

CDHB Finance Approved GST-zero rated clause for NZACRes CTRA

Below is the standard wording to be used as an amendment to Schedule 2 in the CTRA.

1. GST AND INVOICES – amendment to Schedule 2

Delete the words: "(GST will be added to invoices if the Sponsor/CRG is GST registered in New Zealand.)"

Replace with: "(GST will be added to invoices in accordance with the Goods and Services Tax Act 1985.)"

CDHB explanation:

The law (being the Goods and Services Tax Act 1985 – the 'GST Law') is clear that CDHB is obligated to charge GST in certain circumstances (refer s.8(1) of the Act) and account to Inland Revenue for that GST. That obligation applies regardless of whether the Sponsor/CRG is registered or not. The main body of the Agreement makes it clear that the Sponsor/CRG must pay any amount of GST that CDHB is required to pay in addition to the payments in Schedule 2 and in accordance with GST Law. Therefore the phrase "GST will be added to invoices if the Sponsor is GST registered in New Zealand" at Schedule 2 could be misleading. If the Sponsor/CRG should be registered, then CDHB may still be obligated to charge GST. To avoid confusion, CDHB requires the above amendment at Schedule 2.