

SHARED SERVICES PTY LTD

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GST Reduced Input Tax Credit

The input taxing of financial supplies (e.g. loans and deposits) under the GST gives larger banks an unfair advantage over smaller banking institutions such as credit unions. This is because services used to make financial products are not subject to GST, and larger banks have a greater ability to insource. Small customer owned banking institutions don't usually have the capacity to do this, and so are forced to outsource these services - meaning they effectively face a higher tax burden.

The GST Reduced Input Tax Credit (RITC) scheme allows credit unions (including those that have rebranded as banks) to claim a refund of 75% of the GST paid on acquisitions that relate to their financial supplies. Examples of such acquisitions include loans services, transaction banking, cash management services, insurance services and debt collection services.

Shares Services Pty Ltd is fully owned by Credit Unions and, as such, purchases from Shared Services may be eligible for a 75% refund of GST paid on the purchases. We encourage you to seek professional advice to ensure that the RITC scheme applies to your organisation.

Yours faithfully,

Vicki Hoare
Administration - Shared Services Pty Ltd
