

TAXATION

ACNC secrecy provisions to be amended for charity sector

Government has advised that the secrecy provisions in the legislation for the ACNC will be amended to allow for greater disclosure of regulatory activities.

Advance pricing arrangement review: report released

ATO has released the report of its advance pricing arrangement program review which outlines its key findings and observations.

Correcting GST errors: draft legislative instrument released

ATO has issued a draft legislative instrument which allows an error from an earlier tax period to be corrected.

FINANCIAL SERVICES

Reforms to insolvency system recommended

Parliamentary Joint Committee has released a report which recommends major reform of Australia's overly complex insolvency system.

SUPERANNUATION

Amendments for general insurers to account for AASB 17

Draft legislation has been released designed to minimise the regulatory burdens facing the general insurance industry.

REGULATOR NEWS

FRAA report into APRA's effectiveness

The Financial Regulator Assessment Authority (FRAA) has published the report to its 2023 review of APRA.

AUDIT AND ASSURANCE

Ethics Guidance released on Auditor Independence and Technology-related Services

APESB and IESBA have released practical guidance for auditors in technology-related scenarios.

TAXATION

ACNC secrecy provisions to be amended for charity sector

The Assistant Minister for Charities has [advised](#) that the secrecy provisions in the legislation for the Australian Charities and Not-for-profits Commission will be amended to allow for greater disclosure of regulatory activities.

Currently, the secrecy provisions prevent the ACNC from disclosing the following:

- whether it is investigating alleged misconduct by a charity;
- the outcomes of investigations; and
- the reasons for revoking the registration of a charity.

Amending legislation will be introduced following public consultation.

Advance pricing arrangement review: report released

The ATO has released the report of its [advance pricing arrangement \(APA\) program review](#). The purpose of the APA review was to determine:

- whether the APA program continues to meet the needs of "clients" (ie those seeking transfer pricing arrangements with the ATO) and the ATO;
- whether the program delivers an "excellent" experience for all clients and ATO staff; and
- how it "proactively prevents" transfer pricing disputes and manages double taxation risk in the most effective and efficient manner possible.

The report outlines the ATO's review methodology and consultation process and sets out the ATO's key findings and observations.

Correcting GST errors: draft legislative instrument released

The ATO has issued the draft legislative instrument [A New Tax System \(Goods and Services Tax\) \(Correcting GST Errors\) Determination 2023](#). The instrument allows an error that has been made in working out a net amount for an earlier tax period to be corrected by including the amount of the error in working out the net amount for a later tax period, ie the current tax period.

When issued in final form, the instrument will replace the Goods and Services Tax: Correcting GST Errors Determination 2013 (which is due to sunset).

Comments are due by 2 August 2023.

FINANCIAL SERVICES

Reforms to insolvency system recommended

The Parliamentary Joint Committee on Corporations and Financial Services has released its report entitled [Corporate insolvency in Australia](#).

The 350-page report makes some 28 recommendations. Broadly, it has called on the Government to commission a comprehensive and independent review of Australia's insolvency law – encompassing both corporate and personal insolvency. This should be undertaken "as soon as practicable".

However, accepting that this will take some time, the report has included some recommendations that the Government progress that it categorises as "near-term actions". These in turn involve the implementation of recommendations contained in a 2022 Treasury review into the [insolvent trading safe harbour](#).

SUPERANNUATION

Amendments for general insurers to account for AASB 17

Treasury has issued exposure draft legislation entitled the [Treasury Laws Amendment \(Measures for Future Bills\) Bill 2023: income tax amendments for updates to accounting standards for general insurance contracts](#).

The ED follows the 2023-24 Federal Budget announcement of the measure, which is designed to minimise the regulatory burden facing the general insurance industry. The ED proposes to amend Div 321 of the ITAA 1997 to broadly align the treatment of general insurance contracts with the AASB 17 accounting standard. As a result,

the calculation of liability for incurred claims and of liability for remaining coverage requires the use of the methodology set out in the AASB 17 for tax purposes, subject to specified rules and exceptions.

Date of effect: The amendments will apply to income years starting on or after 1 January 2023 (which is when AASB 17 replaced AASB 1023).

REGULATOR NEWS

FRAA report into APRA's effectiveness

The Financial Regulator Assessment Authority (FRAA) has published the report to its [2023 review of APRA](#), focussing on the effectiveness and capability of APRA's supervision and resolution of the superannuation industry.

The report states that the FRAA generally agrees with APRA's self-assessment that its supervision function within superannuation is effective and capable, while its resolution function is significantly less developed. The report includes five recommendations that focuses on APRA:

- increasing its efforts to identify and understand risks in superannuation;
- enhancing its staffing and data and technology capabilities;
- improving transparency and timeliness in its communications; and
- developing APRA's resolution capability in superannuation.

The Government issued a [media release](#) welcoming the report and re-iterated that the frequency of the FRAA review cycle will be reduced from a biennial basis to a five-yearly cycle, as was announced in the 2023-24 Budget. This is to provide appropriate time for regulators to embed previous recommendations and ensure future reviews are meaningful and substantive.

APRA has also issued a [media release](#) stating that it will "act" on the recommendations, including through initiatives already underway. The recommendations will also be reflected in APRA's Corporate Plan, to be out next month.

AUDIT AND ASSURANCE

Ethics Guidance released on Auditor Independence and Technology-related Services

APESB and IESBA have released practical guidance for auditors in technology-related scenarios. The publication provides three practical examples involving technology-related non-assurance services to illustrate how to apply our Code of Conduct for Professional Accountants (APES 110).

More information

The guidance document can be downloaded from APESB's [website](#).