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A New Tax System (Goods and Services Tax) Amendment Regulations 2000 (No. 2)

Statutory Rules 2000 No. 2

77

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 **25 MAY 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. 2)¹

Statutory Rules 2000 No. 2²

77

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. 2)*.

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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 *A New Tax System (Goods and Services Tax) Amendment Regulations 2000 (No. 2)* 2000, 2

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Schedule 1 Amendments

(regulation 3)

[1] Subregulation 3 (1), example

substitute

Example of signpost definition

The signpost definition '*interest*' see regulation 40-5.02' means that the word *interest* is defined in regulation 40-5.02.

[2] Part 2-6

substitute

Part 2-6 Tax periods

Division 29 What is attributable to tax periods

Subdivision 29-C Tax invoices and adjustment notes

29-70.01 Information that must be contained in a tax invoice (other than a recipient created tax invoice) (Act s 29-70)

- (1) For paragraph 29-70 (1) (d) of the Act, this regulation sets out the information that a tax invoice (other than a recipient created tax invoice) is to contain.

Note In addition to the information required by this regulation to be set out in a tax invoice for a taxable supply, a tax invoice must also set out the ABN of the entity that issues it and the price for the taxable supply — see paragraphs 29-70 (1) (b) and (c) of the Act.

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- (2) If the total amount, including GST, payable for the supply or supplies to which the tax invoice relates is \$1 000 or more, the tax invoice must contain the following information:
- (a) the words 'tax invoice' stated prominently;
 - (b) the date of issue of the tax invoice;
 - (c) the name of the supplier;
 - (d) the name of the recipient;
 - (e) the address or the ABN of the recipient;
 - (f) a brief description of each thing supplied;
 - (g) for each description, the quantity of the goods or the extent of the services supplied.
- (3) If the total amount, including GST, payable for the supply or supplies to which the tax invoice relates is less than \$1 000, the tax invoice must contain the following information:
- (a) the words 'tax invoice' stated prominently;
 - (b) the date of issue of the tax invoice;
 - (c) the name of the supplier;
 - (d) a brief description of each thing supplied.
- (4) If the tax invoice is for 1 or more taxable supplies only, and the amount of GST payable on the supply or supplies is exactly 1/11th of the total price for the supply or supplies, the tax invoice must contain:
- (a) a statement to the effect that the total amount payable includes GST for the supply or supplies;
or
 - (b) the total amount of GST payable.
- (5) If the tax invoice is for 1 or more taxable supplies only, and the amount of GST payable on the supply or supplies is less than 1/11th of the total price for the supply or supplies, the tax invoice must contain the following information:
- (a) the amount, excluding GST, payable for the taxable supply or supplies;

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- (b) the amount of GST payable on the taxable supply or supplies.
- (6) If the tax invoice is for 1 or more taxable supplies and any of the following supplies:
- (a) a supply that is GST-free or input taxed;
 - (b) a supply that was made before 1 July 2000 — the tax invoice must:
 - (c) clearly identify each taxable supply; and
 - (d) contain the following information:
 - (i) the total amount of GST payable;
 - (ii) the total amount payable.
- (7) If the total amount of GST payable for the taxable supply or supplies to which the tax invoice relates is an amount that includes a fraction of a cent:
- (a) if the fraction is 0.5 cent, the amount is to be rounded up to the nearest whole cent; and
 - (b) in any other case, the amount is to be rounded to the nearest whole cent.

29-70.02 Information that must be contained in a recipient created tax invoice (Act s 29-70)

- (1) For paragraph 29-70 (1)(d) of the Act, a recipient created tax invoice is to contain the following information:
- (a) the words 'recipient created tax invoice' stated prominently;
 - (b) the information stated in paragraphs (b) to (g) of subregulation 29-70.01 (2);
 - (c) the ABN of the supplier.
- (2) If the recipient created tax invoice is for 1 or more taxable supplies only, the tax invoice must also contain:
- (a) a statement to the effect that the total amount payable includes GST for the supply or supplies; or

- (b) the following information:
 - (i) the total amount of GST payable;
 - (ii) a statement to the effect that the GST shown is payable by the supplier.
- (3) If the recipient created tax invoice is for 1 or more taxable supplies and any of the following supplies:
 - (a) a supply that is GST-free or input taxed;
 - (b) a supply that was made before 1 July 2000 — the tax invoice must also:
 - (c) clearly identify each taxable supply; and
 - (d) contain the following information:
 - (i) the total amount of GST payable;
 - (ii) the total amount payable;
 - (iii) a statement to the effect that the GST shown is payable by the supplier.
- (4) If the total amount of GST payable for the taxable supply or supplies to which the recipient created tax invoice relates is an amount that includes a fraction of a cent:
 - (a) if the fraction is 0.5 cent, the amount is to be rounded up to the nearest whole cent; and
 - (b) in any other case, the amount is to be rounded to the nearest whole cent.

[3] Part 3-1
substitute

Part 3-1 Supplies that are not taxable supplies

Division 40 Input taxed supplies

Subdivision 40-A Financial supplies

40-5.01 Object of Subdivision 40-A

The object of this Subdivision is to identify a supply that is or is not a financial supply.

Note 1 For the meaning of *supply*, see subsection 9-10 (2) of the Act.

Note 2 Subsection 40-5 (2) of the Act provides that *financial supply* has the meaning given by the regulations.

40-5.02 Interests

An *interest* is anything that is recognised at law or in equity as property in any form.

Examples of interests

- 1 A debt or a right to credit
- 2 An interest conferred under a public or private superannuation scheme
- 3 A mortgage over land or premises
- 4 A right under a contract of insurance or a guarantee
- 5 A right to receive a payment under a derivative
- 6 A right to future property

40-5.03 Provision

Provision of an interest includes allotment, creation, grant and issue of the interest.

40-5.04 Disposal

Disposal of an interest includes assignment, cancellation, redemption, transfer and surrender of the interest.

40-5.05 Acquisition

Acquisition, in relation to the provision or disposal of an interest, includes acceptance and receipt of the interest.

40-5.06 Financial supply providers

- (1) An entity, in relation to the supply of an interest that was:
- (a) immediately before the supply, the property of the entity; or
 - (b) created by the entity in making the supply; is the *financial supply provider* of the interest.

Examples of interests to which paragraph (a) applies

- 1 A share or bond that is sold
- 2 Rights assigned under a derivative

Examples of interests to which paragraph (b) applies

- 1 A share or bond that is issued
- 2 A derivative that is entered into

- (2) The entity that acquires that interest is also the *financial supply provider* of the interest.

40-5.07 Financial supply facilitators

A *financial supply facilitator*, in relation to supply of an interest, is an entity facilitating the supply of the interest for a financial supply provider.

40-5.08 When supply may be financial supply (Acts 40-5)

- (1) For subsection 40-5 (2) of the Act, a supply is a financial supply if the supply is mentioned as:
 - (a) a financial supply in regulation 40-5.09; or
 - (b) an incidental financial supply in regulation 40-5.10.
- (2) However, if a supply is mentioned in regulations 40-5.09 and 40-5.12, the supply is not a financial supply.

40-5.09 What supplies are financial supplies

- (1) The provision, acquisition or disposal of an interest mentioned in subregulation (3) or (4) is a financial supply if:
 - (a) the provision, acquisition or disposal is:
 - (i) for consideration; and
 - (ii) in the course or furtherance of an enterprise; and
 - (iii) connected with Australia; and
 - (b) the supplier is:
 - (i) registered or required to be registered; and
 - (ii) a financial supply provider in relation to supply of the interest.
- (2) However, if Division 84 of the Act applies to the provision, acquisition or disposal of an interest mentioned in subregulation (3), the provision, acquisition or disposal is a financial supply to the extent that it would, apart from subparagraphs (1) (a) (iii) and (b) (i), be a financial supply.

- (3) For subregulation (1), the interest is an interest in or under the matter mentioned in an item in the following table:

Item	An interest in or under...
1	An account made available by an Australian ADI (authorised deposit-taking institution) in the course of: <ul style="list-style-type: none"> (a) its banking business within the meaning of the <i>Banking Act 1959</i>; or (b) its State banking business
2	A debt, credit arrangement or right to credit, including a letter of credit
3	A charge or mortgage over real or personal property
4	A regulated superannuation fund, an approved deposit fund, a pooled superannuation trust or a public sector superannuation scheme within the meaning of the <i>Superannuation Industry (Supervision) Act 1993</i> , or an RSA (retirement savings account) within the meaning of the <i>Retirement Savings Accounts Act 1997</i>
5	An annuity or allocated pension
6	Life insurance business to which subsection 9 (1) of the <i>Life Insurance Act 1995</i> , or a declaration under subsection 12 (2) or section 12A of that Act, applies, or related reinsurance business
7	A guarantee, including an indemnity (except a warranty for goods or a contract of insurance or reinsurance)
8	Credit under a hire purchase agreement in relation to goods, if: <ul style="list-style-type: none"> (a) the credit for the goods is provided for a separate charge; and (b) the charge is disclosed to the recipient of the goods

Item An interest in or under...

- 9 Australian currency, the currency of a foreign country, or an agreement to buy or sell currency of either kind
- 10 Securities:
 (a) including:
 (i) a debenture described in paragraph (a), (b), (c), (d), (e) or (f) of the definition of *debenture* in section 9 of the Corporations Law; and
 (ii) a document issued by an individual that would be debenture if it were issued by a body corporate; and
 (iii) a scheme described in paragraph (e), (i), (k) or (m) of the definition of *managed investment scheme* in section 9 of the Corporations Law; and
 (iv) the capital of a partnership or trust; but
 (b) excluding a time-sharing scheme

11 A derivative

Note 1 Regulation 40-5.08 provides that this regulation applies subject to regulation 40-5.12. As a result, if something is within the scope of both an item in this table and an item in the table in regulation 40-16, it will *not* be a financial supply.

Note 2 Subparagraph 40-5.09 (1) (b) (ii) has the effect that a supply by a financial supply facilitator is *not* a financial supply.

Note 3 Division 99 of the Act applies to taking of a deposit as security.

Note 4 Supply of something that is mentioned in more than 1 item in this table will still be a financial supply.

- (4) A supply (to which item 1 in the table in subregulation (3) does not apply) by an Australian ADI for a fee of not more than \$1 000 is a financial supply if:
 (a) the item would have applied to that supply in relation to an account with the ADI; or

- (b) the fee relates to an application to the ADI that, if accepted, would result in the creation of an account by the ADI.

Examples of financial supply mentioned in subregulation (4)

- 1 Electronic transfer to another Australian ADI for a person who does not hold an account with the ADI
- 2 A loan application fee

40-5.10 Incidental financial supplies

Despite regulation 40-5.12, if something is supplied by an entity to a recipient directly in connection with a financial supply to the recipient by the entity, the thing is an *incidental financial supply* if:

- (a) it is incidental to the financial supply; and
- (b) it and the financial supply are supplied, at or about the same time, but not for separate consideration; and
- (c) it is the usual practice of the entity to supply the thing, or similar things, and the financial supply together in the ordinary course of the entity's enterprise.

Note Regulation 40-5.12 applies subject to this regulation. As a result, if something is both an incidental financial supply and within the scope of an item in the table in regulation 40-5.12, it will still be a financial supply.

Example of an incidental financial supply

Advice, for which a separate charge is not made, in relation to a housing loan

40-5.11 Examples of supplies that are financial supplies

Something mentioned in a Part of Schedule 1 that relates to a financial supply mentioned in an item in the table in regulation 40-5.09, or to an incidental financial supply, is an example of the financial supply mentioned in the item or of the incidental financial supply.

Note 1 The examples are not to be taken as exhaustive.

Note 2 If an example in Schedule 1 is inconsistent with the description in this Division of the financial supply to which the example relates, the description prevails.

See section 15AD of the *Acts Interpretation Act 1901*.

Note 3 Something that is within the scope of an item in the table in regulation 40-5.09 will be a financial supply described in that item even if it is not mentioned as an example of the item set out in the Part of Schedule 1 relating to the item.

40-5.12 What supplies are not financial supplies (Act s 40-5)

For subsection 40-5 (2) of the Act, the supply of something, or an interest in or under something, that is mentioned in an item in the following table is not a financial supply:

Item	Supply of, or an interest in or under...
1	Cheque and deposit forms and books supplied to an Australian ADI in connection with an account mentioned in item 1 in the table in regulation 40-5.09
2	Special forms, or overprinting of standard forms, by an Australian ADI to the requirements of particular account holders in connection with an account mentioned in item 1 in the table in regulation 40-5.09
3	Professional services, including information and advice, in relation to a financial supply
4	A payment system
5	Stored value facility cards and prepayments not linked to accounts provided by an Australian ADI in connection with an account mentioned in item 1 in the table in regulation 40-5.09
6	Goods in accordance with agreements under which the goods are supplied under a lease, and: <ol style="list-style-type: none"> (a) the lessees have no obligation or option to acquire the rights of the lessors in the goods; or

Item	Supply of, or an interest in or under...
	(b) the lessors dispose of their rights in the goods to the lessees
7	An option, right or obligation to make or receive a taxable supply, except a mortgage or charge mentioned in item 3 in the table in regulation 40-5.09
8	A supply made as a result of the exercise of an option or right, or the performance of an obligation, to make or receive a taxable supply, including an option, right or obligation under a mortgage or charge mentioned in item 3 in the table in regulation 40-5.09
9	Facilities for: <ul style="list-style-type: none"> (a) trading securities or derivatives; and (b) clearance and settlement of those trades
10	Insurance and reinsurance business, except business mentioned in item 6 of the table in regulation 40-5.09
11	Broking services
12	Management of the assets or liabilities of another entity, including investment portfolio management and administration services for trusts or superannuation, pension or annuity funds
13	Debt collection services
14	Sales accounting services under a factoring arrangement, or an arrangement having the same effect as a factoring arrangement
15	Trustee services
16	Custodian services in relation to money, documents and other things

Item	Supply of, or an interest in or under...
17	Australian currency, or the currency of a foreign country, the market value of which exceeds its stated value as legal tender, or an agreement to buy or sell currency of either kind the market value of which exceeds its stated value as legal tender
18	An arrangement for the provision of goods to an entity for display or demonstration pending disposal of the goods to a third party

Note 1 Regulation 40-5.09 applies subject to this regulation. As a result, if something is within the scope of both an item in the table in regulation 40-5.09 and an item in the table in this regulation, it will *not* be a financial supply.

Note 2 Regulation 40-5.10 applies despite this regulation. As a result, if something is both an incidental financial supply and within the scope of an item in this table, it will still be a financial supply.

Note 3 Division 105 of the Act deals with supply in satisfaction of a debt.

Note 4 Sections 7-1 and 9-70 of the Act, and this regulation in respect of items 7 and 8 in this table, have the effect that GST is payable on the premium (if any) on a taxable deliverable commodity derivative and the price on settlement when the commodity is delivered.

40-5.13 Examples of supplies that are not financial supplies

Something mentioned in a Part of Schedule 2 that relates to a supply mentioned in an item in the table in regulation 40-5.12 is an example of the supply mentioned in the item.

Note 1 The examples are not to be taken as exhaustive.

Note 2 If an example is inconsistent with the description of the financial supply in the table to which the example relates, the description in the table prevails.

See section 15AD of the *Acts Interpretation Act 1901*.

[4] After regulation 48-10.03*insert***Division 51 GST joint ventures****51-5.01 Specified purposes for GST joint ventures
(Act s 51-5)**

- (1) For paragraph 51-5 (1) (a) of the Act, each of the following is a purpose:
 - (a) research and development;
 - (b) the provision of insurance, other than life insurance;
 - (c) fishing;
 - (d) agriculture;
 - (e) cultivation, or exploitation, of timber;
 - (f) design, or building, or maintenance, of residential or commercial premises;
 - (g) civil engineering, including the design, construction and maintenance of roads, railways, bridges, canals, dams, ports, harbours, airports and similar installations;
 - (h) generation, or transmission, or distribution, of electricity;
 - (i) transmission, or distribution, of water;
 - (j) receipt, or storage, or distribution, of oil and gas products;
 - (k) refining, or processing, of oil and gas products;
 - (l) beneficiation of minerals and primary metal production, including alloy production;
 - (m) charitable activities.
- (2) If a joint venture is a joint venture for more than 1 of the purposes specified in subregulation (1) or paragraph 51-5 (1) (a) of the Act, the combination of those purposes is specified as a purpose.

[5] **Part 4-2**
substitute

Part 4-2 **Special rules mainly
about supplies and
acquisitions**

Division 70 **Financial supplies (reduced
credit acquisitions)**

70-5.01 **Objects of Division 70**

The objects of this Division are:

- (a) to specify the reduced credit acquisitions that relate to making financial supplies that give rise to an entitlement to reduced input tax credits; and
- (b) to specify the percentage of the reduction of the input tax credits to which the financial supply provider is entitled.

70-5.02 **Acquisitions that attract reduced input tax
credits (Act s 70-5)**

- (1) For subsection 70-5 (1) of the Act, an acquisition mentioned in subregulation (2) that relates to making financial supplies gives rise to an entitlement to a reduced input tax credit.

- (2) The following acquisitions (within the meaning of subsection 70-5 (1) of the Act) are reduced credit acquisitions:

Item	Reduced credit acquisition
	<i>Transaction banking and cash management services</i>
1	The service of opening, issuing, closing, operating, maintaining, or performing a transaction in respect of an account by a financial supply facilitator, including by using the following facilities: <ul style="list-style-type: none"> (a) telephone banking; (b) Internet banking; (c) GiroPost
2	Processing services in relation to account information for account providers, including: <ul style="list-style-type: none"> (a) archives storage, retrieval and destruction services; and (b) statement processing and bulk mailing; and (c) processing and manipulation of information relating to accounts, including information about transactions to which item 7 applies
3	Acquisition of transaction cards by card account providers
4	Acquisition of passbooks, deposit and withdrawal forms and cheques and chequebooks by account providers
5	Processing services in relation to account applications for account providers, including providing credit reference and credit scoring assessment
	<i>Payment and fund transfers services</i>
6	Supplies to which the following payment system fees relate: <ul style="list-style-type: none"> (a) fees charged by the operator of a payment system to a participant in the system;

Item	Reduced credit acquisition
	(b) fees charged by a participant in a payment system to a third party in relation to access to the system;
	(c) fees charged between participants in a payment system
7	Processing, settling, clearing and switching transactions of the following kinds: <ul style="list-style-type: none"> (a) direct credit and debit; (b) other credit and debit transactions; (c) charge, credit and debit card transactions; (d) cheque; (e) electronic funds transfer; (f) ATM; (g) B-pay; (h) Internet banking; (i) GiroPost; (j) the SWIFT (Society for Worldwide Interbank Financial Telecommunications) Payment Delivery System
8	Services to a third party mentioned in paragraph 6 (b), including: <ul style="list-style-type: none"> (a) processing of account data; and (b) electronic payment services <p style="text-align: center;"><i>Securities transactions services</i></p>
9	Arrangement, by a financial supply facilitator, of the provision, acquisition or disposal of an interest in a security, including the following: <ul style="list-style-type: none"> (a) order placement and trade execution; (b) clearance and settlement of trades; (c) management of the issue of securities, including rights and bonus issues; (d) arranging flotations and privatisations; (e) arranging mergers and acquisitions; (f) arranging takeover bids; (g) performing a settlement, including issue of drafts and encashment;

Item	Reduced credit acquisition
	(h) other securities transactions, including lodgment, withdrawal and exchange control;
	(i) underwriting, except a matter that is described in the table in regulation 40-5.09
10	Securities and unit registry services to securities and unit issuers, including: <ul style="list-style-type: none"> (a) managing portfolios of assets; and (b) allotting of share issues; and (c) making dividend payments; and (d) receiving application for issue of shares; and (e) performing a redemption or capital repayment; and (f) placing scrip orders; and (g) bonus issue; and (h) scrip settlement; and (i) client account processing; and (j) transaction processing and recording; and (k) handling investor inquiries <p style="text-align: center;"><i>Loans services</i></p>
11	The following supplies by a financial supply facilitator: <ul style="list-style-type: none"> (a) loan agency services; (b) provision of a loan facility; (c) mortgage broking; (d) arranging syndicated loans; (e) introducing and broking
12	Lenders mortgage and title insurance
13	Loan protection insurance
14	The following loan application, management and processing services: <ul style="list-style-type: none"> (a) loan origination and brokerage; (b) settlement and discharge of loans, including document preparation; (c) registration of loan documents; (d) credit reference assessment and credit scoring analysis;

Item	Reduced credit acquisition
	<ul style="list-style-type: none"> (e) valuations; (f) property title searches; (g) registration and certification of titles; (h) mortgage variations, including name changes; (i) adding and deleting caveats to titles
15	<p>The following loan management services:</p> <ul style="list-style-type: none"> (a) processing of repayments; (b) statement preparation; (c) filing and requisitioning of loan file records <p style="text-align: center;"><i>Credit union services</i></p>
16	<p>Supply to a credit union by:</p> <ul style="list-style-type: none"> (a) an entity that is wholly owned by 2 or more credit unions; or (b) an entity that is wholly owned by an entity mentioned in paragraph (a) <p style="text-align: center;"><i>Debt collection services</i></p>
17	<p>The following debt collection services:</p> <ul style="list-style-type: none"> (a) debt recovery; (b) litigation; (c) lodgment of documents; (d) by financial supply facilitator, managing the recovery of sums due by borrowers <p style="text-align: center;"><i>Asset based finance services</i></p>
18	<p>Arrangement by a financial supply facilitator of hire purchase to which item 8 in the table in regulation 40-5.09 applies</p> <p style="text-align: center;"><i>Trade finance services</i></p>
19	Trade finance transaction processing and recording
20	Trade finance remittance services

Item	Reduced credit acquisition
	<i>Capital markets and financial instruments services</i>
21	Arrangement by a financial supply facilitator of: <ul style="list-style-type: none"> (a) the supply of a derivative or the currency of a foreign country, or an agreement to buy or sell the currency; or (b) the sale of a forward contract
22	Transaction processing, account maintenance and report generation services provided to suppliers of derivatives or the currency of a foreign country, or an agreement to buy or sell the currency
	<i>Funds management services</i>
23	The following investment portfolio management functions, including those functions for superannuation schemes: <ul style="list-style-type: none"> (a) management of a client's asset portfolio; (b) management of an investment portfolio for a trust or superannuation fund; (c) acting as a trustee of a trust or superannuation fund; (d) acting as a single responsible entity; (e) asset allocation services
24	The following administrative functions in relation to investment funds, including those functions for superannuation schemes: <ul style="list-style-type: none"> (a) maintaining member and employer and trustee records and associated accounting; (b) processing of applications, contributions, benefits and distributions; (c) processing transfer between funds and trusts; (d) production and distribution of reports, statements and forms to members, employers and trustees; (e) handling of inquiries and complaints made by members; (f) archives storage, retrieval and destruction services;

Item	Reduced credit acquisition
	<ul style="list-style-type: none"> (g) statement processing and bulk mailing; (h) compliance with industry regulatory requirements, excluding taxation and auditing services
	<i>Insurance services</i>
25	Brokerage of general or life insurance
26	The following life insurance administration services provided for a life insurer: <ul style="list-style-type: none"> (a) maintaining policyholder records and associated accounting; (b) processing of premiums and benefits; (c) processing and assessing claims under policies; (d) production and distribution of reports, statements and forms to policyholders, including statement processing and bulk handling; (e) handling of inquiries and complaints made by policyholders; (f) archives storage, retrieval and destruction services; (g) processing and assessing applications; (h) compliance with industry regulatory requirements, excluding taxation and auditing services; (i) managing reinsurance requirements
	<i>Services remunerated by commission and franchise fees</i>
27	Supplies for which financial supply facilitators are paid commission by financial supply providers
28	Supplies provided by financial supply facilitators to franchisors, for which the facilitators are paid a franchise fee

Item Reduced credit acquisition

Trustee and custodial services

- 29 Trustee and custodial services (except safe custody of money, documents and other things), including:
- (a) transfer of cash without purchase, sale or transfer of assets, excluding cash delivery and collection from branches of Australian ADIs; and
 - (b) undertaking and settling of securities transactions by a financial supply facilitator; and
 - (c) collecting income and other payments; and
 - (d) registration of interests and rights; and
 - (e) proxy voting; and
 - (f) exercise of options and warrants; and
 - (g) opening and maintaining accounts with Australian ADIs;
 - (h) nominee services in relation to financial supplies
- 30 The following master custody services:
- (a) maintenance of accounting records;
 - (b) taxation reporting;
 - (c) mandate monitoring;
 - (d) trade execution monitoring;
 - (e) portfolio performance analysis;
 - (f) risk management reporting
- 31 Single responsible entity services
-

- (3) However, something that is used in making a reduced credit acquisition is not, for that reason, a reduced credit acquisition.

Examples for subregulation (3)

- 1 Information technology services used for brokerage services
- 2 Labour hire services used for life insurance administration services

70-5.03 Percentage to which input tax credits are reduced (Act s 70-5)

For subsection 70-5 (2) of the Act, the percentage of the input tax credit for each kind of reduced credit acquisition is 75%.

Division 78 Insurance

78-105.01 Statutory compensation schemes

For the definition of *statutory compensation scheme* in section 78-105 of the Act, each scheme or arrangement mentioned in Schedule 10 is specified.

[6] Schedule 1, heading

substitute

Schedule 1 Examples of financial supply

(regulation 40-5.11)

[7] Schedule 1, note 2

omit

regulation 40-13

insert

regulation 40-5.09

[8] Schedule 1, Part 1, heading

substitute

Part 1 Examples for item 1 in the table in regulation 40-5.09

[9] **Schedule 1, Part 2, heading**

substitute

**Part 2 Examples for item 2 in the table in
regulation 40-5.09**

[10] **Schedule 1, Part 3, heading**

substitute

**Part 3 Examples for item 3 in the table in
regulation 40-5.09**

[11] **Schedule 1, Part 4, heading**

substitute

**Part 4 Examples for item 6 in the table in
regulation 40-5.09**

[12] **Schedule 1, Part 5, heading**

substitute

**Part 5 Examples for item 7 in the table in
regulation 40-5.09**

[13] Schedule 1, after Part 5*insert***Part 6 Example for item 8 in the table in regulation 40-5.09**

Item	Example
1	The amount of interest, and associated fees and charges, in respect of the credit component under a hire purchase agreement

[14] Schedule 1, Part 6, heading*substitute***Part 7 Examples for item 9 in the table in regulation 40-5.09****[15] Schedule 1, Part 7, heading***substitute***Part 8 Examples for item 10 in the table in regulation 40-5.09****[16] Schedule 1, Part 8, heading***substitute***Part 9 Examples for item 11 in the table in regulation 40-5.09**

[17] Schedule 1, Part 8, item 4*substitute*

4 Options over input taxed supply of precious metals

[18] Schedule 1, Part 8, after item 6*insert*

7 Cash settlement of a derivative over the counter or on the exchange rather than the physical delivery of the underlying taxable assets

[19] Schedule 2, heading*substitute***Schedule 2 Examples of supply that is not financial supply**

(regulation 40-5.13)

[20] Schedule 2, note 2*omit*

r 40-16

insert

regulation 40-5.12

[21] Schedule 2, Part 1, heading*substitute***Part 1 Examples for item 3 in the table in regulation 40-5.12**

[22] Schedule 2, Part 2*substitute***Part 2 Examples for item 4 in the table in regulation 40-5.12**

Item	Example
1	Supply of services by a payment system operator to a participant in the system for which the following fees are charged by the operator: <ul style="list-style-type: none"> (a) membership fees; (b) processing fees; (c) service fees; (d) marketing fees; (e) risk management fees; (f) multi-currency fees
2	Access to a payment system, and supply of other related services by a participant in the system to a third party
3	Supply of a service by one participant in a payment system to another participant in the system in relation to charge, credit and debit card transactions
4	Processing, settling, clearing and switching transactions of the following kinds: <ul style="list-style-type: none"> (a) direct credit and debit; (b) other debit and credit transactions; (c) charge, credit and debit card transactions; (d) cheque; (e) electronic funds transfer; (f) ATM; (g) B-pay; (h) Internet banking; (i) GiroPost; (j) SWIFT (Society for Worldwide Interbank Financial Telecommunications) Payment Delivery System; (k) an approved RTGS (real time gross settlement) system; (i) Austraclear

Item	Example
5	Supply to a participant in a payment system by the operator of the system of the following services: (a) processing of account data; (b) electronic payment services

[23] Schedule 2, Part 3, heading

substitute

Part 3 Examples for item 7 in the table in regulation 40-5.12

[24] Schedule 2, Part 4, heading

substitute

Part 4 Example for item 10 in the table in regulation 40-5.12

[25] Schedule 2, Part 5, heading

substitute

Part 5 Examples for item 12 in the table in regulation 40-5.12

[26] Schedule 2, Part 6, heading

substitute

Part 6 Examples for item 15 in the table in regulation 40-5.12

[27] After Schedule 2*insert***Schedule 10 Statutory compensation schemes**

(regulation 78-105.01)

Item	Scheme or arrangement	Australian law
1	Commonwealth government employees workers' compensation insurance scheme	<i>Safety, Rehabilitation and Compensation Act 1988</i> (Cth)
2	ACT government employees workers' compensation insurance scheme	<i>Safety, Rehabilitation and Compensation Act 1988</i> (Cth)
3	NSW Treasury Managed Fund	<i>Government Insurance Office (Privatisation) Act 1991</i> (NSW)
4	Sporting injuries insurance scheme	<i>Sporting Injuries Insurance Act 1978</i> (NSW)
5	Compensation scheme for victims of motor accidents	<i>Motor Accidents Act 1988</i> (NSW) <i>Motor Accidents Compensation Act 1999</i> (NSW)
6	WorkCover scheme	<i>Workers Compensation Act 1987</i> (NSW) <i>Workplace Injury Management and Workers' Compensation Act 1998</i> (NSW)
7	Compulsory third party transport accident compensation scheme	Transport Accident Act 1986 (Vic)

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Item	Scheme or arrangement	Australian law
8	General insurance schemes provided by the Victorian Managed Insurance Authority	Victorian Managed Insurance Authority Act 1996 (Vic)
9	Workers' compensation insurance scheme	Accident Compensation Act 1985 (Vic) Accident Compensation (WorkCover Insurance) Act 1993 (Vic) Workers Compensation Act 1958 (Vic)
10	Statutory insurance scheme	<i>Motor Accident Insurance Act 1994 (Qld)</i>
11	Workers' compensation scheme	<i>WorkCover Queensland Act 1996 (Qld)</i>
12	Compulsory third party insurance scheme	<i>Motor Vehicle (Third Party Insurance) Act 1943 (WA)</i>
13	Workers' compensation scheme	<i>Workers' Compensation and Rehabilitation Act 1981 (WA)</i>
14	RiskCover Fund	<i>Insurance Commission of Western Australia Act 1986 (WA)</i>
15	Third party insurance scheme	<i>Motor Vehicles Act 1959 (SA)</i>
16	Workers' rehabilitation and compensation scheme	<i>Workers Rehabilitation and Compensation Act 1986 (SA)</i>
17	Compulsory third party insurance scheme	<i>Road Transport (General) Act 1999 (ACT)</i>
18	WorkCover scheme	<i>Workers' Compensation Act 1951 (ACT)</i> <i>Workers' Compensation Supplementation Fund Act 1980 (ACT)</i>

Item	Scheme or arrangement	Australian law
19	Workers' compensation insurance scheme	<i>Workers' Compensation Act 1951 (ACT)</i>
20	Motor accidents compensation scheme	<i>Motor Accidents (Compensation) Act 1979 (NT)</i>

[28] Dictionary, definition of *account*, paragraph (a)

omit

regulation 40-13

insert

regulation 40-5.09

[29] Dictionary, definition of *acquisition*

substitute

acquisition — see regulation 40-5.05.

[30] Dictionary, after definition of *credit card*

insert

credit union includes the Cairns Penny Bank Limited (ACN 087 933 757).

[31] Dictionary, definition of *disposal*

substitute

disposal — see regulation 40-5.04.

[32] Dictionary, definitions of *financial supply facilitator* and *financial supply provider*

substitute

financial supply facilitator — see regulation 40-5.07.

financial supply provider — see regulation 40-5.06.

[33] Dictionary, definition of *incidental financial supply*

substitute

incidental financial supply — see regulation 40-5.10.

[34] Dictionary, definition of *interest*

substitute

interest — see regulation 40-5.02.

[35] Dictionary, before definition of *price*

insert

participant, in a payment system, means a person who is a participant in the system in accordance with the rules governing the operations of the system.

payment system means a funds transfer system that facilitates the circulation of money, including any procedures that relate to the system.

[36] Dictionary, definition of *provision*

substitute

provision — see regulation 40-5.03.

Notes

1. These Regulations amend Statutory Rules 1999 No. 245, as amended by 2000 No. 49.
2. Made by the Governor-General on \sphericalangle 2000, and notified in the *Commonwealth of Australia Gazette* on \sphericalangle 2000.

25 May
26 May