

# Contract - Annexure: Goods and Services Tax (GST)



## Given the Vendor is liable for GST on the Property, then:

- 1 Is GST to be added to the Purchase Price?  Yes  No  
If Yes, clause 1 will apply and include the GST amount as applicable in Item 6.
- 2 Do the parties agree that the Margin Scheme is to be used?  Yes  No  
If Yes, clause 5 will apply.

## Terms and Conditions

- 1 The Vendor and the Purchaser acknowledge and agree that if GST applies to any supply made under or in connection with this Agreement by the Vendor, then:
- 1.1 The amount payable in respect of the supply is exclusive of GST; and
- 1.2 The Vendor may, in addition to any amount or consideration expressed as payable in respect of the supply, recover from the Purchaser an additional amount on account of GST; and
- 1.3 The Purchaser shall pay to or reimburse to the Vendor or to a third party (as the case may be), any additional amount on account of any GST that is or was incurred, paid or payable by the Vendor in respect of that supply; and
- 1.4 Unless clause 5 applies, the amount payable by the Purchaser to the Vendor or to a third party in respect of that supply shall be increased by the product of:
- (a) the rate at which GST is imposed at that time; and
- (b) the amount or consideration payable for the relevant supply; and
- 1.5 The Purchaser shall pay any additional amount on account of GST at the same time as the payment for the relevant supply is payable or at such other time as the Vendor directs;
- 1.6 The Vendor shall deliver to the Purchaser a tax invoice for the supply in a form that complies with the GST law.
- 2 The Purchaser acknowledges and agrees that if GST applies to any supply made under or in connection with this Agreement by the Purchaser, that the Purchaser shall be responsible for the payment of any additional amount on account of any GST, in respect of that supply.
- 3 If the property is input taxed because it is residential premises to be used predominantly for residential accommodation then the Purchaser warrants that the property shall be used predominantly for residential accommodation within the meaning of the GST law.
- 4 Clause 1 to 3 (inclusive) shall not merge on completion of this Agreement and shall survive settlement and any termination of this Agreement by either the Vendor or the Purchaser.
- 5 **Margin Scheme** (*strike out if not applicable*)
- 5.1 The parties hereby acknowledge and agree that the margin scheme will apply for or in relation to any supply made under or in connection with this Agreement and that subject to clause 5.2, the following provisions will apply:
- (a) the Vendor shall, prior to settlement (if required by the GST law), obtain a valuation of the property as at 1 July 2000 (or other relevant date) that complies with the requirements of the GST law (including any ruling or determination made by the commissioner of taxation) and supply a copy of the valuation to the Purchaser prior to settlement.
- (b) unless otherwise agreed, the Purchaser shall bear all reasonable costs and expenses of the valuation referred to in clause 5.1(a).
- (c) the price shall be increased by the amount calculated as follows:  
M x R,  
Where:  
(A) M is the difference between the price and the amount of the valuation obtained in accordance with clause 5.1(a); and  
(B) R is the rate at which GST is imposed at that time.
- (d) the Purchaser acknowledges that it shall not be entitled to claim any input tax credit for any amount of GST as calculated under clause 5.1(c) that the Purchaser pays to or reimburses to the Vendor.
- (e) if for any reason the margin scheme does not apply to a supply as contemplated by the parties, then the Purchaser shall on demand pay to the Vendor by way of further consideration for the sale of the property, an amount calculated pursuant to clause 1.3 of this Agreement (less any amount of GST already paid by the Purchaser (if any) pursuant to paragraph 5.1(d)), in addition to any penalties and interest incurred by the Vendor under the GST law in respect of the non-application of the margin scheme upon the provision of a tax invoice by the Vendor.
- 5.2 Any person who becomes the Vendor or Purchaser under this Agreement agrees that in the event that the Vendor acquired the property using the margin scheme, clauses 5.1(a) and 5.1(b) will have no effect, clauses 5.1(d) and 5.1(e) shall continue to apply and clause 5.1(c) shall be amended such that the price shall instead be increased by the amount calculated as follows:  
M x R,  
Where:  
(A) M is the difference between the price and the amount the Vendor paid to acquire the property within the meaning of the GST law; and  
(B) R is the rate at which GST is imposed at that time.
- 5.3 The provisions of this clause will survive Settlement and any termination of this Agreement by either the Vendor or the Purchaser.

INITIALS

*Initials not required if using electronic signature*