

**GST FREQUENTLY ASKED ISSUES**

**ITEM 7:  
Financial Guarantee Contract**

Financial guarantees in relation to loans or payables of subsidiary companies provided by the Company for no compensation, where the fair values are accounted for as contributions and recognised as part of the cost of investment in subsidiary companies. What is the GST treatment on this supply?

This type of guarantee is not within the scope of financial services under GSTA 2014 and such supply is to be standard rated supply.