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File Name: 2012/27

28 March 2012

Jenny Lin  
Indirect Tax Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600  
Email: [Jenny.Lin@treasury.gov.au](mailto:Jenny.Lin@treasury.gov.au)

Dear Ms Lin,

**RE: GST FINANCIAL SUPPLY EXPOSURE DRAFT REGULATIONS - ADDITIONAL  
VIEWS SOUGHT**

The Association of Superannuation Funds of Australia (ASFA) would like to provide the information on the following page in response to your request of 21 March 2012 for our views on whether we thought a 75% RITC would be available in relation to certain acquisitions, and if so, our view as to which RCA item it would fall within.

If you have any queries or comments regarding the contents of our submission, please contact me on (02) 8079 0806, 0448 009 113 or via e-mail to [rhodge@superannuation.asn.au](mailto:rhodge@superannuation.asn.au).

Yours sincerely  
Robert Hodge  
Principal Policy Adviser

# GST Financial Supply Provisions – Exposure Draft Regulations

## Purpose

1. To purpose of this document is to seek industry views on the application of proposed item 32<sup>1</sup> in the table of reduced credit acquisitions (RCAs) in subregulation 70-5.02(2) of the GST Regulations<sup>2</sup>.
2. Could you please fill in the table below indicating your views on:
  - 2.1. whether a 75% reduced input tax credit (RITC) would be available for certain acquisitions listed in the table below (an indication of ‘yes’ in the relevant column is sufficient); and
  - 2.2. which item in the table of RCAs the acquisitions would fall within.

## Table of potential acquisitions

Acquisition	Subject to item 32 (55% RITC)	Excluded from item 32 (75% RITC)	Relevant RCA item #
Amending trust deeds	✓		
Establishing, amending, and maintaining rules and procedures for operating trust activities	✓		
Capital raising activities	✓ <sup>*6</sup>		
Valuation services	✓ <sup>*3</sup>		
Auditor services	✓		
Reporting on investment performance		✓	23(b) <sup>*2</sup>
Risk management reporting - determining compliance with, and effectiveness of, risk management	✓		
Insurance - personal indemnity for directors/employees of trustee	✓		
Insurance - other	✓ <sup>*4*5</sup>		
Advertising/promotional services	✓ <sup>*4</sup>		
Investment/financial advice not tied to investment management	✓ <sup>*1</sup>		
Legal services	✓		
Member education, e.g., retirement advice (for super funds)	✓ <sup>*1</sup>	?	

<sup>\*1</sup> [Will sometimes not be the funds acquisition, but instead the members acquisition, therefore no ITC entitlement arises for the fund.](#)

<sup>\*2</sup> [If acquired as part of a broader funds investment management service.](#)

<sup>\*3</sup> [Unless done in order to comply with the SIS Act in which case a 75% RITC arises under item 24\(h\).](#)

<sup>\*4</sup> [Assuming acquisition is not a service. ASFA submits “service” should be replaced by “supply”.](#)

<sup>\*5</sup> [Providing insurance is a taxable supply.](#)

<sup>\*6</sup> [Based on current draft regulations. ASFA submits acquisition should be entitled to 75% credit.](#)

<sup>1</sup> As contained in the exposure draft regulations released on 13 January 2012.

<sup>2</sup> *A New Tax System (Goods and Services Tax) Regulations 1999.*

## **Extract of relevant provisions in exposure draft regulations**

### **[7] Subregulation 70-5.02 (2), table, after item 31**

*insert*

- 32 Services acquired by a recognised trust scheme, to the extent the services are performed on or after 1 July 2012 and where:
- (a) the entity that acts in the capacity as trustee of the recognised trust scheme is carrying on, in its own capacity, an enterprise that includes making taxable supplies to the recognised trust scheme; and
  - (b) the services acquired are not:
    - (i) brokerage services covered by item 9 or 21; or
    - (ii) a service of the kind mentioned in paragraph (a), (b) or (e) of item 23; or
    - (iii) a service of the kind mentioned in paragraph (a), (b), (c), (d), (e), (f), (g) or (i) of item 24; or
    - (iv) a service of the kind mentioned in paragraph (h) of item 24, other than a service that relates to compliance with industry regulatory requirements that apply when:
      - (A) acting as a trustee of a trust or superannuation fund; or
      - (B) acting as a single responsible entity; or
    - (v) custodial services covered by item 29; or
    - (vi) a service of the kind mentioned in item 30

### **[8] After subregulation 70-5.02 (3), including the examples**

*insert*

- (4) If an acquisition is of the kind mentioned in item 32 of the table in subregulation (2) and the acquisition is covered by another item of the table in subregulation (2), the acquisition is taken to be specified as a reduced credit acquisition only for item 32 of the table.

- (5) For item 32 of the table in subregulation (2):

***recognised trust scheme*** means:

- (a) a managed investment scheme within the meaning of section 9 of the *Corporations Act 2001*; or
- (b) an approved deposit fund within the meaning of the *Superannuation Industry (Supervision) Act 1993*; or
- (c) a pooled superannuation trust within the meaning of the *Superannuation Industry (Supervision) Act 1993*; or
- (d) a public sector superannuation scheme within the meaning of the *Superannuation Industry (Supervision) Act 1993*; or
- (e) a regulated superannuation fund (other than a self managed superannuation fund) within the meaning of the *Superannuation Industry (Supervision) Act 1993*.