



## Australian Government

### The Treasury

## INTERACTION OF ASSOCIATE PROVISIONS

### SUMMARY OF CONSULTATION PROCESS

The Government announced on 12 May 2009 that it would ensure that the GST treatment of a supply to an associate without consideration is as an input taxed supply or a GST-free supply where appropriate.

This measure was included in Tax Laws Amendment (2009 GST Administration Measures) Bill 2009, which was introduced into Parliament on 25 November 2009.

#### Consultation process

Consultation on the draft legislation was conducted between 6 and 27 October 2009. [Four public submissions](#) commenting on this measure were received.

#### Summary of key issues

All four submissions indicated support for this measure with one submission suggesting that the law could be amended in a simpler manner.

It is considered that the proposed amendments are necessary to ensure that a supply to an associate may be an input taxed, GST-free or a financial supply despite the supply being without consideration. The amendments are also necessary to ensure that a supply to an associate that would be a sale (or some other kind of supply) if made for consideration will be taken to be such a supply despite there being no consideration.

#### Feedback

Feedback on the consultation process for this measure can be forwarded to [consultation@treasury.gov.au](mailto:consultation@treasury.gov.au). Alternatively, you can contact Phil Bignell on (02) 6263 4372.

Thank you to all participants in the consultation process.