) the Business Travel Account Invoice Statement indicates that the supply may be a mixed supply or a taxable supply where GST is not 1/11th of the price; or
 - (b) where there is an error on the Business Travel Account Statement in relation to the supply.

Definitions

8. The following expressions are defined for the purposes of this determination:

the Act means the *A New Tax System (Goods and Services Tax) Act 1999*.

The person(s) who uses the Business Travel Account includes a partner, sole trader, director, contractor or employee of an entity.

Business Travel Account Statement is a statement of liability that is issued by American Express International Inc. to one of its clients.

Business Travel Account is an account that is held by and in the name of an entity and is used to purchase goods and services for commercial purposes.

Business Travel Account Holder is the registered entity that holds a Corporate Account with American Express International Inc.

Mixed supply is a supply of one or more taxable supplies and any one of the following supplies:

- a supply that is GST-free or input taxed;
- a supply that was made before 1 July 2000.

Other expressions in this Determination have the same meaning as in the Act.

Dated this 9th day of July 2004.

Anthony Long
ASSISTANT DEPUTY COMMISSIONER OF TAXATION
Goods and Services Tax (Financial Supplies & Insurance)