

CAN I CLAIM GST CREDITS ON THE ACCOUNTANCY, TAXATION AND AUDIT FEES OF A GST REGISTERED SMSF?

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For the Class Super Info Hub

IMPORTANT: This is not advice and you must not rely on this information. You need to make your own assessments of the relevant legislation, regulations and rulings.

We often get asked the above question - the short answer is "**Maybe, No and No**".

The legislation¹ is very clear in regard to "**taxation and audit services**" - GST is **NOT claimable**!

Unfortunately, things are not so clear-cut in regard to "**accounting**":

The **GST Act**² makes it clear that any services (including accounting services) acquired by a SMSF in relation to making financial (input taxed) supplies, would not be for a creditable purpose – so, *in general*, accounting services are **NOT claimable**.

The **GST Regulations**³ make exceptions for superannuation funds that broadly state that accounting services related to "*administrative functions*" **ARE claimable** at the reduced input tax credit (RITC) rate of 75%.

The "*administrative functions*" in relation to funds is defined under GST Regulation 70-5.02 Item 24 to include the following:

- (a) *maintaining member and employer and trustee records and associated accounting;*
- (b) *processing of applications, contributions, benefits and distributions;*
- (c) *processing transfer between funds and trusts;*
- (d) *production and distribution of reports, statements and forms to members, employers and trustees;*
- (e) *handling of inquiries and complaints made by members;*
- (f) *archives storage, retrieval and destruction services;*
- (g) *statement processing and bulk mailing;*
- (h) *compliance with industry regulatory requirements, excluding taxation and auditing services.*

¹ **GST Regulation 70-5.02(2) – 24(h)** "*Compliance..., excluding taxation and auditing services*"

² **GST Act 11-15(2)(a)**

³ **GST Regulation 70-5.02(2) – Item 24** "*The following administrative functions...*"

The table below summarises our understanding of ‘RITC claimable’ and ‘non-claimable’ items covered in the legislation noted above and elaborated on in a 2009 [private ruling](#)⁴

NOT Claimable	RITC (75%) Claimable
providing legal, tax or investment advice	investment portfolio management
preparation of financial statements or general accounting services	member, employer and trustee admin including application, contributions, benefits and distributions
preparation of tax/annual returns and activity statements (BAS)	member statements, minutes, records and reports to members/trustees and associated accounting
audit services or assisting with an audit	compliance with industry regulations (excludes taxation and auditing services)

Note: if an accountant/administrator provides a mixture of the above services then the tax invoice for the SMSF must include at least 2 line items/“supplies” to separate the different services.

By default Class Super provides two fees that correspond to the above:

Accountancy Fee - use this for **non-claimable** “non-admin” accounting, taxation and audit services.

Fund Administration Fee - use this for all **RITC (75%) claimable** activities, including “associated accounting” i.e. "administrative functions" under the GST Regulations³

If the Class system’s defaults do not suit you, the [Class Super User Guide](#) has details on how to:

- [Change the default tax treatment](#) of these fees
- [Add your own income and expense types](#) if you wish to expand on the fees available

Further Reading

- [GST and financial supplies - claiming reduced GST credits](#), ATO – *This document is specific to SMSFs*
- [A How to Book of Self Managed Super Funds](#), Tony Negline – *Chapter 13 is very comprehensive*
- [Australian Master Superannuation Guide 2010/11 14th Edition](#), CCH – *Chapter 7 provides a good summary*
- [GSTR 2002/2 GST Treatment of Financial Supplies and Related Supplies and Acquisitions](#)
- [GSTR 2004/1 Reduce Credit Acquisition](#)

⁴ **Private Ruling Number 93751**, issued by ATO 8th December 2009