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A New Tax System (Goods and Services Tax) Amendment Regulations 2000 (No. 4)

Statutory Rules 2000 No. *4*

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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 7 JUN 2000 2000

WILLIAM DEANE

Governor-General

By His Excellency's Command

C. R. KEMP
Assistant Treasurer



A New Tax System (Goods and Services Tax) Amendment Regulations 2000 (No. 4)¹

Statutory Rules 2000 No. 4²

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made under the

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

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1 Name of Regulations

These Regulations are the *A New Tax System (Goods and Services Tax) Amendment Regulations 2000* (No. 4).

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2 Commencement

These Regulations commence as follows:

(a) on 15 June 2000 — regulations 1 to 3 and Schedule 1;

(b) on 16 June 2000 — Schedule 2.

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

Schedules 1 and 2 amend the *A New Tax System (Goods and Services Tax) Regulations 1999*.

Schedule 1 Amendments commencing on 15 June 2000

(regulation 3)

[1] Regulation 40-5.11

omit

Schedule 1

insert

Schedule 7

[2] Regulation 40-5.11, notes 2 and 3

omit

Schedule 1

insert

Schedule 7

[3] Regulation 40-5.13

omit

Schedule 2

insert

Schedule 8

[4] Schedule 1

renumber as Schedule 7

[5] Schedule 2

renumber as Schedule 8

Schedule 2 Amendments commencing on 16 June 2000

(regulation 3)

[1] Before Division 40

insert

Division 38 GST-free supplies

Subdivision 38-A Food

38-3.01 GST-free beverages supplied from vending machines (Act s 38-3)

- (1) For subsection 38-3 (2) of the Act, this regulation applies to a beverage that:
 - (a) is specified in the third column of the table in clause 1 of Schedule 2 to the Act; and
 - (b) apart from subregulation (2), would not be GST-free; and
 - (c) is supplied on premises from a vending machine for consumption on the premises.
- (2) Section 38-3 of the Act, except subsection (3), does not apply to a supply of the beverage.

Subdivision 38-B Health

38-45.01 Medical aids and appliances (Act s 38-45)

- (1) For paragraph 38-45 (1) (a) of the Act, the medical aids and appliances mentioned in Schedule 3 are specified.

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- (2) Division 182 of the Act applies to the second column in Schedule 3 as if that column were the second column of the table in Schedule 3 to the Act.

Subdivision 38-E Exports and other supplies for consumption outside Australia

38-185.01 Export of goods by travellers as accompanied baggage (Act s 38-185)

For item 7 of subsection 38-185 (1) of the Act, the rules set out in Schedule 5 are specified in relation to the supply of goods to a relevant traveller.

[2] After Part 4-2

insert

Part 4-7 Special rules mainly about returns, payments and refunds

Division 168 Tourist refund scheme

Subdivision 168-1 Kinds of acquisitions

168-5.01 Acquisition

For paragraph 168-5 (1) (b) of the Act, the acquisition, in accordance with this Subdivision, of goods the supply of which was a taxable supply is a kind of acquisition.

Note Part of a person's eligibility for the tourist refund scheme involves making an acquisition:

- (a) the supply of which is a taxable supply; and
- (b) that is of a kind specified in the regulations.

168-5.02 Goods to which Subdivision 168-1 applies

This Subdivision applies to goods the supply of which is a taxable supply, except any of the following goods:

- (a) tobacco;
- (b) tobacco products;
- (c) alcoholic beverages, except wine on which wine tax has been borne;
- (d) goods that have been partly consumed at the time at which the acquirer leaves Australia.

168-5.03 Registered entity

The goods must have been acquired from a registered entity.

168-5.04 Purchase price

- (1) If 1 item has been acquired from a registered entity, the purchase price paid by the acquirer must be at least \$300.
- (2) If 2 or more items have been acquired from the same registered entity, the total purchase price paid by the acquirer for the items must be at least \$300.

168-5.05 Tax invoice

The acquisition must be an acquisition for which the acquirer holds 1 tax invoice only.

Subdivision 168-2 Departure from Australia**168-5.06 Departure**

For paragraph 168-5 (1) (c) of the Act, an acquirer may leave Australia in any circumstances, except leaving Australia in the course of the acquirer's employment as:

- (a) the person in charge or command of an aircraft or ship; or

- (b) a member of the crew of an aircraft or ship.

Note Part of a person's eligibility for the tourist refund scheme involves leaving Australia in circumstances specified in the regulations.

168-5.07 Place of departure

The acquirer must leave Australia at an airport, or seaport, that has a TRS verification facility.

Subdivision 168-3 Export as accompanied baggage

168-5.08 Accompanied baggage

For paragraph 168-5 (1) (c) of the Act, an acquirer must export goods from Australia as accompanied baggage in the circumstances set out in this Subdivision.

Note Part of a person's eligibility for the tourist refund scheme involves exporting goods from Australia as accompanied baggage in circumstances specified in the regulations.

168-5.09 Time of export

The goods must be exported within 30 days after the day on which they were acquired.

168-5.10 Verification of export

- (1) The acquirer must present to an officer of Customs, on request, the tax invoice relating to the goods.
- (2) The acquirer must present to an officer of Customs, on request, as many of the following as are requested:
 - (a) the goods;
 - (b) the acquirer's passport;
 - (c) documents that confirm the acquirer's entitlement to leave Australia on the aircraft or ship (for example, the acquirer's boarding pass or ticket).

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- (3) The acquirer must comply with subregulations (1) and (2):
 - (a) at a TRS verification facility; and
 - (b) when the acquirer is leaving Australia.
 - (4) If the acquirer is unable to present goods to an officer of Customs on request, because the acquirer has checked in the goods as accompanied baggage, the tax invoice must be endorsed, in accordance with arrangements that have been agreed to by the Chief Executive Officer of Customs, with a statement to the effect that the goods have been checked in.

Subdivision 168-4 Proportion of amount of GST for payment in cash

168-5.11 Cash payment

- (1) For paragraph 168-5 (1) (e) of the Act, this regulation applies if:
 - (a) an amount of GST on a taxable supply is to be paid to an acquirer in cash; and
 - (b) the amount of GST is not an exact multiple of 5 cents.
- (2) If the amount of GST (the *base amount*) ends with an amount that is more than an exact multiple of 5 cents but less than 2.5 cents, or more than an exact multiple of 5 cents but less than 7.5 cents:
 - (a) the base amount is to be rounded down to the nearest exact multiple of 5 cents; and
 - (b) the result is the proportion of the base amount that is to be paid to the acquirer.
- (3) If the amount of GST (the *base amount*) ends with an amount that is 2.5 cents or more, but less than an exact multiple of 5 cents, or 7.5 cents or more, but less than an exact multiple of 5 cents:
 - (a) the base amount is to be rounded up to the nearest exact multiple of 5 cents; and

- (b) the result is the proportion of the base amount that is to be paid to the acquirer.

Subdivision 168-5 Documentation relating to entitlement to payment

168-5.12 Payment authority

- (1) This regulation applies if:
- (a) an acquirer complies with regulation 168-5.10 at the request of an officer of Customs; and
 - (b) the officer is satisfied that the acquirer is entitled to be paid an amount under section 168-5 of the Act.
- (2) The officer must give the acquirer a payment authority that includes:
- (a) information identifying the acquirer; and
 - (b) the amount to which the acquirer is entitled.

168-5.13 Claim for payment: exceptional circumstances

If an officer of Customs is unable to give an acquirer a payment authority, because of exceptional circumstances that make it impracticable for the officer to verify the acquirer's entitlement, the officer must make arrangements for the acquirer:

- (a) to complete a claim for payment; and
- (b) to include with the claim the acquirer's tax invoice; and
- (c) to lodge the claim at a TRS verification facility before leaving Australia.

Examples of exceptional circumstances

1 A power outage at a TRS verification facility, making it impossible to verify details by computer.

2 Passenger congestion that would make it unreasonable to verify each acquirer's claim within the time available.

Subdivision 168-6 Period and manner of payment**168-5.14 Processing payment authority given to officer of Customs at airport**

- (1) For subsection 168-5 (2) of the Act, this regulation applies if:
- (a) an acquirer gives a payment authority to an officer of Customs at a TRS verification facility:
 - (i) that is located at an airport; and
 - (ii) at which facilities exist for making cash payments; and
 - (b) the amount to be paid to the acquirer (including any amount payable to the acquirer, in relation to the acquisition, under section 25-5 of the *A New Tax System (Wine Equalisation Tax) Act 1999*) is \$200 or less.

Note Facilities for making cash payments to acquirers will only be available at some airports, and will not be available at seaports.

- (2) If it is practicable to pay cash to the acquirer, the amount must be paid to the acquirer, in Australian currency, before the acquirer leaves Australia.
- (3) If it is not practicable to pay cash to the acquirer, an officer of Customs must make arrangements for the acquirer to lodge the payment authority at a TRS verification facility before leaving Australia.

Examples

- 1 A shortage of cash at the TRS verification facility.
- 2 Passenger congestion that would make it unreasonable to pay cash to each acquirer within the time available.

168-5.15 Processing payment authority lodged at a TRS verification facility

- (1) For subsection 168-5 (2) of the Act, this regulation applies if an acquirer:
- (a) lodges a payment authority at a TRS verification facility when the acquirer is leaving Australia; and

-
- (b) includes with the authority instructions for paying an amount to the acquirer by:
 - (i) crediting the amount to a credit card account or an Australian bank account; or
 - (ii) posting a cheque for the amount to a nominated address.
 - (2) The acquirer must be paid the amount in accordance with the instructions given with the authority.
 - (3) The payment must be made within 60 days after the payment authority is lodged.

168-5.16 Processing payment authority given to Chief Executive Officer of Customs

- (1) For subsection 168-5 (2) of the Act, this regulation applies if:
 - (a) an acquirer posts a payment authority, from a place outside Australia, to the Chief Executive Officer of Customs; and
 - (b) the acquirer includes with the authority instructions for paying an amount to the acquirer by:
 - (i) crediting the amount to a credit card account or an Australian bank account; or
 - (ii) posting a cheque for the amount to a nominated address; and
 - (c) the Chief Executive Officer receives the authority not later than 30 days after the day on which the payment authority was given to the acquirer.
- (2) The acquirer must be paid the amount in accordance with the instructions given with the authority.
- (3) The payment must be made within 60 days after the Chief Executive Officer receives the payment authority.

168-5.17 Processing claim for payment made in exceptional circumstances

- (1) For subsection 168-5 (2) of the Act, this regulation applies if:
- (a) an acquirer lodges a claim for payment in accordance with regulation 168-5.13; and
 - (b) the acquirer includes with the claim instructions for paying an amount to the acquirer by:
 - (i) crediting the amount to a credit card account or an Australian bank account; or
 - (ii) posting a cheque for the amount to a nominated address; and
 - (c) the Chief Executive Officer of Customs, or a person authorised by the Chief Executive Officer, is satisfied that the acquirer is entitled to be paid an amount under section 168-5 of the Act.
- (2) The acquirer must be paid the amount in accordance with the instructions given with the claim.
- (3) The payment must be made within 60 days after the Chief Executive Officer receives the claim.

[3] Before Schedule 7

insert

Schedule 3 Medical aids and appliances

(regulation 38-45.01)

Item	Category	Medical aids or appliances
1	Advanced wound care	alginate
2		hydro colloids
3		hydro gel
4		polyurethane film

Item	Category	Medical aids or appliances
5		polyurethane foam
6	Communication aids for people with disabilities	tracheostomy appliances and accessories
7		laryngotomy appliances and accessories
8	Continence	skin bond
9	Daily living for people with disabilities	artificial ears
10		nose prostheses
11	Hearing/speech	hearing loops
12	Infusion systems for the delivery of a measured dose of a medication	infusion sets
13		infusion pumps
14	Mobility of people with disabilities — physical: orthoses	compression garments
15	Mobility of people with disabilities — physical: prostheses	supplements and aids associated with mammary prostheses
16	Mobility of people with disabilities — physical: seating aids	postural support seating
17	Mobility of people with disabilities — physical: walking aids	accessories associated with walking frames or specialised ambulatory orthoses
18	Personal hygiene for people with disabilities	customised modifications and accessories for the aids or appliances mentioned in items 111 to 121 of Schedule 3 to the Act
19	Respiratory appliances	tilt tables

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Item	Category	Medical aids or appliances
20	Stoma	stoma products including all bags and related equipment for patients with urostomies

Schedule 5 Rules for the supply of goods to a relevant traveller

(regulation 38-185.01)

Definitions and interpretation

- (1) In this Schedule, unless the contrary intention appears:
- barrier copy**, in relation to an invoice, means the copy of the invoice that is attached to the sealed package in which the goods to which the invoice relates are enclosed when the goods are passed into the possession of the purchaser.
- CB declaration** means an approved form of declaration that, under CB rule 2 in this Schedule, may be required by the Commissioner to be made by a relevant traveller purchasing goods under Table 2 of these Rules.
- goods** means goods purchased by a relevant traveller that will be exported with him or her on the intended flight or voyage.
- SB declaration** means an approved form of declaration that, under SB rule 2 in this Schedule, must be made by a relevant traveller purchasing goods under Table 1 of these Rules.
- specified departure date**, in relation to a purchaser of goods, means the date on which the purchaser will depart Australia, according to the purchaser's travel ticket or other approved document shown at the time he or she takes possession of the goods.

(2) In this Schedule:

- (a) *seller* includes an employee or agent of a seller; and
- (b) a requirement placed on a seller is satisfied by action of an employee or agent of the seller in meeting the requirement.

Table 1 Sealed Bag Rules

Goods taken possession of on the Australian side of the Customs barrier and accompanying the traveller

[1] Rule number	[2] Summary of rule	[3] Details of rule	[4] What the Commissioner may approve	[5] Time when the requirements of the rule must be satisfied
SB Rule 1	Seller to sight travel documents	The seller of the goods must sight: <ul style="list-style-type: none"> (a) the purchaser's ticket for travel from Australia to a foreign country; or (b) if appropriate, a document relating to the purchaser that is an approved document 	A document of a kind that provides evidence that a purchaser is to travel from Australia to a foreign country	Before the purchaser takes possession of the goods
SB Rule 2	Purchaser to sign an SB declaration	The purchaser must sign, and retain a copy of, a declaration (<i>SB declaration</i>) setting out, in the approved form: <ul style="list-style-type: none"> (a) details of the purchaser, the goods purchased and the proposed journey; and (b) if the following matters are true, a statement that the purchaser: <ul style="list-style-type: none"> (i) intends departing Australia with the goods within 30 days of taking possession; 	The form of the SB declaration, including additional information and statements to be included in the SB declaration	Before the purchaser takes possession of the goods

[1]	[2]	[3]	[4]	[5]
Rule number	Summary of rule	Details of rule	What the Commissioner may approve	Time when the requirements of the rule must be satisfied
SB Rule 3	Seller to make an invoice	<p>(ii) will not interfere with the goods, the sealed package containing the goods or the copies of the invoice relating to the goods before submitting the sealed package to the seller in accordance with SB rule 7 or 8;</p> <p>(iii) will, in accordance with SB rule 7 or 8, submit the sealed package to the seller for removal of the barrier copy of the invoice;</p> <p>(iv) is aware of the penalty for making a false or misleading statement; and</p> <p>(c) any other information or statement required by the approved form</p> <p>The seller must make an invoice:</p> <p>(a) at the time of the sale; and</p> <p>(b) in an approved form; and</p> <p>(c) in triplicate; and</p> <p>(d) containing a full description of the goods</p>	<p>(a) forms of invoice that render obvious an alteration to, or deletion from, the contents of the invoice; and</p> <p>(b) the information to be included in an invoice</p>	Before the purchaser takes possession of the goods
SB Rule 4	Seller to retain copies of certain documents	<p>The seller must retain:</p> <p>(a) the signed SB declaration; and</p> <p>(b) a copy of the invoice</p>		

[1]	[2]	[3]	[4]	[5]
Rule number	Summary of rule	Details of rule	What the Commissioner may approve	Time when the requirements of the rule must be satisfied
SB Rule 5	Time is limited within which the purchaser may take possession of the goods	The seller must not pass possession of the goods to the purchaser earlier than the commencement of the 30th calendar day before the specified departure date		
SB Rule 6	Purchaser may only take possession of goods in a sealed package	<p>The seller must not pass possession of the goods to the purchaser unless:</p> <p>(a) the goods are enclosed in a package that is:</p> <p>(i) of an approved kind; and</p> <p>(ii) sealed by an approved method so that the goods cannot be removed from the package without the seal being broken; and</p> <p>(b) the barrier copy of the invoice is attached to the exterior of the package by an approved method; and</p> <p>(c) the customer copy of the invoice is placed inside the package by a method that, if possible, enables the invoice to be read without need to break the seal of the package</p>	<p>(a) the kind of package; and</p> <p>(b) the method of sealing the package; and</p> <p>(c) the method of attaching the barrier copy of the invoice to the package</p>	Before the purchaser takes possession of the goods
SB Rule 7	Invoice to be retrieved at the point of surrender of goods before the Customs barrier	If, before the purchaser presents himself or herself to Customs as departing Australia, the purchaser surrenders the sealed package to the carrier with whom the purchaser is to travel, the seller must retrieve the barrier copy of the invoice at the point of surrender of the package		At the time when the purchaser surrenders the sealed package

[1] Rule number	[2] Summary of rule	[3] Details of rule	[4] What the Commissioner may approve	[5] Time when the requirements of the rule must be satisfied
SB Rule 8	Invoice to be retrieved when beyond the Customs barrier	If the sealed package is carried beyond the Customs barrier by the purchaser in his or her own possession, the purchaser must then surrender the sealed package to the seller and the seller must retrieve the barrier copy of the invoice		After the purchaser presents himself or herself to Customs as departing Australia and before departing on the flight or voyage
SB Rule 9	Sealed package to be examined	The seller must examine the sealed package when dealing with it under SB rule 7 or 8 to ascertain whether it: <ul style="list-style-type: none"> (a) remains sealed; or (b) has been tampered with 		Immediately before the barrier copy of the invoice is retrieved under SB rule 7 or 8
SB Rule 10	Tampering or other discrepancy in respect of sealed package is to be notified	The seller must notify the Commissioner as soon as is practicable, in the approved form, if the seller becomes aware that: <ul style="list-style-type: none"> (a) a package is no longer sealed, or has otherwise been tampered with; or (b) the goods enclosed in the package are not the goods described in the customer copy of the invoice or the barrier copy of the invoice, as the case may be 	The form in which notification is to be given	
SB Rule 11	Retrieved invoices must be validated	The seller must validate a retrieved barrier copy of an invoice: <ul style="list-style-type: none"> (a) as soon as is practicable; and (b) by the approved method 	The method by which a retrieved barrier copy of an invoice is to be validated	
SB Rule 12	Invoices must be matched	The seller must reconcile the retrieved barrier copy of an invoice against the seller's copy of the invoice, by an approved method	Methods of reconciling a retrieved barrier copy of an invoice against the seller's copy of the invoice	

Table 2 Customs Barrier Rules

Goods taken possession of on the outward departure side of the Customs barrier and accompanying the traveller

[1] Rule number	[2] Summary of rule	[3] Details of rule	[4] What the Commissioner may approve	[5] Time when the requirements of the rule must be satisfied
CB Rule 1	Seller to sight travel documents	The seller of the goods must sight: (a) the purchaser's boarding pass or ticket for travel from Australia to a foreign country; or (b) if appropriate, a document relating to the purchaser that is an approved document	(a) a document of a kind that provides evidence that the purchaser is to travel from Australia to a foreign country; and (b) a document of a kind that provides evidence that the purchaser was beyond the Customs barrier when taking possession of the goods	Before the purchaser takes possession of the goods
CB Rule 2	Purchaser may have to sign a CB declaration	If the purchaser pays for the goods on the Australian side of the Customs barrier and will not take possession of the goods until he or she has passed through the Customs barrier, he or she must sign, and retain a copy of, a declaration (CB declaration) setting out, in the approved form: (a) details of the purchaser, the goods purchased and the proposed journey; and	The form of the CB declaration and additional information and statements to be included in the CB declaration	Before the purchaser takes possession of the goods

[1]	[2]	[3]	[4]	[5]
Rule number	Summary of rule	Details of rule	What the Commissioner may approve	Time when the requirements of the rule must be satisfied
CB Rule 3	Seller to make an invoice	<p>(b) a declaration that he or she is aware of the penalty for making a false or misleading statement; and</p> <p>(c) any other information or statement required by the approved form</p> <p>The seller must make an invoice or receipt:</p> <p>(a) at the time of the sale; and</p> <p>(b) in an approved form; and</p> <p>(c) in duplicate; and</p> <p>(d) containing a full description of the goods</p>	<p>(a) forms of invoice that render obvious an alteration to, or deletion from, the contents of the invoice; and</p> <p>(b) the information to be included in an invoice</p>	Before the purchaser takes possession of the goods
CB Rule 4	Seller to retain copies of certain documents	<p>The seller must retain:</p> <p>(a) a copy of the invoice; and</p> <p>(b) the signed CB declaration (if any); and</p> <p>(c) if the goods are paid for on the Australian side of the Customs barrier and pass into the possession of the purchaser only after the purchaser has passed through the Customs barrier, an approved document giving evidence of that fact</p>	A document of a kind that provides evidence that the goods have been passed into the possession of the purchaser after he or she has passed through the Customs barrier	Before the purchaser takes possession of the goods

[4] Dictionary, after definition of *account*

insert

acquirer means a person who acquires goods the supply of which is a taxable supply.

[5] Dictionary, after definition of *money**insert*

officer of Customs has the meaning given by subsection 4 (1) of the *Customs Act 1901*.

[6] Dictionary, after definition of *registered**insert*

relevant traveller see the Dictionary in Part 6-3 of the Act.

[7] Dictionary, after definition of *tax invoice**insert*

tourist refund scheme means the arrangements set out in section 168-5 of the Act.

[8] Dictionary, after definition of *transaction card**insert*

TRS verification facility, in relation to an acquirer who is leaving Australia from an airport, or seaport, at which the tourist refund scheme is administered means the place, at the airport or seaport, at which the scheme is administered.

Note The tourist refund scheme will not be administered at every airport and seaport in Australia.

Notes

1. These Regulations amend Statutory Rules 1999 No. 245, as amended by 2000 Nos. 49, 77 and 89.
2. Made by the Governor-General on *the Commonwealth of Australia Gazette* on *2000*, and notified in *2000*.

7 June
15 June