



Statement by a supplier not quoting an ABN

When a payer makes payments to suppliers for goods or services to the business, those suppliers generally need to quote an Australian business number (ABN). They can quote their ABN on an invoice, or some other document that relates to the goods and services they provide.

If a supplier does not provide its ABN, the payer may need to withhold an amount from the payment for that supply – this is referred to as 'no ABN withholding'.

Certain suppliers are not required to quote an ABN to a payer. In these cases, the suppliers can use the form [Statement by a supplier \(/uploadedFiles/Content/MEI/downloads/Statement%20by%20a%20supplier.pdf\)](/uploadedFiles/Content/MEI/downloads/Statement%20by%20a%20supplier.pdf) (PDF, 145KB) to justify the payer not withholding from the payment to the supplier.

Who can complete a Statement by a supplier form?

An individual or a business that supplies goods or services can only complete a Statement by a supplier form if one or more of the following applies:

- they are not carrying on an enterprise in Australia
- they are an individual under 18 years and the payment does not exceed \$350 per week
- the payment does not exceed \$75, excluding any goods and services tax (GST)
- the supply that the payment relates to is wholly input taxed
- they are an individual, and a written statement is provided to the payer to the effect that the supply is either
 - made in the course or furtherance of an activity done as a private recreational pursuit or hobby, or
 - wholly of a private or domestic nature
- they are an individual or a partnership without a reasonable expectation of profit or gain
- they are not entitled to an ABN because they are not carrying on an enterprise in Australia
- the whole of the payment is exempt income.

Who can't complete a Statement by a supplier form?

Suppliers **cannot** use this form if any of the following apply:

- they are receiving payments for the supply as an employee
- their activity is not wholly of a private or domestic nature
- they are receiving payments for the supply as a company director or office holder
- they are receiving payments for the supply under a labour hire arrangement or

specified payment

- they are receiving payments for the supply as a religious practitioner
- they are entitled to an ABN for the relevant activity.

If the supplier is operating a business or is entitled to register for an ABN, they cannot use the Statement by a supplier form.

If the payer has reasonable grounds to believe that the statement the supplier makes is false or misleading, they are required to withhold 49% from the total payment for the supply.

See also:

Suppliers who need to decide if they are in either a business or a hobby should refer to [Business or hobby? \(/business/starting-your-own-business/business-or-hobby-/\)](#)

Supplies where no withholding applies

Payers may request a written statement from the supplier to justify not withholding if the supply **either**:

- relates to a private recreational pursuit or hobby – for example, a hobby artist receives a prize of \$100 in a shopping centre art show, **or**
- is wholly of a private or domestic nature for the supplier – for example, a home owner sells some personal furniture to a second-hand store.

As a minimum, the statement should contain the following:

- the supplier's name and address
- why it was not necessary to withhold
- the supplier's signature.

A [Statement by a supplier \(/uploadedFiles/Content/MEI/downloads/Statement%20by%20a%20supplier.pdf\)](#) (PDF, 145KB) form can be used for this purpose.

If a payer does not withhold because an exception applies, they should keep sufficient records to:

- identify the supply and the supplier
- justify the reason for not withholding.

Payers may choose to obtain a signed statement from the supplier containing the required information or use our form. If we conduct a review and find that the statement was incorrect, payers won't be penalised if we believe it was reasonable for them to rely on the supplier's signed statement.

Examples of where it would not be appropriate to use the form would be:

- A person engaged to deliver occasional training courses. The person does not design or develop the courses, nor organise the participants. They supply their skilled labour and are paid commercial rates on an hourly basis. They are an employee.
- A person engaged to clean premises once a week. They supply all their own equipment and are paid on the basis of the cleaning result achieved. This person is most likely to be a contractor carrying on an enterprise. If they don't quote an ABN, the payer is required to withhold under the no ABN rules.

If the payer has reasonable grounds to believe that the statement the supplier makes is false or misleading, they are required to withhold 49% from the total payment for the supply. It would be unreasonable to rely on the supplier's signed statement where the payment for the supply is contrary to what is outlined in the statement.

Last modified: 13 Jan 2015

QC 17241

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