



## PROCESSING DEFERRED GST

1. Identify deferred GST on import declaration received from customs agent.
2. Record the deferred GST through a recurring Spend Money transaction called **Deferred GST**;

The screenshot shows a MYOB software window for a recurring spend money transaction. The 'Pay from Account' is set to '2-1350 Deferred GST Import Liability' with a balance of '\$0.00'. The 'Tax Inclusive' checkbox is unchecked. The 'Card' is 'Australian Taxation Office' and the 'Payee' is also 'Australian Taxation Office'. The 'Cheque No.' is '1', the 'Date' is '1/01/2009', and the 'Amount' is '\$150.00'. The memo is 'Australian Taxation Office' and the company name is 'Cleanwater Pty Ltd'. Below this is a table with columns: Acct #, Name, Amount, Job, Memo, Tax. The table contains two rows: '5-1000 Purchases' with a positive amount of '\$1,500.00' and 'GST', and '5-1000 Purchases' with a negative amount of '-\$1,500.00' and 'N-T'. Summary statistics show 'Total Allocated: \$0.00', 'Tax: \$150.00', 'Total Paid: \$150.00', and 'Out of Balance: \$0.00'. There are buttons for 'Save as Recurring' and 'Use Recurring'.

Check the following;

- ✓ The Pay from Account is 2-1350 Deferred GST Import Liability
- ✓ Tax Inclusive checkbox is un-ticked
- ✓ The positive and negative purchase amount is calculated by multiplying the deferred GST by 10.
- ✓ Card is Australian Taxation office
- ✓ The correct deferred GST has been taken up at the tax line.

Note: In the example above, \$150 is owed to the Australian Taxation Office and it is also a tax credit. The transaction has created both a tax credit and a liability for the deferred GST amount.

3. At the end of the month the Australian Taxation Office issues an Electronic Commerce Interface (ECI) Business Activity Statement (BAS), which includes the deferred GST liability at line 7A.
4. In MYOB it is necessary to manually enter the deferred GST liability on the Back sheet at line 7A within the BASLink template.

The screenshot shows a section of the BASLink template. It includes the text 'GST Deferred on imported goods' followed by '7A' in a box, a dollar sign '\$', a text box containing '150', and a 'Link' button. Below this, it says 'Account: 2-1350'.



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5. The monthly BAS payment records the deferred GST payment through Spend Money. This has reduced the 2-1350 Deferred GST Import Liability account to zero.

Acct #	Name	Amount	Job	Memo	Tax
2-1350	Deferred GST Import Liability	\$150.00			N-T

Total Allocated: \$150.00  
Tax: \$0.00  
Total Paid: \$150.00  
Out of Balance: \$0.00

## BACKGROUND

Eligible importers can apply to join the deferred GST (DGST) scheme which allows the importer to defer payment of GST on all taxable importations into Australia. To be eligible importers must report GST on a monthly basis and electronically deal with ATO and customs. When an overseas GST liability is incurred the customs agent advises the Australian Taxation Office of the GST amount, however due to timing differences this may not always match up within the month.

### For further information:

Australian Taxation Office [www.ato.gov.au](http://www.ato.gov.au)

Are you eligible to apply for deferred GST? Read Easy steps to the Deferred GST scheme NAT 9558-12.2006

Application for Approval to defer GST on imported goods

[www.ato.gov.au/businesses/content.asp?doc=/content/dgst\\_application\\_form.htm](http://www.ato.gov.au/businesses/content.asp?doc=/content/dgst_application_form.htm)

Australian Customs Service; [www.customs.gov.au](http://www.customs.gov.au)

MYOB Support Note 9283: How do I handle the Deferral of GST when importing goods?