



6 August 2021

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Dear Ms Denness

## Implementing a reporting regime for sharing economy platform providers

Chartered Accountants Australia and New Zealand (CA ANZ) appreciates the opportunity to comment on the [exposure draft legislation and associated material](#) that implements a reporting regime for sharing economy platform providers.

This consultation follows a 2019 Treasury consultation entitled "[Implementing a reporting regime for sharing economy platform providers](#)". This previous consultation and CA ANZ's submission to it, dealt with policy aspects of the proposed reporting regime for sharing economy platform providers. The current consultation deals with draft legislation to implement the reporting regime for sharing economy platform providers. Accordingly, this submission limits itself to tax technical issues.

### Indirect tax zone

The draft legislation applies if "the supply is connected with the indirect tax zone (within the meaning of the GST Act), or would be connected with the indirect tax zone (within the meaning of the GST Act) if the definition of indirect tax zone in the GST Act included the external Territories." Paragraphs 1.25-1.27 of the draft explanatory memorandum discuss indirect tax zone and states that "a supply of goods is connected to the indirect tax zone if, broadly, goods are delivered in, made available in or removed from the indirect tax zone" or if "the acts to complete the supply are done in the indirect tax zone or the supplier carries on that enterprise in the indirect tax zone".

Overseas platform operators may find it difficult to identify which supplies are connected to the indirect tax zone. To assist them comply with these proposed provisions, it may be helpful for the Australian Taxation Office (ATO) to offer some practical guidance in the form of a Law Companion ruling on this issue. For example, there will be a need to report where payments are made to parties with an Australian Business Number, an Australian address or an Australian bank account. Unless clear guidance is given the alternative may be to report everything and leave it to the ATO to analyse.

### Transfers of ownership

The draft legislation does not require reporting of the transfer of ownership of goods or real estate. The draft legislation does this by excluding "a supply by way of transfer of ownership of goods (within the meaning of the GST Act); [and] (ii) a supply by way of transfer of ownership of real property (within the

meaning of the GST Act)". Paragraph 1.24 of the explanatory memorandum states that "Transactions that only involve the sale of goods or real property (the transfer of legal title to the goods or real property) or financial supplies are not intended to be captured by the reporting regime (see section 9-10 of the GST Act)."

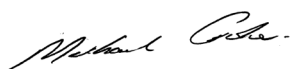
The GST Act has definitions of goods and real property, but it does not have a definition of transfer of ownership. The draft legislation may need to be amended to make it explicit that a sale that results in the transfer of title from the supplier to another party is excluded.

There may also be a need to provide clarity regarding:

- Long term (99 year) lease arrangements to ensure that they are also excluded from the proposed legislation.
- Hire purchase arrangements. Uncertainty surrounding their treatment resulted in such items having specific legislation enacted for GST purposes.
- Services related to the acquisition of goods such as warranties, delivery and installation.

Should you have any queries in relation to this please contact Susan Franks at [susan.franks@charteredaccountantsanz.com](mailto:susan.franks@charteredaccountantsanz.com)

Yours sincerely



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