



A New Tax System (Goods and Services Tax) Amendment Regulations 2012 (No.)¹

Select Legislative Instrument 2012 No.

I, QUENTIN BRYCE, Governor-General of the Commonwealth of Australia, acting with the advice of the Federal Executive Council, make the following Regulations under the *A New Tax System (Goods and Services Tax) Act 1999*.

Dated 2012

Governor-General

By Her Excellency's Command

[DRAFT ONLY – NOT FOR SIGNATURE]

Assistant Treasurer

EXPOSURE DRAFT ONLY

1 Name of Regulations

These Regulations are the *A New Tax System (Goods and Services Tax) Amendment Regulations 2012 (No.)*.

2 Commencement

These Regulations commence on 1 July 2012.

3 Amendment of *A New Tax System (Goods and Services Tax) Regulations 1999*

Schedule 1 amends the *A New Tax System (Goods and Services Tax) Regulations 1999*.

EXPOSURE DRAFT

Schedule 1 Amendments

(regulation 3)

[1] Subregulation 40-5.09 (3), table, item 7

substitute

7 A guarantee

7A An indemnity that holds a person harmless from any loss as a result of a transaction the person enters with a third party

[2] Subregulation 40-5.09 (3), table, item 8

after

agreement

insert

entered into before 1 July 2012

[3] Regulation 40-5.12, table, after item 18

insert

19 Goods supplied under a hire purchase agreement entered into on or after 1 July 2012

20 Credit under a hire purchase agreement entered into on or after 1 July 2012 in relation to goods if:

(a) the credit for the goods is provided for a separate charge; and

(b) the charge is disclosed to the recipient of the goods

21 A warranty for goods

[4] Subregulation 70-5.02 (2), table, after item 12

insert

12A Lenders mortgage reinsurance

[5] Subregulation 70-5.02 (2), table, item 24, paragraph (h)

omit

services

insert

services;

[6] Subregulation 70-5.02 (2), table, item 24, after paragraph (h)

insert

- (i) processing and assessing claims under life insurance policies carried out on or after 1 July 2012

[7] Subregulation 70-5.02 (2), table, after item 31

insert

32 Services acquired by a recognised trust scheme, to the extent the services are performed on or after 1 July 2012 and where:

- (a) the entity that acts in the capacity as trustee of the recognised trust scheme is carrying on, in its own capacity, an enterprise that includes making taxable supplies to the recognised trust scheme; and
- (b) the services acquired are not:
 - (i) brokerage services covered by item 9 or 21; or
 - (ii) a service of the kind mentioned in paragraph (a), (b) or (e) of item 23; or
 - (iii) a service of the kind mentioned in paragraph (a), (b), (c), (d), (e), (f), (g) or (i) of item 24; or
 - (iv) a service of the kind mentioned in paragraph (h) of item 24, other than a service that relates to compliance with industry regulatory requirements that apply when:
 - (A) acting as a trustee of a trust or superannuation fund; or
 - (B) acting as a single responsible entity; or

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- (v) custodial services covered by item 29; or
 - (vi) a service of the kind mentioned in item 30

Monitoring services

- 33 Monitoring and reporting services (other than taxation and auditing services) that:
 - (a) are acquired on or after 1 July 2012; and
 - (b) are required for compliance with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*

[8] After subregulation 70-5.02 (3), including the examples

insert

- (4) If an acquisition is of the kind mentioned in item 32 of the table in subregulation (2) and the acquisition is covered by another item of the table in subregulation (2), the acquisition is taken to be specified as a reduced credit acquisition only for item 32 of the table.
- (5) For item 32 of the table in subregulation (2):

recognised trust scheme means:

 - (a) a managed investment scheme within the meaning of section 9 of the *Corporations Act 2001*; or
 - (b) an approved deposit fund within the meaning of the *Superannuation Industry (Supervision) Act 1993*; or
 - (c) a pooled superannuation trust within the meaning of the *Superannuation Industry (Supervision) Act 1993*; or
 - (d) a public sector superannuation scheme within the meaning of the *Superannuation Industry (Supervision) Act 1993*; or
 - (e) a regulated superannuation fund (other than a self managed superannuation fund) within the meaning of the *Superannuation Industry (Supervision) Act 1993*.

[9] Regulation 70-5.03

substitute

70-5.03 Percentage which input tax credits are reduced (Acts 70-5)

For subsection 70-5 (2) of the Act, the percentage of the input tax credit for a reduced credit acquisition is as follows:

- (a) for a reduced credit acquisition mentioned in item 32 of the table in subregulation 70-5.02 (2) — 55%;
- (b) for all other kinds of reduced credit acquisitions — 75%.

[10] Schedule 7, Part 6, column 2

omit

agreement

insert

agreement entered into before 1 July 2012.

[11] Schedule 8, after Part 6

insert

Part 7 Example for item 20 in the table in regulation 40-5.12

Item Example

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- | Item | Example |
|------|--|
| 1 | The credit component under a hire purchase agreement entered into on or after 1 July 2012 where the consideration is the amount of interest and associated fees and charges. |
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Note

1. All legislative instruments and compilations are registered on the Federal Register of Legislative Instruments kept under the *Legislative Instruments Act 2003*. See <http://www.frli.gov.au>.