

TAXATION

ATO data matching for motor vehicle registrations

ATO has gazetted a notice of a data-matching program which will enable it to continue to acquire motor vehicle registry data from the State and Territory registries.

New individual tax residency rules framework

Treasury has released a consultation paper concerning the modernising the individual tax residency rules.

Refunds of GST to visiting forces: Determination

A Determination has been issued which provides for the ATO to refund the amount of GST paid re certain purchases made by or on behalf of visiting forces.

FINANCIAL SERVICES

Consultation of new accountability regime

ASIC and APRA has released a package of documents for consultation to support the implementation of the Financial Accountability Regime.

SUPERANNUATION

Super retirement outcomes planning improvement needed

APRA and ASIC has announced the publication of a report on super trustees' progress in implementing the retirement income covenant.

REGULATOR NEWS

APRA standard on operational risk management

APRA has announced the finalisation of prudential standard CPS 230 which aims at ensuring trustees can better manage operational risks and respond to business disruptions.

TAXATION

ATO data matching for motor vehicle registrations

The ATO has gazetted a Notice of a data-matching program – [Motor vehicle registrations 2022-23 to 2024-25](#) – which will enable it to continue to acquire motor vehicle registry data from the 8 State and Territory motor vehicle registry authorities for this period.

Information will be acquired from motor vehicle registry authorities where their records indicate that both:

- a vehicle has been transferred or newly registered during the 2022-23, 2023-24 and 2024-25 financial years; and
- the purchase price or market value is equal to or greater than \$10,000.

It will be matched to ATO internal data holdings to "identify relevant cases for administrative action".

New individual tax residency rules framework

Treasury has issued a consultation paper entitled [Modernising the individual tax residency rules](#). This follows the former Government's announcement to replace the individual tax residency rules with a new "modernised framework" based on the 2019 report of the Board of Taxation - [Reforming Individual Tax Residency Rules - A Model for Modernisation](#) (the "Report").

The proposed primary test for establishing residency will be a simple "bright line" test - a person who is physically present in Australia for 183 days or more in any income year will be an Australian tax resident. Individuals who do not meet the primary test will apply secondary tests to determine their residency status. These tests will be based on "measurable, objective criteria".

The purpose of the consultation paper is to assist in developing "robust" principles underpinning the framework for individual tax residency. It also provides an opportunity to "test" the outcomes of the framework given the Report was prepared before the COVID-19 pandemic. The outcomes of the consultation will help to inform the Government's decision on whether to proceed with this measure.

Submissions to the consultation may choose to answer all the discussion questions raised or only the relevant questions.

Submissions are due by 22 September 2023.

Refunds of GST to visiting forces: Determination

The Minister for Defence has issued a determination entitled the [Taxation Administration \(Defence Related International Obligations and Other Matters – Indirect Tax Refunds\) Determination 2023](#).

The Determination provides for the ATO to refund the amount of GST, wine tax or luxury car tax (collectively described as "Indirect Tax") paid in respect of certain purchases made by or on behalf of visiting forces of Singapore, the USA, PNG and Japan engaged in defence operations in Australia. It will repeal the Taxation Administration (Defence Related International Obligations – Indirect Tax Refunds) Determination 2022. The only difference between the two versions is the inclusion of Japan in the 2023 version.

FINANCIAL SERVICES

Consultation of new accountability regime

ASIC and APRA has [released a package of documents for consultation](#) to support the implementation of the Financial Accountability Regime ("FAR") by the financial services industry. The FAR, to be enacted by the Financial Accountability Bill 2023, will extend the standards of conduct in the Banking Executive Accountability Regime (BEAR) to all APRA-regulated entities.

The FAR will apply to authorised deposit-taking institutions (ADIs) 6 months after the Financial Accountability Bill 2023 receives assent, and to insurance and superannuation entities 18 months following assent.

To support early engagement with affected entities and to enable the timely implementation of the FAR, APRA and ASIC have released the following documents for consultation:

- proposed regulator rules that prescribe information for inclusion in the FAR register of accountable persons, including supporting detail about the ADI key function descriptions; and
- proposed transitional rules that prescribe information to be provided by banking entities in relation to their existing accountable persons under the BEAR at the transition point.

APRA and ASIC will consult on the list of specific key functions for insurance and superannuation entities at a later date. However, non-ADI entities may wish to review the Regulator rules as their key functions are likely to be similar to the list included for ADIs.

Submissions are due by 17 August 2023.

SUPERANNUATION

Super retirement outcomes planning improvement needed

In a joint release, APRA and ASIC [announced](#) the publication of the [report on superannuation trustees' progress in implementing the Retirement Income Covenant](#) (the "covenant") in enhancing retirement outcomes for their members.

The covenant, which came into effect on 1 July 2022, requires trustees to develop a retirement income strategy to improve long-term outcomes for their members in or approaching retirement.

The review, jointly conducted by APRA and ASIC during the 2022-23 financial year, examined the progress made by 15 trustees, responsible for 16 industry, retail, corporate and public sector superannuation funds in implementing the covenant over the past year. The review considered how trustees understood member needs, how they offered assistance to members and how they executed and oversaw their strategy.

The review observed that RSE licensees (within the sample size) were focusing most of their efforts on expanding the assistance and support available to members in or approaching retirement. However, as an "overall", there was a lack of progress

and insufficient urgency from RSE licensees in "embracing" the retirement income covenant to improve members' retirement outcomes.

The report outlines the review findings and includes examples of better practices. It also includes priority actions for RSE licensees. RSE licensees are encouraged to review the report and "take steps to strengthen their retirement income strategies".

REGULATOR NEWS

APRA standard on operational risk management

The APRA has [announced](#) the finalisation of Prudential Standard [CPS 230 Operational Risk Management](#) (CPS 230). The standard aims at ensuring banks, insurers and superannuation trustees can better manage operational risks and respond to business disruptions by:

- strengthening operational risk management through new requirements to address identified weaknesses in existing controls;
- improving business continuity planning to ensure better positioning to respond to severe disruptions; and
- enhancing third-party risk management by ensuring risks from material service providers are appropriately managed.

The standard will commence from 1 July 2025.