

TAXATION

Code of conduct breaches: TPB case studies

TPB has issued two compliance case studies concerning a tax agent not disclosing a substantial amount in assessable income, and another not being a fit and proper person.

Penalty unit increase from 1 July 2023

A penalty unit is now set at \$313, up from \$275 with effect from 1 July 2023. The value was increased earlier in January 2023.

Capital gains tax on the sales of shares and units

'When you sell or dispose of shares or units you may make a capital gain or capital loss. This will depend on when you bought or acquired the shares or units. The ATO have developed a fact sheet on Capital gains tax on the sales of shares and units.'

ATO removes phone and spreadsheet lodgment deferral requests

'The ATO's lodgment deferral function in Online services for agents was launched on 21 April 2023. This function populates and validates data; reducing errors and delays agents may have experienced when using the spreadsheet application forms.'

ATO 2023 Tax Time meeting – 25 July key messages

The ATO has released its updates for the 25 July 2023 Tax Time meeting.

FINANCIAL SERVICES

New transactions added to the ASIC regulatory portal

ASIC has issued a notice that new transactions such as early destruction of books has been added to the ASIC regulatory portal.

SUPERANNUATION

Remuneration disclosure requirements finalised: APRA

APRA has finalised new requirements for authorised deposit-taking institutions, insurers, and superannuation entities to publicly disclose information on remuneration.

Super performance test requirement changes

Treasury has registered regulations which supports the improved implementation of the annual performance test.

REGULATOR NEWS

2023-24 corporate plan and survey results: TPB

TPB has launched its 2023-24 corporate plan which sets out its strategic roadmap for the next four years, as well as results from its latest survey.

TAXATION

Code of conduct breaches: TPB case studies

The TPB has issued two compliance case studies:

- [Tax agent not disclosing millions in assessable income](#) - the Board Conduct Committee (BCC) found a tax agent breached multiple items of the Code of Professional Conduct (the "Code") by providing false and misleading information to the ATO when they failed to declare significant amounts of assessable income. The tax agent also failed to lodge multiple business activity statements by their due dates and pay or enter into a payment arrangement for outstanding tax debts. A five-year ban from reapplying was also imposed; and
- [End of the road for this tax agent](#) - the BCC terminated the registration of a company tax agent as the company ceased to meet the registration requirement that each director is a fit and proper person. Among other things, the company's sole director (i) was an undischarged bankrupt three times; (ii) was convicted of two counts of using a forged document in connection with obtaining GST refund credits from the ATO; (iii) failed to report to the ATO over \$800,000 of personal income, resulting in a substantial tax shortfall and associated penalties; and (iv) had findings by the Supreme Court of Victoria that were detrimental to their fame, integrity and character. The company's sole director also had a five-year ban from reapplying imposed.

Penalty unit increase from 1 July 2023

A [penalty unit](#) is now set at \$313, up from \$275 with effect from 1 July 2023. The value was earlier increased from \$222 by the Crimes Amendment (Penalty Unit) Act 2022 with effect from 1 January 2023.

Capital gains tax on the sales of shares and units

'With 75% of investors holding shares and other on-exchange investments, the ATO fact sheet can help guide conversations with clients who are thinking about selling.

To access or download a copy of this fact sheet in portable document format (PDF), [click here](#).

When you sell or dispose of shares or units you may make a capital gain or capital loss. This will depend on when you bought or acquired the shares or units.

If you bought the shares or units:

- before 20 September 1985 – you are exempt from capital gains tax (CGT), because CGT came into effect from 20 September 1985
- on or after 20 September 1985 – you may make a capital gain or capital loss when you dispose of the shares or units.'

Please refer to the above fact sheet for more information.

ATO removes phone and spreadsheet lodgment deferral requests

Since the ATO launched the deferral function in Online services for agents, 'more than 8,000 agents have submitted lodgment deferral requests with over 780,000 TFNs processed.

Agents receive a response within 48 hours if their request meets agent-assessed or new or reengaged client guidelines.

Since 31 July 2023:

- Phone deferrals will no longer be available. Callers will be directed to use the lodgment deferral function. Note: Lodgment deferral requested via the phone service was limited to lodgment deferrals requests that met low-risk (agent-assessed) guidelines and a maximum of five clients.
- Lodgment deferral spreadsheet application forms will be removed from ATO website.
- Information, guides and videos are available to help agents apply using the lodgment deferral function.

From 1 September 2023 the ATO will no longer accept lodgment deferral requests submitted using the spreadsheet application forms. If agents already have a spreadsheet application form and submit it through Practice mail by 31 August 2023, the request will be processed. After that date, agents need to apply using the lodgment deferral function.

Agents who have not made the switch can:

- Apply for a lodgment deferral – information and instructional videos showing how to request a

single or multiple deferrals

- Online services for agents user guide – detailed instructions to guide agents through the process.
- Help aside information in Online services for agents – available on every screen to help agents as they go’.

ATO 2023 Tax Time meeting – 25 July key messages

‘Updates were provided from: Service Delivery, ATO Systems, Super and Employer Obligations and Digital Services and Marketing and Communication.

ATO Systems and Digital services noted that on 20 July there was an issue with one of the ATO gateways, impacting inbound traffic. The issue was resolved by midday.

Service Delivery, noted that as of 23 July:

- 3,038,691 individual income tax lodgments have been lodged (31 per cent tax agent lodged)
- 28,676 Tax Practitioner calls have been received (3 per cent up on prior year)
- 20.3 million STP records have been finalised, representing approximately 92 per cent of total expected records to be received and finalised.

Tax time is a key focus for this week through ATO communications and media.

Activities include:

- the small business tax time toolkit, the office workers’ occupation guide and In-language tax time resources.
- a new video encouraging tax professionals to source info from one of the alternatives, such as ATO’s website and Online services for agents - as it is quicker for things like progress of return enquiries, payment plans, activity statements, updating tax roles and Single Touch Payroll.
- The latest video for tax professionals focuses on the Tax time toolkits. It’s an excellent way to start the conversation with individual and small business clients about what they can claim.

- The ATO corporate plan 2023–24 provides valuable insights for the year ahead, including eight key focus areas driving our performance, and 15 core priorities reflecting the enduring activities we undertake to achieve our strategic objectives.
- The Tax Professionals Newsletter features details of the next open forum scheduled for 8 August, tax tips for crypto asset investors, articles on protecting your myGovID.’

FINANCIAL SERVICES

New transactions added to the ASIC regulatory portal

ASIC has issued a [notice](#) that the following new transactions were added to the ASIC Regulatory Portal:

- Apply for ASIC consent to resign as an auditor of a public company;
- Apply for early destruction of books;
- Submit notification to rely on ASIC Corporations (Business Introduction Services) Instrument 2022/805; and
- Notify ASIC or apply to ASIC about company auditor appointments.

ASIC also said that all relevant webpages and regulatory guides on its website have been updated to align with this new lodgement channel for these transactions.

SUPERANNUATION

Remuneration disclosure requirements finalised: APRA

APRA has issued a [media release](#) stating that it has finalised new requirements for authorised deposit-taking institutions, insurers and superannuation entities to publicly disclose information on aspects of their remuneration.

Under the updates to Prudential Standard CPS 511 Remuneration, APRA-regulated entities will need to annually publish information on their remuneration frameworks, design, governance and outcomes. Larger and more complex entities must disclose

additional quantitative information, including on payments to top executives and how they have placed a material weight on non-financial measures such as risk management.

APRA also said that it will "shortly" publish the findings from an implementation review of CPS 511 to assist industry with implementing the new requirements.

Super performance test requirement changes

Treasury has registered the [Superannuation Industry \(Supervision\) Amendment \(Your Future, Your Super -- Addressing Underperformance in Superannuation\) Regulations 2023](#) (the "Regulations"). The purpose of the Regulations is to amend the Superannuation Industry (Supervision) Regulations 1994 to support the improved implementation of the annual performance test. The amendments address issues raised in Treasury's review of Your Future, Your Super laws. The Regulations:

- amend the testing period, benchmarks and notification letter that form part of the annual performance test requirements;
- amend the operation of the test for trustee-direct products, so that platform products are tested separately to non-platform products, and on a gross-of-taxation basis;
- make minor technical updates to improve accuracy and clarity for the annual performance test, reduce the administrative burden for APRA and ensure the test is fit for purpose when it is extended to trustee directed products; and
- make minor and technical amendments to the Your Super comparison tool to ensure that the tool reflects updated reporting standards.

The Regulations also amend the Electronic Transactions Regulations 2020 to allow APRA to give notifications in relation to the performance test to trustees by means of electronic communication.

Date of effect: The amendments apply on and after 1 July 2023. The regulations were released at the same time as the Treasury review and are largely unchanged.

REGULATOR NEWS

2023-24 corporate plan and survey results: TPB

The TPB has launched its [2023-24 Corporate Plan](#). The Plan sets out the TPB's strategic roadmap for the next four years focusing on key areas for improvement. The Plan also outlines key activities for 2023-24 in support of tax practitioners and ensuring the integrity of the tax profession and the tax system.

In a separate media release, the TPB also shared its [latest bi-annual survey results](#) that was conducted across a sample of both tax practitioners and consumers. The focus of the survey is to understand the level of (i) consumers' trust in registered tax practitioners; (ii) usage and effectiveness of the TPB's public register; and (iii) awareness and effectiveness of the TPB as a regulator. Some notable results were that across all seven surveys (since inception), (i) awareness of the TPB public register; and (ii) consumers reporting that they use the same tax practitioner for more than five years, have hit an all-time high.