Australian Government
Australian Taxation Office

GST and floating a company

When you float a company, special rules apply to claiming GST credits for the GST included in the price of purchases you make, such as listing fees and professional and legal fees, to supply the securities.

The GST treatment of securities you supply when you float a company can be:

- input taxed if you supply them to Australian residents, for example, if you issue the shares domestically
- GST-free if you issue them to non-residents outside the indirect tax zone (Australia)
- a combination of both if you issue them to Australian residents and to non-residents outside the indirect tax zone.

The GST treatment of your supply of securities can affect whether you can claim GST credits on purchases you use to supply your securities.

Purchases you make when floating a company

You generally cannot claim GST credits for GST you pay in the price of purchases that relate to making input taxed supplies. However, there are some exceptions to this general rule.

If you do not exceed the financial acquisitions threshold you may still be able to claim a GST credit for the GST you pay on these purchases. This is the case even if you use them to make input taxed financial supplies.

If you exceed the financial acquisitions threshold:

- you cannot claim GST credits on purchases you use to make financial supplies, but
- you may be able to claim a reduced input tax credit (RITC) on those purchases if they are reduced credit acquisitions.

For more information about how to correctly report GST credits on purchases that relate to floating a company, go to ato.gov.au and search for 'GST and floating a company'.

DE-50879