



FJT LOGISTICS

Your Freight Solutions Partner

Importers:

Have you taken advantage of the Deferred GST Scheme?

If you are an Australian importer, you may be able to take advantage of the Deferred GST Scheme. Instead of paying GST on your taxable imports upfront, you can defer payment until the first BAS lodged after the goods are imported. There are strict entry and compliance requirements, but if you can keep on top of them, the Deferred GST Scheme can help with cash flow.

What is the Deferred GST Scheme?

A GST of 10% is payable on most goods imported into Australia, and this tax is payable before your goods are released from customs. While you can typically claim a credit for the GST paid at a later date, when your goods arrive at customs you must have the funds available to pay the GST straight away.

GST registered businesses who are importing goods for the purpose of running their business can apply for the GST Deferral Scheme by completing the application on the Australian Tax Office Website. Once approved, you will be able to defer the GST payment until the due date of your next Business Activity Statement.

It is important to note that importers can not elect to defer GST on some shipments and not others. Once approved to participate in the Scheme, GST is deferred on all lines of entry.

Who is eligible?

Not every business is eligible to participate in the Deferred GST Scheme. To be eligible, a business must meet the following criteria:

- Have an Australian Business Number (ABN)
- Be registered for GST
- You must elect to lodge your BAS online, monthly.
- You must pay your BAS payments electronically
- You must enter the goods for home consumption for customs

Your eligibility may be affected by:

- Outstanding tax related returns or payments
- Convictions or court penalties in the last three years relating to taxation requirements, customs requirements, misdescription of goods, trade practices, fair trading or defrauding the Australian Government
- These points relate to public officers, directors, office bearers, partners and trustees of the applicant

What are the benefits?

The main benefit of deferring GST is improvements to your cash flow. Monthly BAS statements are completed within 21 days from the end of the month. This allows you the opportunity to sell your products with GST to your customers, and then offset the collected GST against the owing GST, overall reducing your GST payments.

What goods are included?

Deferral of GST on imported goods is extended to all importations for 'home consumption'. The term 'home consumption' means the goods must enter the commerce of Australia.

Not all goods are covered by the Scheme, exclusions apply to the following categories:

- Goods imported under the TRADEX scheme
- Low value imports cleared on self-assessed clearance declarations
- Goods imported temporarily under Customs Act s162 or s162A

**Contact FJT Logistics today to find out how
the Deferred GST Scheme could benefit your business
1300 FJT LOG (358 564)**