

TAXATION

Corporate tax transparency measures: exposure draft

Treasury has issued two exposure drafts proposing to enhance corporate tax transparency of large multinational enterprises (defined as "CBC reporting parents").

Additional method for monthly PAYG payer: Instrument registered

The ATO has registered an Instrument which outlines an additional method for working out pay as you go ("PAYG") instalments for monthly payers.

Bills pass Lower House unamended

Bill to implement changes to tax cuts, Medicare levy low income threshold and Foreign Investment have passed the House of Reps with no amendments.

Updates to the ATO website

Supported lodgement program and Payment deferral request for registered agents.

ATO GST fraud control: ANAO performance audit report

ANAO has published the findings of its audit on the ATO's management and oversight of fraud control arrangements for the administration of GST.

GST fraud conviction of developer

The ATO has issued a release in relation to a developer who has been convicted and sentenced to 10 years in jail for lodging fraudulent business activity statements.

SUPERANNUATION

Revocation of prudential standard SPS 450: Instrument registered

The Government has registered a Determination to revoke Prudential Standard SPS 450 as it is no longer applicable to RSE licensees.

REGULATOR NEWS

ASIC News

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

APRA news

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

QBCC – Great news!

In a great win for advocacy, the Joint Accounting Bodies have been advised that 'Queensland Building and Construction Commission (QBCC) contractor licensees in financial category SC1, SC2, 1, 2 or 3 who are required to prepare an MFR report, can again submit Special Purpose Financial Statements (SPFS) as part of their report.'

TAXATION

Corporate tax transparency measures: exposure draft

Treasury has issued two [exposure drafts](#) proposing to enhance corporate tax transparency of large multinational enterprises (defined as "CBC reporting parents"). The measure was announced as part of the October 2022-23 Budget in relation to improving corporate tax transparency disclosures.

- Treasury Laws Amendment Bill 2024: Multinational tax transparency - country by country reporting - proposes to amend the TAA to require certain CBC reporting parents to publish selected tax information on a CBC basis for specified jurisdictions, and on either a CBC basis or an aggregated basis for the rest of the world. The information is to be published on an Australian government website, with publication facilitated by the ATO. The proposed amendments apply to reporting periods commencing on or after 1 July 2024 (eg where an entity has a reporting period ending 31 December, the first reporting period for that entity commences on 1 January 2025); and
- Taxation Administration (Country by Country Reporting Jurisdictions) Determination 2024 - specifies the jurisdictions for which the CBC reporting parent must publish selected tax information on a CBC basis, if the CBC reporting group operates in that jurisdiction.

Submissions are due by 5 March 2024.

Additional method for monthly PAYG payer: Instrument registered

The ATO has registered the [Taxation Administration \(Additional Method for Working Out the Amount of Monthly Instalment Liabilities\) Determination 2024](#). The Instrument outlines an additional method for working out pay as you go ("PAYG") instalments for monthly payers, and the circumstances in which monthly payers can choose to use the additional method.

As background, the Government registered an instrument in 2013 to reduce compliance costs to certain large entities that were required to pay PAYG instalments monthly. The 2013 instrument, due to sunset on 1 April 2024, provides a simpler alternative method for working out monthly PAYG instalments. This Instrument is an update of the 2013 instrument.

Date of effect: 14 February 2024.

Bills pass Lower House unamended

The following Bills have passed the House of Reps with no amendments.

- [Treasury Laws Amendment \(Cost of Living Tax Cuts\) Bill 2024](#)
- [Treasury Laws Amendment \(Cost of Living – Medicare Levy\) Bill 2024](#)
- [Treasury Laws Amendment \(Foreign Investment\) Bill 2024](#)
- [Foreign Acquisitions and Takeover Fees Imposition Amendment Bill 2024](#)

The Senate did not sit this week (due to Senate Committee hearings). Parliament does not sit next week, with both Houses due to resume business on Monday 26 February 2024.

Updates to the ATO website

Supported lodgement program

The ATO has said that ‘if your whole practice has been affected by unforeseen events, we can help you get your lodgement program back on track.

Eligibility

You can request a supported lodgement program if your whole practice has been affected by exceptional or unforeseen circumstances such as ill-health, the loss of a key staff member or a natural disaster.

It's available to practices of all sizes when you need additional time to lodge a large proportion of your clients' obligations.

You may not be eligible if the circumstances are of your own making, within your control, or where you have not complied with the conditions of a previous supported lodgement program. We may direct you to apply for [lodgment program deferrals](#) if we see that as a better way to manage the issue.’

Payment-only deferral requests for registered agents

You can request a payment-only deferral if your client needs more time to pay. The ATO have advised that:

‘Eligibility

You can request a payment-only deferral for the following liabilities:

- income tax
- liabilities arising following lodgement of activity statements
- fringe benefits tax.

A payment-only deferral request must:

- be for an existing client
- only include documents that have been lodged and processed
- meet requirements under [exceptional or unforeseen circumstances](#).

For all other deferrals, see [Lodgment program deferral](#).’

ATO GST fraud control: ANAO performance audit report

The Australian National Audit Office ("ANAO") has [published](#) the findings of its audit on the ATO's management and oversight of fraud control arrangements for the administration of GST. The purpose of the audit is to assess whether effective fraud control arrangements are in place following the significant increase in attempts to obtain false GST refunds during 2021-22.

The ANAO found that the ATO's management and oversight of fraud control arrangements for the GST is "partly effective". It states that what undermines the effectiveness of the ATO's fraud control arrangements are: (i) the lack of clarity for roles and responsibilities; (ii) inadequate implementation of assurance requirements; and (iii) absence of a holistic and contemporary view of GST fraud risks.

The audit report includes five recommendations, all of which has been agreed by the ATO.

- The ATO should prioritise finalising its work on (i) clarifying and documenting the roles and responsibilities for fraud prevention, detection, and treatment; (ii) redesigning the external fraud conformance process to support the revised roles and responsibilities; and (iii) making the necessary changes to the external fraud and internal fraud Chief Executive Instructions.
- The ATO should conduct and document assessments of its GST fraud risks "regularly" and ensure that it has a contemporary and holistic view of its GST fraud risks.
- The ATO ensures that its fraud control and corruption plans are based on identified fraud risks that are documented in risk assessments.
- The ATO should develop and implement a response for large-scale fraud events that do not meet the criteria specified in the extant Integrity Incident Response Framework - encompassing elements are also laid out as part of the recommendation.
- The ATO should consider an alternative benchmark for ATO fraud indicators and remove references to the "Attorney-General's Department fraud benchmark".

GST fraud conviction of developer

The ATO has issued a [release](#) in relation to a developer who has been convicted and sentenced to 10 years in jail for lodging fraudulent business activity statements. The developer allegedly obtained fraudulent GST refunds by using three tiers of companies (developers, building companies and suppliers) to grossly inflate the construction costs and making claims of purchases where none had occurred.

Part of a complex case known as Operation 4, the ATO said that the developer intended to cause a loss to the Commonwealth of more than \$15 million.

Superannuation

Revocation of prudential standard SPS 450: Instrument registered

The Government has registered the [Superannuation \(prudential standard\) determination No. 1 of 2024](#). The purpose of the Determination is to revoke Prudential Standard SPS 450 Eligible Rollover Fund Transition as it is no longer applicable to registrable superannuation entities ("RSE") licensees since the passing of the Treasury Laws Amendment (Reuniting More Superannuation) Act 2021, which required a trustee of an eligible rollover fund ("ERF") to pay the balance of all accounts held for members to the ATO.

As background, SPS 450 sets out the required minimum processes for RSE licensees of an ERF to transfer members' money to another fund in the event that their authorisation to operate as an ERF is cancelled. An ERF is a type of superannuation fund that was eligible to receive benefits rolled over from another fund without member consent. ERFs were intended to be a temporary repository for small account balances or for accounts belonging to persons that cannot continue to be a member of a fund. However, in its report, *Superannuation: Assessing Efficiency and Competitiveness* the Productivity Commission found that ERFs have not been successful in reuniting members with lost superannuation and recommended the ATO be responsible for holding lost accounts and that APRA oversee the wind-up of ERFs.

As all monies held in ERFs were transferred to the ATO by 31 January 2022, SPS 450 is now redundant.

Date of effect: 16 February 2024.

REGULATOR NEWS

ASIC News

ASIC has released the following updates in its Newsroom section:

- [15 February 2024 – MEDIA RELEASE – New Moneysmart data reveals young women more stressed than young men about finances, cost of living](#) – ASIC's Moneysmart survey indicates that young women are more likely to be anxious than young men about finance and money. The results are consistent with overseas surveys.
- [15 February 2024 – MEDIA RELEASE – ASIC sues David Paul Hodgson and companies associated with the Paladin Group](#) – ASIC has commenced Federal Court proceedings against David Paul Hodgson and associated companies alleging that he conducted financial services businesses while unlicensed and misrepresented investors.
- [15 February 2024 – SPEECH – Additional Estimates 2023/2024 Opening Statement, 15 February 2024](#) – ASIC Chair Joe Longo appeared before the Senate Economics Legislation Committee and foreshadowed the publication of the forthcoming quarterly ASIC Enforcement and Regulatory update.
- [15 February 2024 – NEWS ITEM – ASIC consults on changes to OTC derivative transaction rules](#) – ASIC seeks feedback from reporting entities on its proposed changes to the *ASIC Derivative Transaction Rules (Reporting) 2024* and *ASIC Derivative Transaction Rules (Clearing) 2015*. Consultation Paper 375 proposes to amend the rules to simplify the derivative transaction system, align with international reporting standards and ensure that reporting requirements are appropriate. Submissions are open until 28 March 2024.
- [13 February 2024 – MEDIA RELEASE – Former director of Reiwa-Capital pleads guilty to using investor funds dishonestly](#) – Russell Sandiford, the former director of Reiwa-Capital, has pleaded guilty to two counts of dishonest conduct in relation to a financial

product contrary to s 1041G of the *Corporations Act 2001* (Cth). A failure to comply with s 1041G is an offence under s 1311(1) punishable by a prison term up to 15 years, or a fine of \$945,000 or triple the total value of the benefit accrued (whichever is greater), or both. Sentencing will take place in the Sydney District Court at a later date.

- [13 February 2024 – MEDIA RELEASE – ASIC permanently bans Yanchep financial adviser](#) – ASIC has made two orders permanently banning Yanchep-based financial adviser Mark Raymond Sebo following his convictions for fraud. Mr Sebo had been director of Platinum Perpetual Global Private Wealth Pty Ltd (deregistered). He was convicted of stealing client superannuation funds and is banned from providing any financial services or credit activities, controlling an entity that provides financial services or credit activities. The ban took effect on 5 February 2024.
- [9 February 2024 – MEDIA RELEASE – Court finds Block Earner crypto product needs financial services licence](#) – The Federal Court of Australia has found that Block Earner had been providing financial services without a licence and operating an unregistered managed investment scheme. It is one of the first judgments on the application of financial services laws to cryptocurrency. The judgment is available [here](#). Penalties against Block Earner's promoter are to be determined at a later date.

APRA news

APRA has released the following updates in its News and publications section:

- [14 February 2024 – OPENING STATEMENTS – Opening Statement to Senate Economics Legislation Committee – February 2024](#) – John Lonsdale, Chair of APRA, appeared before the Economics Legislation Committee and touched on several of factors in APRA's current operating environment which have informed its Policy and Supervision Priorities. He also encapsulated APRA's main areas of work in the last quarter.
- [13 February 2024 – MEDIA RELEASES – Federal Court grants injunction to stop another unauthorised banking business](#) – The Federal Court of Australia granted an application by APRA for a permanent injunction to restrain Robert Bruce Gray from operating and marketing businesses described as banks because he operated without a licence. Mr Gray had disregarded notices from APRA to stop using the term "bank" in his marketing. The judgment by Shariff J is available [here](#).

QBCC – Great news!

We have been advised that '[amendments](#)' to the Queensland Building and Construction Commission (Minimum Financial Requirements) Regulation 2018 (MFR Regulation) took effect today, on 16 February 2024.

This change applies to MFR reports for the quarter ending **31 December 2023** and onwards. Licensees who are applying to change their maximum revenue to an amount covered by one of the above licence categories may also apply the new provisions.

The amendments make it cheaper and easier for contractor licensees in financial category SC1, SC2, 1, 2 or 3 to comply with their MFR reporting obligations. Reverting to the previous level of detail is appropriate for these categories, to ensure the QBCC only has the information it needs. There are no changes to existing requirements for contractor licensees in financial category 4-7.

Making small
business count

The QBCC will work closely to support accountants and licensees during this change. More information is available on the [QBCC's website](#). ‘

Should have any feedback please feel free to send these to
ipaadvocacy@publicaccountants.org.au