

User Guide

GST on Imports and Import Charges

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GST ON IMPORTS AND IMPORT CHARGES

If you import goods from overseas, you are required to pay GST on both the value of the imported goods and on the cost to import them to Australia. GST on imported goods is however charged differently than GST on Australian Purchases.

SUPPLIER INVOICES

As GST is an Australian tax, your overseas suppliers are not in a position to charge it on their invoices. Therefore, the value of imported goods invoiced by an overseas supplier is recorded as a GST Free transaction.

GST ON IMPORTED GOODS

GST is then charged by the Department of Home Affairs at the time the goods arrive in Australia. The Custom invoice details the GST as an individual value as opposed to 10% of the total value of the invoice. The GST charged on the custom invoice is the sum of a number of costs:

- The value of the imported goods (converted into Australian currency)
- Any customs duty payable
- The cost of the transport for the goods to arrive to Australia
- The cost of the insurance for such transport

RECORDING GST ON IMPORTS IN MYOB ACCOUNTRIGHT

In MYOB all GST transactions must be tracked through the GST Tax Code, therefore the GST on Taxable Imports will need to be entered via the Tax Code instead of selecting the GST Paid account.

Important Information



- GST on imported goods is payable before receiving the goods, as the Department of Home Affairs will not release the goods without a payment.
- All GST transactions in MYOB must be tracked through the GST Tax Code
- All other charges outlined in the Custom Invoice must be recorded as Not Reportable GST transactions.

Frequently Asked Questions



What happens if record the GST on import by posting the amount directly to the GST Paid account?


As the value of GST is not calculated by the Tax Code, MYOB AccountRight will not report this GST value on any GST or BAS reports.

Case Study



A company has purchased a large piece of equipment from the United States, Orbit Logistic is their Freight Forwarder and Custom Agent has issued the following custom invoice.

TAX INVOICE



Orbit Logistics
PTY LTD
ABN: 52 105 601 670

PO BOX 728 TULLAMARINE VIC 3043
TELEPHONE +613 9330 2625 FAX +613 9330 2468

DATE: 21 Nov 2018
INVOICE NO.: CUA154342

INVOICE TO:

INVOICE TYPE: Final TAX INVOICE
SEA
YOUR REFERENCE: 006349-1250
B/L or AWB:
VESSEL/AIRCRAFT: SAFMARINE MAKUTU Voyage:894S
POL: JEBEL ALI
POD: SYDNEY
GOODS: 4 STEEL STRUCTURE
ETA: 22/11/18

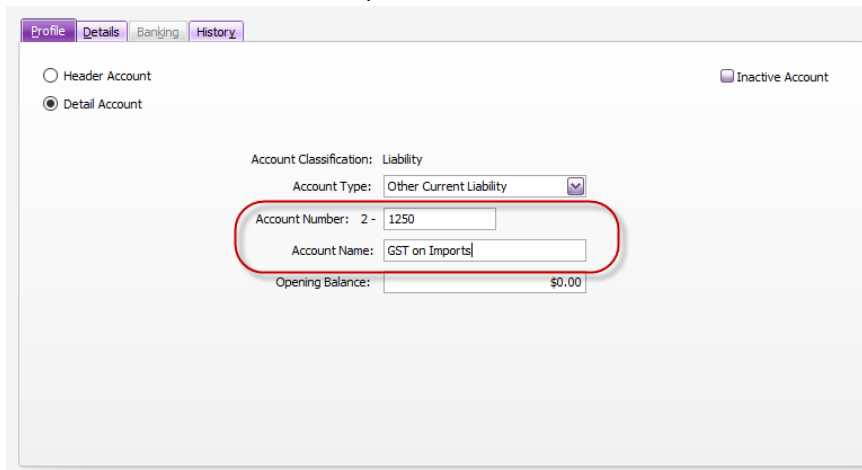
ITEM DESCRIPTION	GST	AMOUNT
DTY DUTY & COLLECTION FEES	.00	3,447.80
CUF ICS USER FEE	.00	194.00
GST GST ON TAXABLE IMPORTS	.00	9,177.86
ACY AGENCY CHARGES	12.50	125.00
AQL AQIS LODGEMENT	2.50	25.00
PSX PORT SERVICE CHARGE	.00	504.82

SUPPLIER :
CONSIGNEE :
PCS/WGT/CBM : 4 PCS 18800.0 KG 40.000 M3
SHIPPING LINE : MAERSK LINES
SHIPPED ON BOARD : 20/11/18
Customer Order No(s) : 006349-1250
Container No(s) : MAEU3461174 40FR F

The instructions provided on this User Guide are based on the above case study.

How to create the GST on Imports clearing account

1. Go to Accounts → Accounts List
 - The Accounts List screen opens
2. Select the **[Liability]** Tab
3. Click on **[New]**
 - The Account Information screen opens



Profile Details Banking History

Header Account Detail Account Inactive Account

Account Classification: Liability

Account Type: Other Current Liability

Account Number: 2 - 1250

Account Name: GST on Imports

Opening Balance: \$0.00

4. Select/Enter the following details:
 - Header/Detail Account → Select: **Detail Account**
 - Account Type → Select: **Other Current Liability**
 - Account Number → Enter a 4-digit code
 - Name → Enter: **GST on Imports**
5. Select the **[Details]** Tab
6. From the Tax Code list select: **N-T**
7. Click on **[OK]**

How to create an international freight expense account

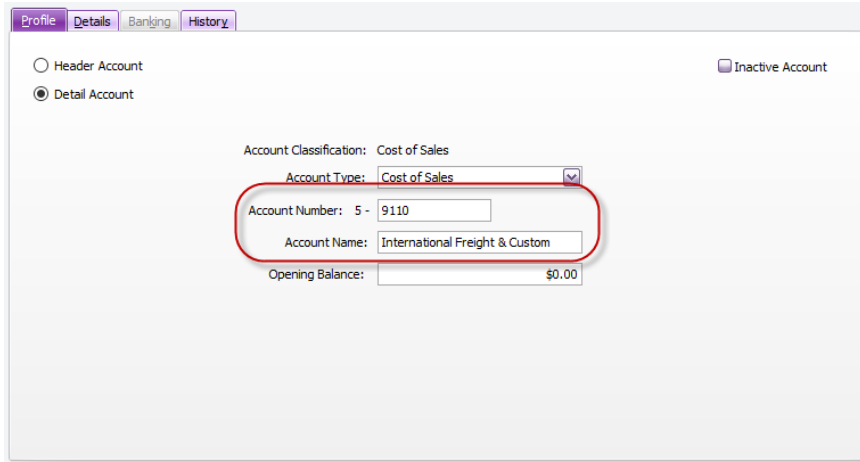
1. Go to Accounts → Accounts List

→ The Accounts List screen opens

2. Select the **[Cost of Sale]** Tab

3. Click on **[New]**

→ The Account Information screen opens



4. Select/Enter the following details:

- Header/Detail Account → Select: **Detail Account**
- Account Type → Select: **Cost of Sale**
- Account Number → Enter a 4-digit code
- Name → Enter: **International Freight & Custom**

5. Select the **[Details]** Tab

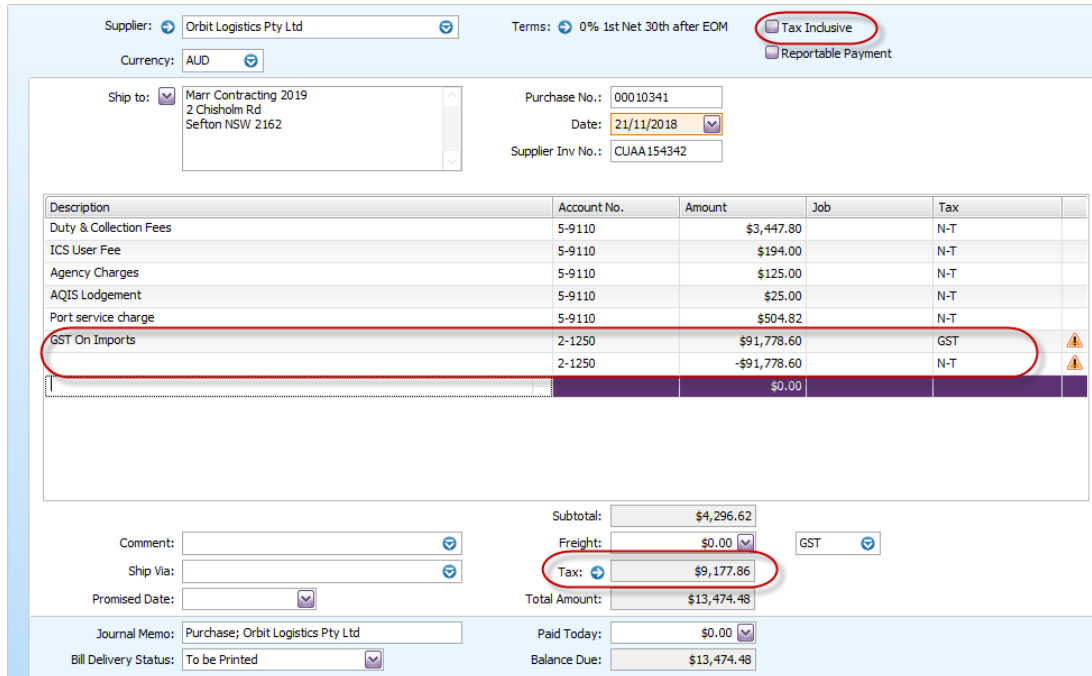
6. From the Tax Code list select: **N-T**

7. Click on **[OK]**

How to record gst on imports and other import charges

1. Go to Purchases → Enter Purchases

→ *The Purchases – New Service screen opens*



Description	Account No.	Amount	Job	Tax
Duty & Collection Fees	5-9110	\$3,447.80		N-T
ICS User Fee	5-9110	\$194.00		N-T
Agency Charges	5-9110	\$125.00		N-T
AQIS Lodgement	5-9110	\$25.00		N-T
Port service charge	5-9110	\$504.82		N-T
GST On Imports	2-1250	\$91,778.60		GST
	2-1250	-\$91,778.60		N-T
		\$0.00		

2. In the Purchase Type select: **Bill**
3. Ensure the option: **Tax Inclusive** is **not** selected
4. Select the Supplier Card for the Custom Agent (Eg. Orbit Logistics)
 - *The default supplier currency and currency exchange are displayed on the screen*
5. Enter the correct invoice date and invoice number
6. Enter all Custom Charges (apart from GST) line by line by selecting the Cost of Sale account: **5-XXXX – International Freight & Custom**
7. To Enter the GST Line, you first need to calculate the value of GST as if it was 10% of a purchase amount. Therefore multiply the GST charges by 10 (for example in this case the GST on Taxable imports is $\$9,177.86 * 10 = \$91,778.60$)
Select the account: **2-XXXX GST on Imports** and enter $\$91,778.60$ and change the default Tax Code to: **GST**
8. Go to the next line, select the same account and re-enter the same amount ($\$91,778.60$) but this time **in negative**.
Note: *make sure that in this line the Tax Rate remains as: **N-T***
 - *Check the correct GST on imports charged on the custom invoice is displayed in the **Tax** field*
9. Record the purchase transaction