



Australian Government

Australian Taxation Office

INDUSTRY CONSULTATION SUMMARY

FILE REF: [FILE NO.]

TITLE: GST on Digital Services and Imported Products Q and A session

VENUE: Teleconference: 1800 888 453 / Code: 8188 4683

EVENT DATE: 25 October 2016

START: 11:00am FINISH: 11:30am

CHAIR: Michael Quirk

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The GST on imported services and digital products measure involves new laws that will apply the GST to the international sale of services and digital products provided to Australian consumers. Under the new law, non-resident businesses that sell digital products or services to Australian consumers and meet the registration annual turnover threshold of A\$75,000 or more will need to register for GST. This Q and A session is intended to assist us in identifying the impact of this change on software developers, and how we can best manage this impact.

TOPIC	OUTCOME
If an overseas business needs to identify whether their client is Australian, will they need to rely on letters being sent from the ATO to confirm?	<ul style="list-style-type: none"> Department of industry have a piece of code that is available called ABN lookup, overseas businesses could utilise this code to provide real time ABN checks for their users. For low value, high volume goods, verification needs to be done online in real time using data like IP address, details of the buyer on the order form, or banking details. Non-residents can also identify business buyers using automatic ABN lookup.
If we are buyers, receiving goods from overseas suppliers and we aren't sure if they're paying GST, what do we have to do?	<ul style="list-style-type: none"> If you are the customer, there's no need to do anything, the responsibility falls on the business to pay their GST obligations. When the system charges someone that is from Australia, they will need to identify that the person they're charging is from Australia.

TOPIC	OUTCOME
Will the ABN lookup tool get traction for overseas businesses?	<ul style="list-style-type: none">• At this stage it's hard to tell, but as a reference point, the EU introduced similar changes in 2015 and also has a centralised lookup scheme similar to ABN lookup. Through consultation with businesses, it seems there is a lot of usage of that service.
How does this affect software developers?	<ul style="list-style-type: none">• Developers on the call responded that they may need to modify accounting software to send GST information to the ATO.• Developers may need to incorporate the ABN lookup code into their software.
Next Steps	<ul style="list-style-type: none">• We have identified a further need to understand the views of software developers around this measure. We are following up with the software developers who expressed their interest in attending this session.