

New GST invoicing and record keeping rules

A key principle of the changes is to **increase flexibility** and remove the requirement to issue and hold a single prescribed "tax invoice" document. Rather, the GST requirements would be met if specified GST information is provided and held, regardless of the source(s) (e.g. commercial invoices, supply agreements, or other business records).

Why is this important to me?

- There will be less rigid requirements on what you need to support GST claims.
- Tax documents that you issue now should generally be compliant with the new rules.
- However, your current AP system may reject invoices which are compliant under the new rules but not compliant under current law.

Notes:

- Where the price is below \$200 (GST inclusive), there is no requirement to issue information for supplies or keep records of any taxable supply information.
- Taxable supply information must be provided within 28 days of the request by the recipient or an alternative date agreed between the supplier and recipient.
- There is flexibility to apply to IR for certain information to be omitted from the taxable supply information provided to the recipient.
- Copies no longer need to be marked as 'copy only'.

What are the key new "taxable supply information" requirements?

| Current requirements | New requirements (effective 1 April 2023) | |
|---|--|--|
| | Supplies made of >\$1,000 (GST inclusive) | Supplies made of \$200 to \$1,000 (GST inclusive) |
| The words "tax invoice" in a prominent place | ✘ | ✘ |
| The name and registration number of the supplier | ✔ | ✔ |
| The name and address of the recipient | ✔ More flexibility on "address" - can have the recipient's NZBN, website, email address, or phone number rather than the physical address | ✘ |
| The date upon which the tax invoice is issued | ✔ When no invoice is issued, must show the date of the supply | ✔ When no invoice is issued, must show the date of the supply |
| A description of the goods and services supplied | ✔ | ✔ |
| The quantity or volume of the goods and services supplied | ✘ | ✘ |
| Either: - the total amount of GST charged, the GST exclusive (net) amount), and the total consideration, including GST; or - the total amount including GST, and a statement that it includes GST (provided that the gross amount is inclusive of GST at 15%) | ✔ | ✔ |

Key ✘ = No longer required ✔ = Required

New GST invoicing and record keeping rules (cont.)

Changes to Supply Correction Information requirements

- The words “debit note” or “credit note” are not required
- Name and address of the recipient are not required

Buyer-created taxable supply information (BCTSI)

- Inland Revenue approval no longer required to issue BCTSI
- Supplier and recipient must agree that the supplier will not issue GST information and instead the recipient will issue a BCTSI

GST groups

- Flexibility for any member of the GST group to issue invoices
- Can assign a GST group member which is not the representative member to be an “issuing member”

Timing of the changes

- Invoicing changes come into effect 1 April 2023
- BCTSI changes already apply (30 March 2022)

Key actions needed and how PwC can help

- Review your AP processes to ensure you can accept new alternative documentation.
- Consider taking the opportunity to transform and digitise your GST processes and AP system, to minimise manual processing (saving time, cost and errors). E-invoicing is coming, and businesses need to be ready.
- If you use third party software, understand how your provider may be incorporating changes into their software.

Discuss the impact of these changes on your business. Contact us:



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