

APPENDIX 5

PRICEWATERHOUSECOOPERS/ ITSA AMENDMENTS

PricewaterhouseCoopers, on behalf of the Interactive Travel Services Association (ITSA), proposed to use the words in the proposed subsection 9-24(5)(c) as the basis of a new special 'connected with Australia' rule that only applies in certain circumstances. They noted that there is a precedent in GST law for this.

They proposed that the special rule not apply if:

- (a) the supplier makes the relevant supply through and enterprise it carries on outside Australia, and
- (b) the supplier is not registered (or otherwise required to be registered) for GST purposes.

ITSA/PWC gave the following example of how the new special rule might be enacted:

New Special Rule

(1) "A supply of anything other than goods and real property is connected with Australia if all of the following apply:

- (i) neither paragraph (a) nor (b) of subsection 29-25(5) applies in respect of the supply of the thing;
- (ii) the thing is a right or option to acquire another thing;
- (iii) the supply of the other thing would be connected with Australia."

(2) However, subsection (1) will not apply if:

- (a) the supplier makes the supply through an enterprise that is not carried on in Australia; and
- (b) the supplier is not registered or otherwise required to be registered for GST purposes.