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## Legislative Instrument

# Goods and Services Tax: Foreign Currency (Customs Value of Low Value Goods) Determination 2018

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I, Timothy Dyce, Deputy Commissioner of Taxation, make this Determination under subsection 84-79(5) of the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act).

**Timothy Dyce**  
Deputy Commissioner of Taxation  
Dated: 30 May 2018

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### 1. Name of determination

This determination is the *Goods and Services Tax: Foreign Currency (Customs Value of Low Value Goods) Determination 2018*.

### 2. Commencement

This determination commences on 1 July 2018.

### 3. Determination (who is covered by this determination)

This determination applies to an entity that uses the method in section 4 of this determination to work out the customs value of goods under subsection 84-79(4) of the GST Act.

### 4. Method for converting an amount to Australian currency

You can convert an amount expressed in foreign currency to Australian currency using the following method:

$$\text{amount expressed in a foreign currency} \times \frac{1}{\text{your particular exchange rate at the conversion time}}$$

You must use your particular exchange rate consistently.

### 5. Definitions

**another central bank** is a central bank or monetary authority outside the indirect tax zone that exercises functions that correspond with, or are similar to, the Reserve Bank of Australia.

**conversion time** is the time when the consideration for the supply was first agreed.

**exchange rate** means the unit of foreign currency per Australian dollar, which has been published within 7 calendar days of the conversion time. If a rate other than the most recently published rate is used, the practice for sourcing the rate must be consistent.

**foreign currency** means a currency other than Australian currency.

**foreign exchange data vendor** means an organisation that provides foreign currency data to financial firms, traders and investors.

**foreign exchange organisation** means an organisation that provides exchange rates publicly.

**mid-market rate** means a rate based on the midpoint between the bid and ask rates for the Australian dollar. This includes mid-market rates between the Australian dollar and a foreign currency calculated by reference to a third currency, such as the United States dollar.

**RBA rate** means the foreign exchange rate specified by the Reserve Bank of Australia.

**Reserve Bank of Australia** means the body corporate continued in existence under the *Reserve Bank Act 1959*.

**your particular exchange rate** is one of the following:

- (a) the RBA rate, or a reference rate published by another central bank,  
or
- (b) an exchange rate that is consistently higher than the RBA rate published by a foreign exchange organisation, or
- (c) a mid-market rate of a foreign exchange organisation or a foreign exchange data vendor.

**6.** All other expressions in this determination have the same meaning as in the GST Act.