

## **TAXATION**

### **Government announces changed consultation approach to Crypto**

Treasurer has announced the government will change its approach to determine possible changes to the regulatory system which managed crypto assets.

### **Exclusions from shorter period of review for SMEs**

Treasury has released draft regulations which propose to exclude certain entities with particularly complex tax affairs from the shortened period of review.

### **ANAO report: ATO largely effective engaging tax practitioners**

ANAO has published a report which assessed ATO's engagement with tax practitioners and found that procedures were largely effective.

### **Performance review of the government's procurement policy**

Treasury has released its consultation paper on the shadow economy procurement policy which excludes businesses that do not have a satisfactory tax record.

### **Government consultation with charity sector**

Government has advised that its commencing consultation with the charities sector with the intention of fixing fundraising laws and other matters.

### **Additional COVID-related grant programs declared NANE**

Treasury has registered an instrument declaring additional grant programs by the State and Territories NANE.

### **GST adjustment note information requirements**

ATO has released a draft determination which specifies the additional information that needs to be included in an adjustment note.

## **GST and deferred farm-out arrangements**

ATO has issued a draft determination in relation to deferred transfer farm-out arrangements.

## **FINANCIAL SERVICES**

### **Financial adviser professional standards consultation**

Treasury has released a consultation paper seeking industry's views on how to best implement changing education requirements for financial advisers.

### **Draft legislation on financial services laws: technical amendments**

Government has released exposure draft legislation designed to reduce the complexity of Australia's corporations and financial services laws.

### **Quality of Advice Review**

The Proposals Paper has been released by Treasury with submissions due by 23 September. The IPA will be making a further submission and welcomes member input to [ipaadvocacy@publicaccountants.org.au](mailto:ipaadvocacy@publicaccountants.org.au).

## **SUPERANNUATION**

### **Superannuation investor roundtable flagged by Treasurer**

The Treasurer has flagged the idea of putting together an investor roundtable to bring together super funds and institutions re opportunities in energy and housing.

### **Total super assets \$3.3 trillion at June 2022**

APRA has released its quarterly super performance publication reporting total super assets of \$3.313 trillion at the end of the June 2022 quarter.

## **REGULATOR NEWS**

### **ASIC corporate plan 2022-26 released**

ASIC has released its corporate plan 2022-26 outlining its latest strategic priorities including assessing technology risks.

### **New domain name changes could leave your business or organisation at risk**

From 24 March 2022, anyone with a local connection to Australia (including businesses, associations and individuals) will be able to register a new category of domain name. These shorter simpler domain names will end in .au rather than .com.au, .net.au, .org.au, .gov.au or .edu.au.

### **Grants for Small Business accessing professional advice which includes Accountants**

The Victorian Government Small Business Specialist Advice Pathways Program is now available to clients of Qualified accountant who belongs to one of the following professional bodies at the declared membership classification i) CPA Australia (i.e. CPA and FCPA), ii) Chartered Accountants Australia and New Zealand (i.e. CA, ACA and FCA) and iii) Institute of Public Accountants (i.e. AIPA, MIPA and FIPA) and comply with the body's continuing professional education requirements.

## **TAXATION**

### **Government announces changed consultation approach to Crypto**

The Treasurer has [announced](#) that the Government will change its approach to determining possible changes to the regulatory system which manages crypto assets.

The release states that the previous government "prematurely jumped straight to options without first understanding what was being regulated". As the first step in a reform agenda, Treasury will prioritise "token mapping" work in 2022, which will help identify how crypto assets and related services should be regulated. It is claimed that this will be a world first.

A public consultation paper on "token mapping" will be released "soon".

#### **Board of Taxation review**

The Board of Taxation was commissioned by the former government to undertake a review into the appropriate policy framework for the taxation of digital transactions and assets in Australia. To this end, it has released a [consultation guide](#) which:

- provides an overview of crypto assets and the current taxation treatment within Australia;
- outlines recent relevant government reports and announcements; and
- poses a series of questions for interested parties to consider when formulating input to the review.

There a number of public virtual consultation dates set out in the release. Closing date for submissions is 30 September 2022.

### **Exclusions from shorter period of review for SMEs**

Treasury has released the [Income Tax Assessment \(1936 Act\) Amendment \(Period of Review\) Regulations 2022](#). The draft regulations propose to amend the Income Tax Assessment (1936 Act) Regulation 2015 to exclude certain entities with "particularly complex tax affairs or significant international tax dealings" from the shortened two-year period of review in respect of income tax assessments. Rather, such entities will continue to have a four-year amendment period.

By way of background, the Treasury Laws Amendment (A Tax Plan for the COVID-19 Economic Recovery) Act 2020 increased access to several small business entity tax concessions by expanding eligibility to include medium business entities (entities with an aggregated turnover of \$10 million or more and less than \$50 million), ie to access some concessions that were previously only available to small business entities. This included a shortened period of review of two years instead of four years. However, it is now considered that the shortened period of review is not appropriate for entities with "complex affairs or significant international tax dealings".

**Date of effect:** The day after the instrument is registered on the Federal Register of Legislation.

**Submissions** are due by 13 September 2022.

### **ANAO report: ATO largely effective engaging tax practitioners**

The Australian National Audit Office (ANAO) has published the [Auditor-General Report no 2 of 2022-23: Australian Taxation Office's Engagement with Tax Practitioners](#). The purpose of the audit was to assess the ATO's engagement with tax practitioners, on the basis that effective engagement between the ATO and tax practitioners potentially supports more efficient and productive outcomes in the taxation and superannuation systems.

The audit found the ATO:

- is "largely effective" in implementing its tax practitioner engagement activities;
- has a "partly effective" strategic framework for engaging with tax practitioners;
- has a "largely effective" approach to consulting tax practitioners to inform the development of its strategy, services and support; and
- provides "largely effective" services and support for tax practitioners.

### **Performance review of the government's procurement policy**

Treasury has released its consultation paper on the [Shadow Economy Procurement Connected Policy](#) (PCP). The PCP, which commenced on 1 July 2019 was part of a range of measures announced in the 2018-19 Budget to tackle the shadow economy. This includes a commitment that the Government procurement processes will exclude businesses that do not have a satisfactory tax record. The purpose of the consultation is to:

- satisfy the requirement under the Commonwealth Grants and Procurement Connected Policies (RMG 415) guide that policy-owning entities of approved PCPs conduct annual reviews of their policy's effectiveness in achieving its stated purpose and outcome; and
- examine and resolve some of the issues and suggestions for improvement that have been made by various stakeholders during the operation of the PCP.

## Government consultation with charity sector

The Government has [advised](#) that it is commencing consultation with the charities sector.

The consultation will take the form of a series of "Building Community" Town Hall meetings, where the Assistant Minister for Competition, Charities and Treasury will meet with Australian charity leaders to discuss policies. This is part of the Government's intention to "fix fundraising laws, double philanthropy by 2030, and support charitable advocacy".

Roundtables will be held in Sydney, Melbourne and Perth this week, before heading to Brisbane, Adelaide, Hobart, Canberra and Darwin. Events will also be organised for regional and remote areas. All registered charities in each State have been invited to attend.

## Additional COVID-related grant programs declared NANE

Treasury has registered the [Income Tax Assessment \(Eligible State and Territory COVID-19 Economic Recovery Grant Programs\) Amendment Declaration \(No. 4\) 2022](#). The instrument declares additional grant programs administered by States and Territories as "eligible programs" for the purposes of s 59-97 of the ITAA 1997. Pursuant to this provision, a payment received in the 2020-21 or 2021-22 financial year by SMEs (as defined in that provision) from an eligible program is non-assessable non-exempt income.

For these purposes, the following programs now qualify as eligible programs:

- Business Cost Assistance Program Round Four - Construction (Victoria);
- Business Cost Assistance Program Round Two - Top Up (Victoria);
- Business Cost Assistance Program Round Three (Victoria);

- Business Cost Assistance Program Round Four (Victoria);
- Business Cost Assistance Program Round Five (Victoria);
- Commercial Landlord Hardship Fund 3 (Victoria);
- Impacted Public Event Support Program Round Two (Victoria);
- Licensed Hospitality Venue Fund Top Up Payments (Victoria);
- Live Performance Support Program (Presenters) Round Two (Victoria);
- Live Performance Support Program (Suppliers) Round Two (Victoria); and
- HOMEFRONT 3 (Australian Capital Territory).

## **GST adjustment note information requirements**

The ATO has released LI 2022/D11 – the [A New Tax System \(Goods and Services Tax\) Adjustment Note Information Requirements Determination 2022](#). It specifies the additional information that needs to be included in an adjustment note and a recipient created adjustment note under s 29-75(1) of the GST Act.

It will replace the A New Tax System (Goods and Services Tax) Adjustment Note Information Requirements Determination 2012 (F2013C00796), which is due to sunset. There are no changes of substance proposed in the Draft.

The final Determination will take effect from the date it is registered. Consultation is open until 26 August 2022.

## **GST and deferred farm-out arrangements**

The ATO has issued LI 2022/D12 – the [A New Tax System \(Goods and Services Tax\) Attribution Rules for Deferred Transfer Farm-Out Arrangements Determination 2022](#).

The deferred transfer farm-out arrangements referred to in the current and Draft determination are generally used in the mining sector where an entity (farmor) transfers and interest in a mining, quarrying or prospecting right, to any entity (farmee) that provides exploration benefits in return.

The Draft will replace the A New Tax System (Goods and Services Tax) Particular Attribution Rules for Deferred Transfer Farm-out Arrangement Determination 2012 (F2012L00866). There are no changes of substance proposed in the Draft.

The final Determination will take effect from the date it is registered. Consultation is open until 26 August 2022.

## **FINANCIAL SERVICES**

### **Financial adviser professional standards consultation**

Following the Government's election commitment to revisit the education requirements for existing financial advisers, specifically those who have significant on-the-job experience, Treasury has released a [consultation paper](#) seeking industry's views on how to best implement the commitment.

The paper proposes options to streamline the core knowledge areas for degrees, and to simplify the degree approval process and professional year. It also seeks feedback on how education standards for new entrants could be improved, allowing financial advice to continue to develop into a career of choice.

**Submissions** are due by 16 September 2022.

The IPA will be making a further submission on the education and professional standards and welcomes member input to [ipaadvocacy@publicaccountants.org.au](mailto:ipaadvocacy@publicaccountants.org.au).



## **Draft legislation on financial services laws: technical amendments**

The Government has released [exposure draft legislation](#) designed to reduce the complexity of Australia's corporations and financial services laws. The draft legislation implements both the formal recommendations and the informal suggestions made by the Australian Law Reform Commission in its "Review of the Legislative Framework for Corporations and Financial Services Regulations".

The changes in the draft legislation are largely technical and include removing erroneous references, as well as removing redundant definitions and regulations, and fine tuning the more general definitions. The draft EM notes that the Bill only implements those recommendations for which the ALRC has advised there is "overwhelming support from stakeholders".

**Comments** are due by 22 September 2022.

## **Quality of Advice Review**

The Proposals Paper has been released by Treasury with submissions due by 23 September.

The IPA will be making a further submission and welcomes member input to [ipaadvocacy@publicaccountants.org.au](mailto:ipaadvocacy@publicaccountants.org.au).

Further information can be found [here](#).

## **SUPERANNUATION**

### **Superannuation investor roundtable flagged by Treasurer**

The Treasurer, Dr Jim Chalmers, has flagged the idea of putting together an Investor Roundtable to bring together super funds and institutions to nut out opportunities in energy and housing. In an [address](#) to the Superannuation Lending Roundtable, Dr Chalmers declared that the "super wars" have been won, and the Government is now looking for solutions and opportunities.

The Treasurer confirmed that the Government won't be messing with the fundamentals of super - "not sole purpose, not preservation". However, the Government is looking to remove barriers to encourage super funds to invest in housing. It is also working on a reform package for super guarantee non-compliance.

### **Total super assets \$3.3 trillion at June 2022**

APRA has released its [Quarterly Superannuation Performance publication](#) for the June 2022 quarter reporting total super assets of \$3.313 trillion at the end of the June 2022 quarter (down 4.4% for the quarter, and 0.5% for the year). Total assets in MySuper were down 4.7% for the quarter, and 1.9% for the year, to \$885bn. Self-managed super fund (SMSF) assets were up 3% for the year to \$869bn. For the year ending 30 June 2022, contributions totalled \$147bn (up 15.2%), while benefit payments totalled \$86bn (down 9.5%).

## **REGULATOR NEWS**

### **ASIC corporate plan 2022-26 released**

ASIC has released its [Corporate Plan 2022-26](#) outlining its latest strategic priorities. ASIC Chair Joe Longo said the plan identifies work ASIC has underway to address law reforms and emerging trends, including digitally enabled misconduct, emerging technologies, climate risks and an ageing population.

ASIC's four external strategic priorities are: (i) product design and distribution; (ii) sustainable finance; (iii) retirement decision making; and (iv) technology risks. Mr Longo said these priorities are supported by core strategic projects, focused on crypto-assets, scams, cyber and operational resilience, breach reporting, design and distribution obligations (DDO) and, subject to the passage of legislation, the Financial Accountability Regime (FAR).

### **New domain name changes could leave your business or organisation at risk**

All Australian businesses will have until 20 September to reserve their .au equivalent domain name, then it becomes available to the general public.

Opportunistic cybercriminals could register your .au domain name in an attempt to impersonate your business.

### How to protect yourself

To help protect your business from opportunistic cybercriminals, the Australian Cyber Security Centre (ACSC) recommends that all Australian businesses with existing domain names register their .au equivalents before 20 September 2022. If a business does not reserve their .au equivalent direct domain name during this six-month period, that name will become available to the public on a first come, first served basis.

You can reserve your .au domain name by visiting an [auDA accredited registrar](#).

Further information on these changes and the registration process is available on [auda.org.au/au-domain-names](https://auda.org.au/au-domain-names):

- [About .au Domain Names](#)
- [The .au Direct Launch](#)
- [The Priority Allocation Process](#)

### Grants for Small Business accessing professional advice which includes Accountants

Small businesses across Victoria can now seek specialist financial and legal advice to help plan for the future thanks to a new Victorian Government grant program.

The \$5 million Small Business Specialist Pathways Advice Program offers \$2,000 grants for small business owners to seek accounting, bookkeeping and legal services.

Having access to services from trusted professionals will give businesses the support needed to adapt their business model and determine how their business will remain profitable now and into the future.

The program is **open now**. Applications for this program will close at **4:00pm on Friday 30 September 2022 or when funds are exhausted, whichever is sooner**.

The program supports businesses that have faced disruptive change, caused by the COVID-19 pandemic and other factors, by improving their capability and preparedness to plan for their future or adapt their business model.

**Useful links**

These are useful links to the [program webpage](#), the [program guidelines](#) and [frequently asked questions \(FAQs\)](#).

For more information visit the Business Victoria website: [business.vic.gov.au/sapp](https://business.vic.gov.au/sapp).