

GST Rate Increase Checklist

Client Name: _____

Issue	Comments	Action Plan		
		Action	By Whom	By When
De-registration and GST Basis				
1. Should we be de-registering any of your entities for GST purposes, given that the GST cost of de-registration may be higher after 1 October 2010?				
2. What is the likely GST cost of deregistering now, as opposed to on or after 1 October 2010?				
3. Is now an appropriate time to reconsider your GST registration basis, i.e. invoice, payments or hybrid?				
Marketing				
1. Have you considered a possible increase in demand for your services and products in advance of the rate increase? (this will tend to depend on the proportion of your customers who are registered for GST as opposed to who are end consumers)				
2. What marketing plans are you putting in place to maximise a potential increase in demand prior to 1 October 2010 and are you also keeping an eye out for your competitors' marketing and advertising campaigns?				
3. Have you considered promoting discounted prices and/or customer payment plans in advance of the rate increase and if so, have you considered the likely profit and cash flow impact on your business?				
4. Demand for your products and services may drop after the GST rate increase. Have you considered the likely impact on your business?				

Pricing and Invoicing				
1. Are your customers GST registered or end consumers?				
2. Can you therefore increase the price to at least cover the GST rate increase?				
3. If you will be forced to bear the cost of the GST rate increase, what will be the likely impact on your profit margins?				
4. Can you invoice your end user customers before 1 October 2010 so that they only pay 12.5% instead of 15%?				
5. Ensure all pricing in any documentation is expressed as 'plus GST'.				
6. Do you need to update all of your marketing, website, advertising and contractual documentation to reflect the new GST rate?				
7. What is your plan for updating shelf and catalogue prices to reflect the new prices?				
8. Is the GST rate increase an opportunity to raise your price beyond the GST increase, and if so, what would your customer defection rate need to be before your profit was adversely affected?				
Contractual Issues				
1. Do your customer contracts and pricing agreements have the appropriate clauses to cover the GST increase?				
2. Do any service agreements exist that span the date of the GST rate increase? If customers pay periodically, different GST rates could apply.				
3. Do you need to supply or request new invoices for perpetual supplies (e.g. lease of premises)?				
4. Do you need to review insurance covers to reflect the GST inclusive value of insurable assets?				

5. Do you have goods for sale on layby? If so, you will need to ensure they are delivered to customers and therefore paid by 1 October. If not, your GST liability on the unpaid portion of such sales will be higher.				
6. Have you provided customers with vouchers? If so, can you quantify the cost to your business of the GST rate increase on vouchers not redeemed as at 30 September?				
Systems and Procedures				
1. Do we need to complete a health check of current GST systems and processes? It may be that your present GST system barely copes with GST compliance now, let alone under a GST rate increase.				
2. Can your accounting system issue tax invoices/debit and credit notes at both the old and new rate of GST?				
3. Do you need to contact your accounting software providers to receive confirmation of software updates available to cope with GST calculations at both the old and new rates?				
4. Have you received confirmation from your POS (point of sale) software suppliers as to the timing of updates to cope with the GST rate increase?				
5. Can your accounts payable systems process tax invoices at both the old and new rates?				
6. Is the GST rate locked into formulae in any accounting systems, spreadsheets and internally developed reports and templates?				
7. Which of your staff need training to ensure they use accounting systems, spreadsheets and other templates properly?				
8. Who will 'test' any changes to your accounting systems and internally developed spreadsheets, reports and templates?				

Payments				
1. Do you need to redo your automatic payments and will you wait for suppliers to arrange this for you?				
Sundry Operational				
1. Do you import goods subject to GST? You may need to review your Deferred Payments Scheme account.				
Transitional				
1. Does your GST return span the GST rate increase? If so, you will need to file two GST returns.				
2. Do you account for GST on a payments basis? If so, a one-off payments base adjustment will be required in your first GST return post the GST rate increase.				
3. Will you need assistance to complete the transitional payments basis adjustment?				
Cashflow and Profit				
1. Do you receive deposits from customers as part of your usual trade terms? If so, to avoid negative cashflow impacts, you may need to increase your deposit rate.				
2. Do you need to review the management of your debtors? GST being charged to your customers at a higher rate may impact negatively on your cashflow.				
3. Do you need to review and change your budget and cashflow forecast for the current year, in light of your pricing, billing and cashflow considerations?				

Completed by: _____

Date: _____

Reviewed by: _____

Date: _____