



FedEx Regulatory Alerts & Updates

Regulatory Alert: Australia Imposes GST on Low Value Imports

May 18, 2018

From July 1, 2018, the Australian Government will impose a 10% goods and services tax (GST) on goods valued at AUD1,000 or less which have been **imported by** consumers into Australia.

Merchants who sell goods valued at equal to or less than AUD1,000 to an Australian consumer will be liable for the GST. This applies to merchants who deliver or facilitate the delivery of low value goods into Australia such as electronic distribution platform operators or re-deliverers.

Merchants with annual sales into Australia of AUD75,000 or more will be required to comply with this new legislation by registering for GST, collecting GST at the time of each sale (i.e. at origin), and remitting same to the Australian Tax Office (ATO).

GST on goods over AUD1,000 will continue to be collected at the border, as per current legislation, along with any applicable customs duty and clearance charges.

The legislation also requires merchants to provide specific information to the transporter of each shipment that has attracted GST. Visit www.fedex.com/au or http://images.fedex.com/downloads/au/gst/Australia_GST_Shipping_Guide.pdf for a Shipping Guide with details on how to provide this specific information to FedEx.

Shipping Information for Low Value Goods to consumers in Australia

GST registration details will be provided by the Australian Tax Office (ATO) to merchants with sales to Australia of AUD75,000 or more per annum.

Depending on circumstances, the ATO will provide each merchant with either an Australian Taxation Office Registration Number (ARN) or an Australian Business Number (ABN). This merchant specific number must be provided to the transporter on shipping documentation for every shipment valued at AUD1,000 or less on which GST has been collected.

If you are selling low value goods to an Australian business eligible for GST exemption you must also provide their ABN details in addition to your own ARN or ABN.

Frequently Asked Questions

Where can I get further information on this new legislation?

Visit the Australian Taxation Office (ATO) website for further information, alternatively you can email the ATO at AustraliaGST@ato.gov.au or call +61 2 6216 1111.

Where can I get further assistance on FedEx shipping software in order to provide GST registration details?

Contact your local FedEx Technical Support team for all enquiries or assistance on FedEx automation products and applications. Contact details can be found on fedex.com.

The Shipping Guide also can be found at www.fedex.com/au or http://images.fedex.com/downloads/au/gst/Australia_GST_Shipping_Guide.pdf

If I fail to provide FedEx with GST registration details, will my shipments be delayed?

Businesses that are treated as the supplier of low value goods for GST purposes and are registered for GST are legally required to ensure that relevant tax information is provided to transporters. If this information is not provided electronically, FedEx will proceed with delivery, but the merchant may be subject to penalties applied by the ATO for non-compliance, further details of which can be found on the Australian Tax Office website.

How do I know if I am required to register for GST?

Merchants with annual sales into Australia of AUD75,000 or more will be required to register for GST and comply with this legislation. Please contact the ATO for further details.

Will FedEx Share my GST registration details with the Australian Tax Office?

Transporters are required by the legislation to electronically report ARN and ABN details received from merchants to Australian Customs at time of importation into Australia.

What is the definition of a Consumer who is liable to pay GST?

A purchaser is a consumer if they are either:

- Not registered for Australian GST; or
- Registered for Australian GST but do not purchase the low value imported goods for use in their business in Australia

What if any shipment to Australia has a declared value of more than AUD1,000?

There is no change to the current process, GST on High Value shipments will continue to be collected from the importer at time of importation.

Timeline for Implementation: July 1, 2018

References:

Australia Taxation Office – GST
<https://www.ato.gov.au/Business/GST/>

FedEx Shipping Guide – Australia Imposes GST on Low Value Imports
http://images.fedex.com/downloads/au/gst/Australia_GST_Shipping_Guide.pdf

FedEx Australia
www.fedex.com/au