



Goods and Services Tax: Particular Attribution Rules for supplies and acquisitions relating to the operation of a Collecting Society under the Copyright Act Determination (No. 34) 2015

Explanatory Statement

General Outline of Instrument

1. This determination is made under subsection 29-25(1) of the *A New Tax System (Goods and Services Tax) Act 1999*.
2. The determination allows particular attribution rules for supplies and acquisitions made by copyright owners and collecting society under the *Copyright Act 1968*.
3. The determination is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

Date of effect

4. The determination commences on the day after registration.
5. The determination does not apply retrospectively.

What is this instrument about

6. The purpose of this determination is to outline the particular attribution rules that the Commissioner has determined for copyright owners and collecting societies regarding supplies and acquisitions that they make under the *Copyright Act 1968*.
7. Collecting societies are established to collect royalties for uses of copyright material on behalf of authors and copyright owners. A body may apply under the *Copyright Act 1968* to be a 'declared' collecting society with the function of being the sole collector of royalties under the statutory licences for the relevant copyright owners.
8. The general objectives of a declared collecting society are to:
 - collect all money to which it is entitled, and none to which it is not;
 - manage its operations efficiently and does not incur improper expenses;
 - ensure the distribution of royalties to relevant copyright owners is fair, and is seen to be fair; and
 - that the society maintains an even hand as between current and future beneficiaries.
9. The purpose of this determination is to prevent the provisions of Division 29 and Chapter 4 of *A New Tax System (Goods and Services Tax) Act 1999*

applying in a way that is inappropriate in circumstances involving a supply or acquisition made in connection with a remuneration notice given to a collecting society for the purposes of the *Copyright Act 1968*.

What is the effect of this instrument

10. The effect of this determination is to prescribe particular attribution rules for supplies and acquisitions made by copyright owners and collecting societies under the *Copyright Act 1968*.
11. This determination is not intended to override subsection 29-10(3), subsection 29-20(3), Division 57, Division 153 or Division 156 of the *A New Tax System (Goods and Services Tax) Act 1999*.
12. Compliance cost impact: minor- there will be no or minimal impacts for both implementation and ongoing compliance costs. The legislative instrument is minor or machinery in nature.

Background

13. This determination replaces the *A New Tax System (Goods and Services Tax) Act 1999 (Particular Attribution Rules for supplies and acquisitions relating to the operating of a Collecting Society under the Copyright Act) Determination (No. 1) 2000*. The replaced instrument is repealed on the commencement of this determination.

Consultation:

14. Section 18 of the *Legislative Instruments Act 2003* specifically provides for circumstances where consultation may not be necessary or appropriate. One of those circumstances is where the instrument is considered minor or machinery in nature, and does not substantially change the law.
15. There is no substantive change from the previous instrument therefore the instrument is considered minor or machinery in nature.
16. As such, no further consultation has been undertaken in the development of this instrument.

James O'Halloran
Deputy Commissioner of Taxation
15 September 2015

Legislative references:

A New Tax System (Goods and Services Tax) Act 1999
Copyright Act 1968
Legislative Instruments Act 2003
Human Rights (Parliamentary Scrutiny) Act 2011

Statement of Compatibility with Human Rights

This statement is prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

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This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

This Legislative Instrument allows a copyright owner, where a remuneration notice is given to a collecting society, to attribute the GST payable or input tax credits in the tax period that they become aware of the consideration being received/provided or tax invoice being issued. Collecting societies are established to collect royalties for uses of copyright materials on behalf of authors and copyright owners.

Human rights implications

This Legislative Instrument does not engage any of the applicable rights or freedoms as it is considered to be minor or machinery in nature and does not substantially change the law.

Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.