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## Legislative Instrument

### Goods and Services Tax: Classes of Recipient Created Tax Invoice Determination (No. 1) 2012

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I, James O'Halloran, Deputy Commissioner of Taxation, make this determination under subsection 29-70(3) of the *A New Tax System (Goods and Services Tax) Act 1999*.

**James O'Halloran**

Deputy Commissioner of Taxation

Dated: 15 November 2012

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#### **Name of Determination**

1. This determination is the *Goods and Services Tax: Classes of Recipient Created Tax Invoice Determination (No.1) 2012*.

#### **Commencement**

2. This determination commences on the day after registration.

#### **Determination (Who is covered by this Determination)**

3. This determination applies to a training provider who, as part of its role in organising and/or delivering GPET General Practice Training Programs, acquires a taxable supply of training services from a GST registered accredited service provider.

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

4. A training provider, who is the recipient of a taxable supply of training services from a GST registered accredited service provider, may issue a tax invoice for the taxable supply of training services, in the following circumstances:
  - (a) the training services are provided to medical practitioners, medical students, medical graduates, registrars, overseas trained doctors and/or prevocational doctors;
  - (b) the training services are provided as part of a GPET General Practice Training Program;
  - (c) the recipient establishes the value of the training services acquired from the supplier; and
  - (d) the recipient satisfies the requirements set out in Clause 5.

**Requirements that must be satisfied by the recipient of a taxable supply of training services.**

5. A recipient of a taxable supply of training services must satisfy the following requirements:

- (a) the recipient must be registered for GST when the invoice is issued;
- (b) the recipient must set out the Australian Business Number of the supplier in the tax invoice;
- (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, the 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 becoming aware of the adjustment and must retain the original or the copy;
- (e) the recipient must reasonably comply with its obligations under the taxation laws; and
- (f) the recipient must have either a written agreement with the supplier that meets the requirements of Clause 6, or a written agreement embedded in the tax invoice that meets the requirements of Clause 7.

**Requirements of a written agreement with the supplier**

6. The written agreement the recipient has with the supplier must: specify the supplies to which it relates; be current and effective when the recipient created tax invoice (RCTI) is issued; and agree that:

- (i) the recipient can issue tax invoices in respect of the supplies;
- (ii) the supplier will not issue tax invoices in respect of the supplies;
- (iii) the supplier acknowledges that it is registered for GST when it enters into the agreement and that it will notify the recipient if it ceases to be registered; and
- (iv) the recipient acknowledges that it is registered when it enters into the agreement and that it will notify the supplier if it ceases to be registered for GST.

**Requirements of a written agreement embedded in the tax invoice**

7. The agreement the recipient has with the supplier embedded in a tax invoice issued by the recipient must contain the following statement:

The recipient and the supplier declare that this agreement applies to supplies to which this tax invoice relates. The recipient can issue tax invoices in respect of these supplies. The supplier will not issue tax invoices in respect of these supplies. The supplier acknowledges that it is registered for GST and that it will notify the recipient if it ceases

to be registered. The recipient acknowledges that it is registered for GST and that it will notify the supplier if it ceases to be registered for GST. Acceptance of this RCTI constitutes acceptance of the terms of this written agreement.

Both parties to this supply agree that they are parties to a RCTI agreement. The supplier must notify the recipient within 21 days of receiving this document if the supplier does not wish to accept the proposed agreement.

## Definitions

8. The following expressions are defined for the purposes of this determination:

**GPET General Practice Training Program** means a general practice training program that is managed and funded by General Practice Education Training Limited (GPET) and includes the Australian General Practice Training (AGPT) program and the Prevocational General Practice Placements (PGPP) program.

**training provider** means an entity that is accredited by the relevant authority to organise and/or deliver GPET General Practice Training Programs.

**accredited service provider** means a medical practice or other recognised training post accredited by the relevant authority to provide training services as part of a GPET General Practice Training Program.

**training services** includes: training, supervision, work experience, educational sessions, classes, seminars and other similar services provided as part of a GPET General Practice Training Program.

**medical graduate** means a medical graduate of a program of study approved by the Medical Board of Australia.

**medical practitioner** means a person registered by the Medical Board of Australia.

**medical student** means a student who is enrolled in a primary medical degree and is eligible for 'student' registration by the Medical Board of Australia

**overseas trained doctor** means a medical practitioner who has graduated from an overseas medical school recognised by the Medical Board of Australia

**registrar** means a registered medical practitioner who is enrolled in a general practice vocation training program.

**prevocational doctor** means a medical graduate, currently working in the hospital system, who is not yet enrolled in any specialist training program.

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