

WTI 2020/2 -



Legislative Instrument

Goods and Services Tax: Waiver of Tax Invoice Requirement (Corporate Card Statements) Determination 2020

I, **Louise Clarke**, Deputy Commissioner of Taxation, make this determination under subsection 29-10(3) of the *A New Tax System (Goods and Services Tax) Act 1999*.

Signed by Louise Clarke

Deputy Commissioner of Taxation

Dated: 4 November 2019

1. Name of instrument

This determination is the *Goods and Services Tax: Waiver of Tax Invoice Requirement (Corporate Card Statements) Determination 2020*.

2. Commencement

This determination is taken to have commenced on 15 August 2017, the day after the previous determination was registered on the Federal Register of Legislation.

3. Revocation of previous instruments

This determination repeals and replaces *Goods and Services Tax: Waiver of Tax Invoice Requirement (Corporate Card Statements) Legislative Instrument 2017*, F2017L01018, registered on 14 August 2017 (previous determination).

4. Application

This determination applies to net amounts for tax periods that start on or after 14 August 2017, being the application date in the previous determination.

5. Determination (Who is covered by this Determination)

This determination applies to corporate card statement cardholders.

6. Definitions

(1) The following expressions are defined for the purposes of this determination:

Acquirer is an entity that signs a merchant and is responsible for settlement to the merchant in respect of corporate card transactions acquired from that merchant.

Cardholder is the entity participating in an arrangement under which the corporate card is issued to that entity, or other entities at its request.

Corporate card is a card, or an account (where a physical card may not be issued), that is issued to and in the name of an entity, or other entities at its request, and is intended to be used to purchase goods and services for commercial purposes.

Corporate card provider is:

- (a) any of the following entities:
 - (i) American Express Australia Limited;
 - (ii) Cabcharge Australia Limited;
 - (iii) Custom Service Leasing Pty Ltd;
 - (iv) Diners Club Pty Limited;
 - (v) Entities that issue MasterCard corporate cards;
 - (vi) Entities that issue Visa corporate cards;
 - (vii) Lufthansa AirPlus Servicekarten GmbH (Airplus International);
 - (viii) Mining & Construction Card Company Pty Ltd;
 - (ix) Wex Fuel Cards Australia Ltd;
 - (x) Qantas Airways Limited;
 - (xi) Wex Australia Pty Ltd; or
- (b) an entity authorised by an entity listed above in paragraph (a) to provide their corporate card products.

Corporate card statement is a statement for a corporate card that is issued by or on behalf of a corporate card provider. It includes electronic data files of transactions and statements that are issued periodically or on demand.

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

Mixed transaction supplier is a supplier who has indicated on a signed statement (referred to in section 10) that they provide taxable supplies as well as GST-free and/or input taxed supplies.

Supplier includes an agent through whom the supplier makes a supply.

(2) Other expressions in this determination have the same meaning as in the GST Act.

7. Relief from requirement to hold a tax invoice

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 if all the requirements in section 8 of this determination are satisfied.

8. Requirements for relief from holding a tax invoice

(1) At the time the cardholder gives its GST return/business activity statement for the tax period to the Commissioner:

- (a) the cardholder must hold a corporate card statement that records a transaction which includes the creditable acquisition and meets the corporate card statement information requirements set out in section 9;
- (b) the cardholder must meet all the requirements of section 13; and
- (c) the creditable acquisition on the corporate card statement must not have an 'estimated GST amount' that was calculated under subsection 11(b).

(2) For the corporate card statement referred to in subsection 8(1), the corporate card provider:

- (a) must meet the accuracy requirements set out in section 12;
- (b) must have in place an accurate method of obtaining or calculating the transaction information specified in subsection 9(d); and
- (c) can choose to use the signed statement method in section 10 to satisfy paragraph 8(2)(b) in relation to GST payable.

9. Corporate card statement information requirements

The corporate card statement must contain enough information to enable the following to be ascertained by the cardholder:

- (a) the date of issue of the corporate card statement;
- (b) the identity or ABN of the cardholder;
- (c) the name(s) of the person(s) or department(s) that uses the corporate card to purchase the creditable acquisition, or in the case of fuel cards, the vehicle identifier;
- (d) for the particular transactions containing the creditable acquisition:
 - (i) the date the cardholder acquired the supply;
 - (ii) the identity of the supplier, or driver ID for a supply of taxi travel;
 - (iii) the ABN of the supplier;
 - (iv) the Branch Registration Number of the supplier (where applicable);

- (v) a brief description of the supply or, if that is not available, a description or recognised code identifying the supplier's industry;
- (vi) the GST payable; and
- (vii) the total amount paid.

10. Use of signed statements for obtaining transaction information

(1) The corporate card provider/acquirer may, in relation to a supplier, use the signed statement method in section 11 to calculate GST payable, provided they have a signed statement from each supplier that:

- (a) states the ABN and Branch Registration Number (where applicable) of the supplier;
- (b) states the type of supplies (that is, taxable, GST-free and/or input taxed supplies) made by the supplier and for which the corporate card is accepted as payment;
- (c) where the supplier only makes taxable supplies - states whether or not GST is calculated at 1/11th of the price for all the taxable supplies made by the supplier; and
- (d) provides the corporate card provider/acquirer with an undertaking the corporate card provider/acquirer will be notified when the supplier:
 - (i) ceases to be registered for GST; or
 - (ii) ceases to make only taxable supplies where the GST is calculated at 1/11th of the price.

(2) The corporate card provider/acquirer must retain the signed statement for at least 5 years after the supplier ceases their association with the corporate card provider/acquirer.

11. Calculating GST payable or estimated GST amounts using the signed statement method

The signed statement method for calculating the GST payable or an estimated GST amount for a supply is as follows:

- (a) for the GST payable – where the supplier has indicated on the signed statement that the supplier only makes taxable supplies where the GST is 1/11th of the price, the corporate card provider/acquirer may calculate the GST payable on the supply as 1/11th of the price; or
- (b) for an estimated GST amount – where a supplier has indicated on the signed statement that the supplier makes taxable supplies where GST may not be 1/11th of the price, or the supplier is a mixed transaction supplier, the corporate card provider/acquirer may calculate an estimated GST amount of 1/11th of the price of the relevant transaction if:
 - (i) the corporate card provider/acquirer indicates the estimated GST amount for this transaction must be verified;

- (ii) the corporate card provider/acquirer advises the cardholder to obtain a tax invoice for the supply before attributing an input tax credit to a tax period (if required by subsection 29-10(3) of the GST Act); and
- (iii) at least one of the requirements in paragraphs 11(b)(i) and 11(b)(ii) is prominently displayed on the corporate card statement.

12. Accuracy requirements for corporate card statements

Where the corporate card provider has reason to consider any information set out in subsection 9(d) or an estimated GST amount is not accurate, the corporate card provider/acquirer must not include that information on the corporate card statement.

13. Cardholder requirements

The cardholder must have in place:

- (a) an effectively regulated corporate policy (that includes the retention of documentary evidence) for determining the extent of creditable purpose for acquisitions made on the corporate card that are wholly or partly of a private or domestic nature; and
- (b) an effectively regulated corporate policy that ensures the tax invoice and the corporate card statement are not incorrectly used to claim input tax credits more than once for a creditable acquisition.

14. Reimbursement of employees etc

If the cardholder has a creditable acquisition because of section 111-5 of the GST Act:

- (a) they are taken to meet paragraph 8(1)(a) if they hold a corporate card statement that includes the details at section 9 for the expense for which reimbursement is paid; and
- (b) any reference to a creditable acquisition in section 9 is taken to be a reference to the expense for which reimbursement is paid.