



GST on low value imported goods

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Australian Government

Australian Taxation Office

GST on low value imported goods

Overview and key observations about the reforms that apply from 1 July 2018

Presented by Rosie Cicchitti, A/g Assistant Commissioner, Australian Taxation Office / **May 2018**

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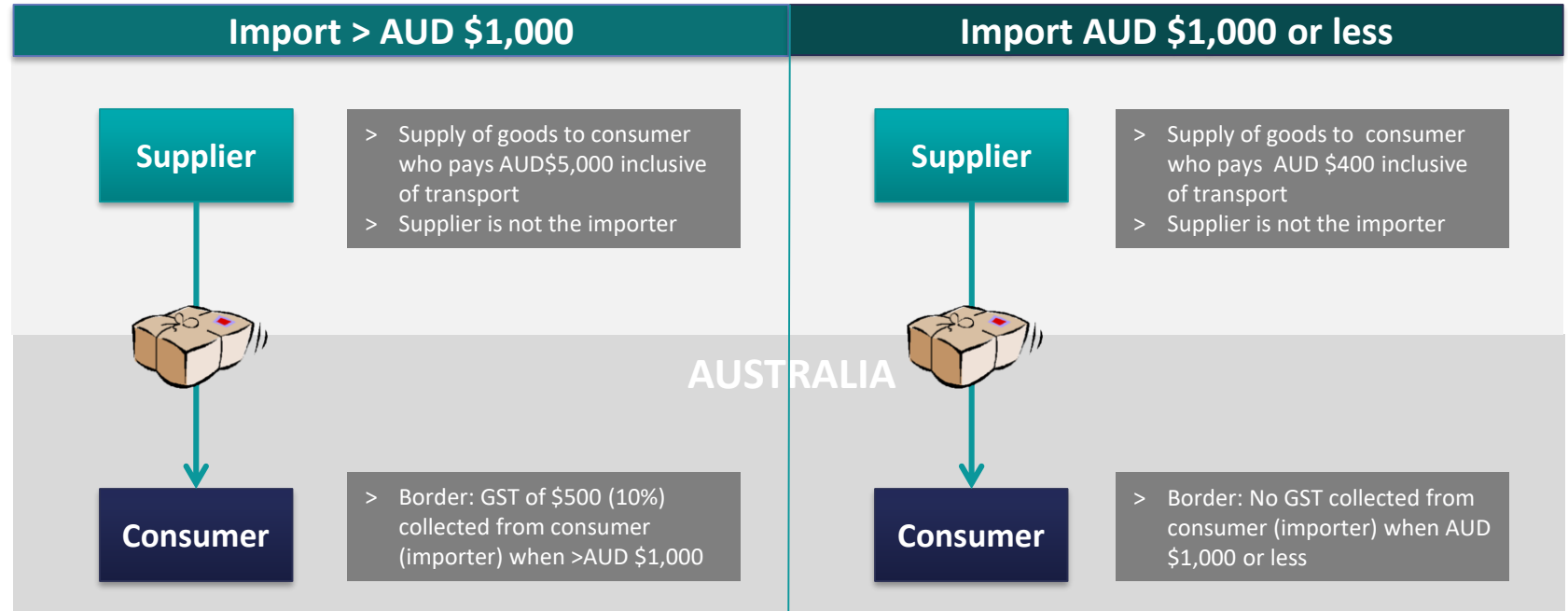
Summary of the new law

From 1 July 2018 GST

- > Is extended to imported goods valued at AUD \$1,000 or less at the time of supply
- > Applies only to supplies made to consumers (no residency test)
- > Will be collected through the supplier/vendor (or entity treated as such) at point of sale
- > The supplier will be responsible and will need to register, lodge regular GST returns and pay GST on supplies to the ATO
- > Will not be collected at the border (other than for alcohol, tobacco and tobacco products)
- > Online marketplaces (electronic distribution platforms) will generally be treated as the supplier for goods sold through their platform
- > Re-deliverers will be treated as a supplier for goods imported via a mailbox re-delivery service or personal shopping services that it provides under an arrangement with the consumer

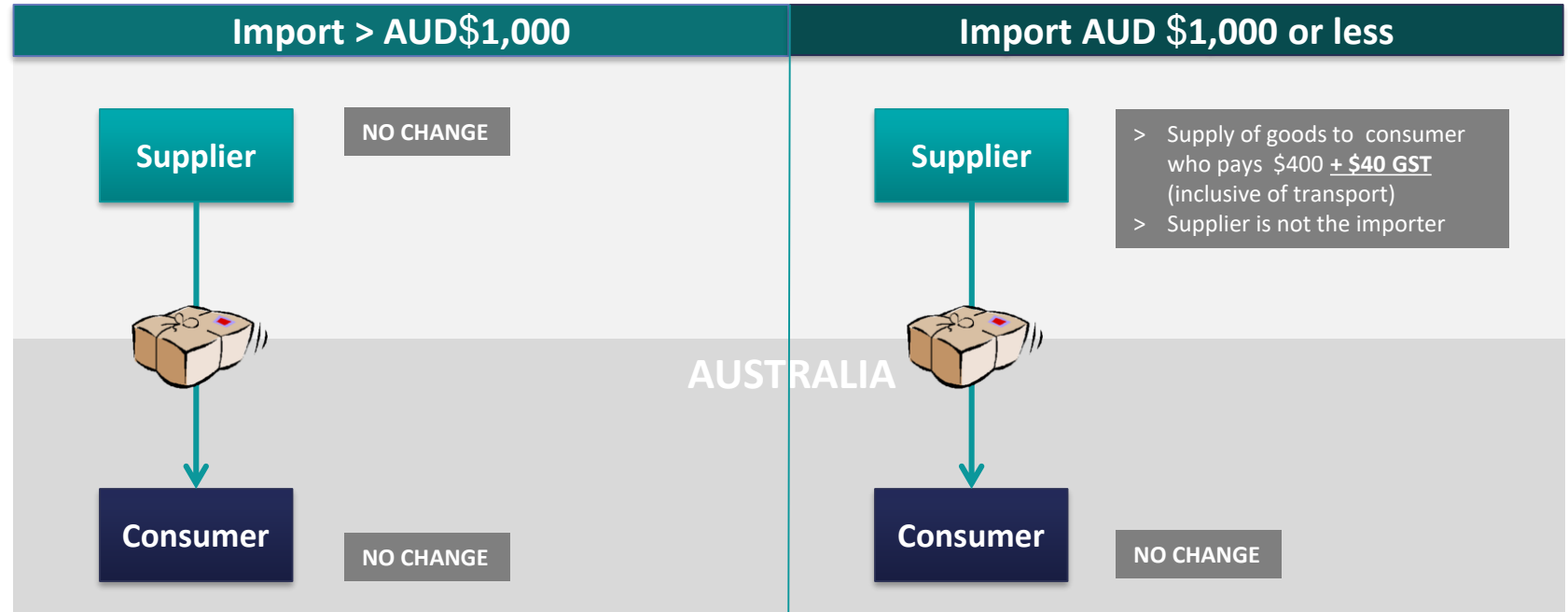
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Background: the current treatment of imported goods



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From 1 July 2018



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Electronic distribution platforms (EDPs)

Also known as online marketplaces, EDPs are deemed to be a supplier for GST purposes

- > Responsible for GST on sales of low value goods through their platform

A service is not an EDP for a supply if:

- > It only provides a carriage service
- > It only provides access to a payment system or processing payments
- > In relation to sales of 'face-value' vouchers

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When EDPs are not responsible for GST

The merchant is responsible instead of the EDP operator if all of the following apply

- > A document is issued to the recipient that identifies both the supply and the merchant (not the EDP operator) as the supplier of the supply
- > The merchant and the EDP operator have agreed in writing the merchant is the entity responsible for paying GST for the supply, and
- > The EDP operator does not control the key elements of the supply, as they don't do any of these
 - Authorise the charge to the recipient for the supply
 - Authorise the delivery of the supply, and
 - Directly or indirectly set any of the terms and conditions under which the sale is made

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Preventing double taxation

There are certain supplier documentation requirements that prevent double taxation

- > Notices to consumer that contain certain information about GST applying to the sales
- > Reporting of information to be placed on import documents including
 - The GST registration number of the supplier for GST purposes
 - The Australian Business Number (ABN) of the recipient, if applicable
 - Whether GST was charged on the supply

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Interaction with border processes - Changes to the ICS system

Information to gather (from supplier issued documents)	Look for	Field in ICS system
1. GST registration number of supplier	ABN – 11 digits (14 characters) or ARN – 12 Digits (12 characters)	Vendor ID
2. ABN of purchaser (if given to supplier)	ABN	Import ID
3. GST charged/paid on the supply	GST included on receipt/document (Could be shown as a total or per item)	Exemption code is 'PAID' Add to relevant tariff line (where applicable)

NOTE: Department of Home Affairs ICS [External Release Notes 17.4.02](#) (Link)

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Our compliance approach

- > Starts with communication and education
- > Will be based on a risk assessment of the situation
 - Access to a number of information sources
- > Will move from queries to more intensive activities
 - Involuntary GST registration - default assessments
 - Penalties
 - International collaboration
 - Activating international treaties for exchange of information and debt collection
 - Interception of funds

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Website information

Australian Taxation Office

> www.ato.gov.au/AusGST

> This is the link takes for information relating to 'Tax on retail sales of goods and services into Australia'

> Click on GST on Low Value imported goods

– See *Information for transporters and customs brokers* which explains:

- The interactions with reporting and revenue collection at the border as well as the impacts for transporters and customs brokers
- Information to include on customs documents and links to further information on the ICS and what your clients should provide on customs documents
- Links to the Department of Home Affairs

> Department of Home Affairs

– www.homeaffairs.gov.au/busi/cargo-support-trade-and-goods/importing-goods/duty-rates-and-taxes/low-

Thank you

