# Flow chart two. GST withholding provisions apply – steps when acting for a vendor

GST withholding provisions apply

Advise the vendor they must give written notice (GST withholding notice) to the purchaser regarding the purchaser's withholding obligations.

**Tip** - check the **LPLC** Key Risk Checklist: GST.

Include in the contract of sale a special condition dealing with the GST withholding requirements. See page 5 for links to special conditions.

Prepare the GST withholding notice.

**Tip** – refer to the ATO Law companion ruling LCR 2018/D1 for more details about notice requirements.

Either include the GST withholding notice in the contract

OR

provide the GST withholding notice to the purchaser's legal representative as soon as possible before settlement.

Ensure GST is accounted for at settlement.

**Tip** –the purchaser may draw a bank cheque payable to the ATO for the GST amount and the vendor's legal representative will collect this cheque and send to the ATO. This cheque will be shown in the settlement statement which accompanies the statement of adjustments.

Inform the vendor of the arrangements for the payment of the GST and advise the vendor that they should account for the amount of GST in their next BAS.