

## **TAXATION**

### **TPB annual report 2022-23 released**

Tax Practitioners Board has issued its 2022-23 annual report which underlines its continued commitment to enhance community confidence.

### **ABR display of unregistered trading names extended**

Government has registered an instrument which extends the period in which unregistered trading names can be displayed on the ABR.

### **Imprisonment for fraudulent GST refunds**

The ATO has reported another conviction under Operation Protego in response to widespread GST fraud activity.

### **Commissioner of Taxation annual report 2022–23**

The Australian Taxation Office's (ATO) annual report 2022–23 has been released.

### **IGTO Annual Report FY23 released**

The Inspector-General of Taxation and Taxation Ombudsman (IGTO), Ms Karen Payne, has released her agency's [Annual Report for the financial year ended 30 June 2023 \(FY23\)](#).

### **IGTO report into the Exercise of the Commissioner's General Powers of Administration is released**

The report of the Inspector-General of Taxation and Taxation Ombudsman's (IGTO) investigation into [The Exercise of the Commissioner's General Powers of Administration](#) has been publicly released.

## **FINANCIAL SERVICES**

### **Financial advice registration requirement extended**

ASIC has registered an instrument that puts in place further interim measures to delay the requirement for relevant providers to be registered with ASIC.

### **Amendments to super fund mergers and defined benefit income streams**

Government has announced it will progress legislative amendments to the transfer balance cap for individuals with capped defined benefit income streams.

## **SUPERANNUATION**

### **Downsizer contributions: ATO documents updated**

ATO has updated a law companion ruling and super guidance note for recent

amendments to the rules applying to downsizer contributions.

## **REGULATOR NEWS**

### **ASIC releases first integrated financial reporting and audit surveillance report for 12 months to 30 June 2023**

ASIC has released findings from its first integrated financial reporting and audit surveillance program.

#### **ASIC News**

Updates from ASIC in the past week including media releases, news, articles, and speeches.

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## **TAXATION**

### **TPB annual report 2022-23 released**

The Tax Practitioners Board has issued its [2022-23 annual report](#). The report underlines the TPB's continued commitment to enhance community confidence in the tax system by:

- providing guidance and educational materials and activities to support tax practitioners to improve their compliance with the law and their services to their clients;
- focusing its compliance program on high risk behaviours especially schemes involving tax avoidance or evasion. During the year alone the TPB addressed 496 shadow economy cases;
- increasing broader media coverage of TPB compliance matters which resulted in a 28% increase in the use of its registry search services; and
- continuing investments in its data science and analytical capabilities in order to uplift analytical solutions in order to strengthen its compliance program.

### **ABR display of unregistered trading names extended**

The Government has registered the [A New Tax System \(Australian Business Number\) Amendment \(Display of Trading Names\) Regulations 2023](#). The instrument extends the period in which unregistered trading names can be displayed on the Australian Business Register ("ABR") to 31 October 2025, ceasing on 1 November 2025 (from 1 November 2023). This gives Australian businesses that are yet to register a business name ASIC additional time to do so before the ABR ceases to display unregistered

trading names.

## **Commissioner of Taxation annual report 2022–23**

The ATO have said that they have ‘collected \$576 billion in net tax for supporting the economic and social wellbeing of Australians — substantially more than what was anticipated in the October 2022–23 Budget.’ The ATO have said that they have ‘also helped grow retirement savings by distributing \$683.9 million in super guarantee entitlements to individuals or their superannuation funds.’

The ATO have also said that they have ‘launched a refreshed ATO Charter, reaffirming our commitment to a strengthened relationship of trust and confidence with the community. We also made progress on:

- addressing the collectable debt
- improving small business tax performance
- strengthening superannuation guarantee integrity
- ensuring Australia’s largest corporates and multinational entities comply with our income tax laws.’

In the Annual report the ATO have said that they ‘will build on this year’s achievements in 2023–24, with a sustained focus on uplifting our data and digital infrastructure. Our vision is to be fully digitalised by 2030, enabling an ecosystem where registry services are streamlined, and tax and super ‘just happen’. Security of personal data and online interactions will remain a priority as we continue strengthening our ability to detect, respond and protect against digital fraud and cyber threats.’

The report is now available for you to view or download at [ato.gov.au/annualreport](https://ato.gov.au/annualreport)

## **IGTO Annual Report FY23 released Dispute Investigations**

The report states that ‘In FY23, we received 1,529 complaints and disputes, a 16.4% increase over FY22. We closed 1,445 cases within the same period (94.5%).’

The majority of complaints and disputes were lodged by unrepresented individual taxpayers (72%) and related to concerns or disputes about administrative actions and decisions of the Australian Taxation Office (ATO, 93.7%).

The top 5 issues that we investigated as part of our dispute investigation service, accounted for 76% of all closed cases. These issues were consistent with those reported in FY22.

- Payments to the taxpayer
- Lodgment and processing
- Debt collection

- Registration / Taxpayer details
- Communications'

## **IGTO report into the Exercise of the Commissioner's General Powers of Administration is released**

### **Recommendations**

'The report makes six recommendations, which are set out in full in Annexure A. Three (3) recommendations are for the ATO and three (3) are for Government – see Slides 20 – 26 ... but these are prefaced with an overarching Primary Observation – see Slide 9. That is, before implementation of the recommendations are considered, steps should be taken to clarify whether the GPA is intended to act only as a duty upon the Commissioner or whether it is a power. The clarification could take a number of forms, including through legislation, judicial clarification or by the Executive through a Statement of Expectations.

The ATO has agreed with all three recommendations made to it. These recommendations aim for administrative improvements by enhancing education and awareness of the GPA, significant decisions that rely upon the GPA, and reporting of significant exercises of the GPA.

The IGTO has also made three recommendations to the Government. These recommendations are aimed at establishing a principled framework to guide tax administration (decisions and actions) through the exercise of the GPA.'

### **GST**

#### **Imprisonment for fraudulent GST refunds**

The ATO has [reported](#) another conviction under Operation Protego in response to widespread GST fraud activity. This time, a woman from Wollongong was sentenced to one year and eight months imprisonment for lodging 63 fraudulent business activity statements between February 2022 and July 2022, obtaining \$73,650 and attempting to obtain a further \$192,983 in fraudulent GST refunds.

The ATO said that it has taken action against more than 56,000 alleged offenders under Operation Protego and will be "escalating" its efforts to bring offenders to account.

## **FINANCIAL SERVICES**

### **Financial advice registration requirement extended**

ASIC has registered the ASIC Corporations (Amendment) Instrument 2023/730 (the "Amending Instrument"). The Amending Instrument puts in place further interim measures to delay the requirement (the "Registration Requirement") for "relevant providers" to be registered with ASIC as a precondition for providing personal advice ("Financial Advice") to retail clients about relevant financial products.

By way of background, the requirement for relevant providers to be registered was introduced by the Financial Sector Reform (Hayne Royal Commission Response -- Better Advice) Act 2021 ("Better Advice Act"). The registration provisions, as inserted by the Better Advice Act, staggered commencement dates so that Australian financial services ("AFS") licensees and relevant providers could continue providing Financial Advice without being registered up to 1 January 2023. Subsequent steps were taken by the Government to delay the Registration Requirement to 1 October 2023.

The Amending Instrument provides for a further delay to the Registration Requirement to 1 February 2024 in order to allow:

- parliament to further consider the Treasury Laws Amendment (2023 Measures No. 1) Bill 2023 ("TLAB 1"), which gives ASIC the power to use assisted decision-making systems when processing registration applications and facilitate multiple registration of relevant providers;
- ASIC to implement TLAB 1 if TLAB 1 is enacted;
- industry to understand its rights and obligations concerning the Registration Requirement; and
- AFS licensees to register their relevant providers with ASIC prior to the Registration Requirement commencing.

### **Amendments to super fund mergers and defined benefit income streams**

The Government has [announced](#) that it will progress legislative amendments to the transfer balance cap for individuals with a capped defined benefit income stream to ensure members are not adversely impacted in the event of a merger or successor fund transfer between superannuation funds.

Currently, a member's cap may be unintentionally impacted due to the original income stream being treated as ceasing and a new one beginning. This means a new valuation of the capped defined benefit income stream is required which may result in a higher valuation for the transfer balance cap, leading to adverse outcomes.

The legislative amendments are proposed to apply retrospectively from 1 July 2017.

## **SUPERANNUATION**

### **Downsizer contributions: ATO documents updated**

The ATO updated the following documents for recent amendments to the rules applying to downsizer contributions:

- [Law Companion Ruling LCR 2018/9](#) (Housing affordability measures: contributing the proceeds of downsizing to superannuation). The Addendum generally applies from 1 January 2023; and
- [Super Guidance Note SPR GN 2018/2](#) (Downsizer contribution).

The key legislative change is to the minimum eligibility age for making downsizer contributions, which was recently lowered from 60 to 55, effective 1 January 2023.

## **REGULATOR NEWS**

### **ASIC releases first integrated financial reporting and audit surveillance report for 12 months to 30 June 2023**

Report 774 Annual financial reporting and audit surveillance report 2022–23 ‘outlines findings related to insufficient disclosure of material business risks in the operating and financial review, impairment of assets and revenue recognition and other financial report disclosures.

ASIC reviewed 180 financial reports of ASX-listed entities and other large unlisted entities, as well as 15 related audit files from 1 July 2022 to 30 June 2023.’

The full report can be viewed or downloaded [here](#)

### **ASIC news**

ASIC has released the following updates in its Newsroom section:

- [27 October 2023 - MEDIA RELEASE 23-286MR Federal Court freezes funds and assets of Brite Advisors](#)
- [27 October 2023 - MEDIA RELEASE 23-285MR ASIC prosecutes 100 individuals for failing to assist registered liquidators](#)
- [26 October 2023 – ARTICLE Dumb Money: Don’t believe the hype](#)
- [26 October 2023 – SPEECH Supplementary Budget Estimates 2023/2024 Opening Statement, 26 October 2023](#)
- [26 October 2023 - MEDIA RELEASE 23-284MR ASIC launches consumer awareness campaign – ‘Don’t get burnt by hype’](#)
- [24 October 2023 - NEWS ITEM ASIC signs MMoU with the International Association of Insurance Supervisors](#)
- [24 October 2023 - MEDIA RELEASE 23-283MR Court finds superannuation](#)

- [trustee Diversa did not breach law](#)
- [24 October 2023 - MEDIA RELEASE 23-282MR NSW Central Coast construction services directors disqualified](#)
- [23 October 2023 - MEDIA RELEASE 23-281 MR ASIC suspends AFS licence of Celtic Equities Management](#)