



Goods and Services Tax: Classes of Recipient Created Tax Invoices Determination (No 1) 2006

I make the following determination under subsection 29-70(3) of the *A New Tax System (Goods and Services Tax) Act 1999*:

Citation

1. This determination may be cited as the *Goods and Services Tax: Classes of Recipient Created Tax Invoice Determination (No 1) 2006*.

Commencement

2. (1) This determination commences on 1 December 2006.
(2) This determination does not revoke or vary any previous determination made by the Commissioner or a delegate of the Commissioner.

Application

3. This determination applies to an entity not determined previously as being able to issue a tax invoice belonging to a class of tax invoices that may be issued by a recipient.

Who is covered by this Determination

4. This determination applies to an entity, which acquires Demand Side Response (DSR) as a taxable supply from a registered entity.

Classes of tax invoices that may be issued by the recipient of a taxable supply

5. An aggregator of DSR, who is a recipient of a taxable supply of DSR from a registered entity, may issue a tax invoice that belongs to a class of tax invoices for a taxable supply of DSR, where the following circumstances exist:

- a) the recipient of DSR is registered for GST;
- b) the recipient supplies aggregated DSR to electricity retailers, network service providers and other users of aggregated DSR;
- c) the recipient establishes the value of the DSR acquired from the DSR supplier; and
- d) the recipient satisfies the requirements set out in Clause 6.

Requirements that must be satisfied by the recipient of a taxable supply of DSR

6. A recipient of a taxable supply of DSR must satisfy the following requirements
- a) the recipient must be registered for GST when the invoice is issued;
 - b) the recipient must set out in the tax invoice the Australian Business Number of the supplier;
 - c) the recipient must issue the original or a copy of the tax invoice to the supplier within 28 days of making or determining the value of a taxable supply and must retain the original or the copy;
 - d) the recipient must issue the original or a copy of an adjustment note to the supplier within 28 days of the adjustment and must retain the original or the copy;
 - e) the recipient must reasonably comply with its obligations under the taxation laws;
 - f) the recipient must issue the tax invoice pursuant to a written agreement that the recipient has with the supplier, which specifies the supplies to which it relates and contains the following terms:
 - i. the recipient may issue tax invoices in respect of the specified supplies;
 - ii. the supplier will not issue tax invoices in respect of those supplies;
 - iii. the supplier acknowledges that it is registered when it enters the agreement and that it will notify the recipient if it ceases to be registered;
 - iv. the recipient acknowledges that it is registered when it enters the agreement and that it will notify the supplier if it ceases to be registered;
 - v. the recipient indemnifies the supplier for any liability for GST and penalty that may arise from an understatement of the GST payable on any of the specified supplies received on a tax invoice the recipient issues.

Definitions

7. (1) The following expressions are defined for the purposes of this determination:

recipient means an entity that acquires DSR from registered electricity consumers, aggregates it and sells it to electricity retailers, network service providers and other users of DSR.

Demand Side Response (DSR) means the measures taken by electricity consumers to reduce their demand from the electricity network at peak times.

supplier means an electricity consumer, who enters into a written agreement with a DSR aggregating entity to supply DSR as and when requested by the aggregating entity.

(2) Other expressions in this determination have the same meaning as in the *A New Tax System (Goods and Services Tax) Act 1999*.

Dated this 17th day of October 2006

Signed by Mark Jackson

Deputy Commissioner and Delegate of the Commissioner