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2000B00055



A New Tax System (Goods and Services Tax) Amendment Regulations 2000 (No. /)

Statutory Rules 2000 No. /

49

I, WILLIAM PATRICK DEANE, 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 **12 APR 2000** 2000

WILLIAM DEANE

Governor-General

By His Excellency's Command

PETER COSTELLO

Treasurer



A New Tax System (Goods and Services Tax) Amendment Regulations 2000 (No. /)¹

Statutory Rules 2000 No. / ²

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made under the

A New Tax System (Goods and Services Tax) Act 1999

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Regulation 1

1 Name of Regulations

These Regulations are the *A New Tax System (Goods and Services Tax) Amendment Regulations 2000 (No. 1)*.

2 Commencement

These Regulations commence on gazettal.

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*.

2	<i>A New Tax System (Goods and Services Tax) Amendment Regulations 2000 (No. 1)</i>	2000, 1	49 1
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Schedule 1 Amendments

(regulation 3)

[1] **After Part 3-1**

insert

Part 4-1 Special rules mainly about particular ways entities are organised

Division 48 GST groups

Subdivision 48-A Approval of GST groups

48-10.01 Definitions for Subdivision

In this Subdivision:

family, in relation to a person, has the meaning given by section 272-95 of Schedule 2F to the *Income Tax Assessment Act 1936*, as if the person were the test individual mentioned in that section.

GST group includes a proposed GST group.

48-10.02 Membership requirements for partnerships

- (1) For the purposes of subparagraph 48-10 (1) (a) (ii) of the Act, this regulation sets out requirements that must be satisfied for a partnership to be a member of a GST group.

Note The partnership must also satisfy other membership requirements set out in section 48-10 of the Act.

- (2) The partnership must satisfy the requirements of subregulation (3) or (4).

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- (3) The partnership satisfies the requirements of this subregulation if, for at least 1 company that is a member of the GST group:
- (a) the partnership has at least a 90% stake in the company (worked out in accordance with section 190-5 of the Act as if the partnership were a company); or
 - (b) the membership of the company consists only of:
 - (i) for a company with 1 member — a partner in the partnership or a family member of a partner; and
 - (ii) for a company with more than 1 member — partners in the partnership, or family members of the partners, in a way that ensures that at least 2 partners are represented, either personally or by a family member.
- (4) The partnership satisfies the requirements of this subregulation if, for at least 1 trust that is a member of the GST group, the beneficiaries include partners in the partnership, or family members of the partners, in a way that ensures that at least 2 partners are represented:
- (a) either personally or by a family member; and
 - (b) either directly, or indirectly through 1 or more interposed trusts.

48-10.03 Membership requirements for trusts

- (1) For the purposes of subparagraph 48-10 (1) (a) (ii) of the Act, this regulation sets out requirements that must be satisfied for a trust to be a member of a GST group.

Note The trust must also satisfy other membership requirements set out in section 48-10 of the Act.

- (2) The trustee:
- (a) must have at least a 90% stake in a company that is a member of the GST group (worked out in

- accordance with section 190-5 of the Act as if the trustee were a company); or
- (b) must not distribute any income or capital of the trust to a beneficiary that is not a permitted beneficiary (whether or not a distribution of that kind could be lawfully made).
- (3) Each of the following is a *permitted beneficiary*:
- (a) a company that is a member of the GST group;
 - (b) a charitable institution, a trustee of a charitable fund, or a gift-deductible entity.
- (4) A member or members of a company that is a member of the GST group, and their family members, are also *permitted beneficiaries* if:
- (a) for a company with 1 member — the member, or a family member of the member, is a beneficiary of the trust (either directly, or indirectly through 1 or more interposed trusts); and
 - (b) for a company with more than 1 member — the beneficiaries of the trust include members of the company, or family members of the members, in a way that ensures that at least 2 members of the company are represented:
 - (i) either personally or by a family member; and
 - (ii) either directly, or indirectly through 1 or more interposed trusts.
- (5) Partners in a partnership that is a member of the GST group, and their family members, are also *permitted beneficiaries* if the beneficiaries of the trust include partners, or family members of the partners, in a way that ensures that at least 2 partners are represented:
- (a) either personally or by a family member; and
 - (b) either directly, or indirectly through 1 or more interposed trusts.

[2] Dictionary, after definition of *charge card**insert**company* see the Dictionary in Part 6-3 of the Act.**[3] Dictionary, after definition of *financial supply provider****insert**gift-deductible entity* see the Dictionary in Part 6-3 of the Act.**[4] Dictionary, after definition of *interest****insert**member*, in relation to a GST group, see the Dictionary in Part 6-3 of the Act.**[5] Dictionary, after definition of *money****insert**partnership* see the Dictionary in Part 6-3 of the Act.**Notes**

1. These Regulations amend Statutory Rules 1999 No. 245.
2. Made by the Governor-General on *L* 2000, and notified in the *Commonwealth of Australia Gazette* on *L* 2000.

12 April
19 April