

You are most likely currently considering end of financial year issues. Now is the time to turn your mind to a number of GST issues that will impact your financial year results this year, and potentially flow through to following years. They could potentially bring forward GST credit entitlements or create immediate GST liabilities, prevent the permanent loss of valuable GST entitlements or concessions, result in positive or negative cashflow and financier implications, and could escalate the possibility of ATO enquiry. They can be considered at the same time as other EOFY considerations saving additional effort by considering GST as a separate exercise. Some of those GST issues include:

1. Creating year end journal entries, consolidating or offsetting loans accounts, establishing market values, and transacting between tax consolidated entities, especially if they are not GST grouped
2. Allocations, estimations, apportionments, etc that are often considered around financial year end will impact past and future financial outcomes
3. Writing off bad debts or providing for doubtful debts, or settling commercial disputes
4. The GST 4 year period of review, and the numerous discretions that can be exercised by the Commissioner, could expire, being a positive or negative consideration
5. Many ventures involving two or more entities, especially in the real property sector, are regularly treated for GST purposes based on loose commercial terminology that do not reflect the true character of the arrangements. It's very common for Joint Venture Agreements to be created by legal advisors, while the true character could be a Partnership or Developement arrangement, with the accountants then lodging Partnership returns and not creating JV accounts.
6. GST refund applications, and the end of being able to 'stop the clock', combined with the hard 4 year time limit
7. Circumstances arising in the residential premises sector, including failed or delayed settlements, forfeited deposits, nominations, providing incentives or discounts, performance guarantees, charging penalties or interest, offering combined rent/buy options, etc.
8. Recent changes to cross border dealings
9. Advancing asset acquisitions or disposals, or finalising M&A activity.

There are numerous other GST issues that can arise as a consequence of various commercial or income tax matters being actioned or considered at this time of year. Don't roll the dice on the GST implications.

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