

## **TAXATION**

### **MLI: synthesised text of DTA with Romania**

The ATO has released the synthesised text of Australia's double taxation agreement with Romania.

### **Latest issue of ATO's interpretation NOW! released**

The ATO has released Episode 106 of its series on statutory interpretation entitled interpretation NOW!.

### **Foreign Investment and Foreign Takeover Fees: Bills**

The Bills to clarify foreign investment fees and to increase the maximum fees on vacant property and the purchase of established dwellings have been passed.

### **Penalty unit increase: legislation introduced**

The Bill to increase the Commonwealth penalty unit amount from \$313 to \$330, with effect from 1 July 2024 has been introduced.

### **Non-charitable NFPs to lodge annual NFP self-review return**

The ATO has issued a release as a reminder that non-charitable not-for-profits ("NFPs") with an active ABN will be required to lodge a new annual NFP self-review return.

## **GST**

### **The Government issues fake myGov sites warning**

The Government has issued a release warning of scammers using fake myGov sites to steal myGov sign in details.

## **FINANCIAL SERVICES**

### **Exemption of certain lump sum payments from the Medicare levy**

Treasury has released a draft which proposes to make changes to how certain eligible lump sum payments in arrears are assessed for the purposes of the Medicare levy.

### **Treasury Laws Amendment (Delivering Better Financial Outcomes and Other Measures) Bill 2024**

The Government has introduced into the House of Representatives the Treasury Laws

Amendment (Delivering Better Financial Outcomes and Other Measures) Bill 2024.

## **Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024**

The Government has introduced into the House of Representatives the Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024.

### **SUPERANNUATION**

#### **Transfer balance impact of successor fund transfers: draft regs**

Treasury has issued the Exposure Draft: Treasury Laws Amendment Instrument 2024: Successor fund transfers and capped defined benefit income streams.

### **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.

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### **TAXATION**

#### **MLI: synthesised text of DTA with Romania**

The ATO has released the [synthesised text](#) of Australia's double taxation agreement with Romania. It incorporates the modifications made to the DTA by the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI). These modifications generally took effect on 1 January 2024 and include:

- extending the application of the DTA to income derived via fiscally transparent entities such as trusts and partnerships;
- replacing the tie-breaker test for dual resident companies with the requirement to apply to a revenue authority for a determination of residency status;
- a holding-period rule for accessing the concessional 5% dividend withholding tax rate; and
- the adoption of the MLI principal purpose(s) test.

Romania has not adopted any of the optional rules in Pt IV of the MLI to address the artificial avoidance of PE status, so none of these rules have been incorporated in the DTA.

## Latest issue of ATO's interpretation NOW! released

The ATO has released [Episode 106](#) of its series on statutory interpretation entitled interpretation NOW!.

## Foreign Investment and Foreign Takeover Fees: Bills

The following Bills were passed by Parliament on 27 April 2024, with no amendments. The Bills await assent.

### DTAs: interaction with foreign investment fees and State property taxes

The [Treasury Laws Amendment \(Foreign Investment\) Bill 2024](#) will amend the International Tax Agreements Act 1953 to clarify any uncertainty associated with the interaction between certain taxes, such as foreign investment fees and similar State and Territory property taxes, and DTAs.

Foreign investment fees on vacant property; purchase of established dwellings

The [Foreign Acquisitions and Takeover Fees Imposition Amendment Bill 2024](#) will increase the maximum fee to \$7,000,000 (up from \$1,119,100) that can be imposed by the Regulations for the purpose of the foreign investment framework.

## Penalty unit increase: legislation introduced

The [Crimes and Other Legislation Amendment \(Omnibus No 1\) Bill 2024](#) was introduced into the House of Reps on 27 March 2024. Among other things, it will increase the Commonwealth penalty unit amount from \$313 to \$330, with effect from 1 July 2024.

The measure was announced in the 2023-24 Mid-Year Economic and Fiscal Outlook, otherwise known as MYEFO, in December 2023.

## Non-charitable NFPs to lodge annual NFP self-review return

The ATO has issued a [release](#) as a reminder that non-charitable not-for-profits ("NFPs") with an active ABN will be required to lodge a new annual NFP self-review return to the ATO to confirm their income tax exemption status. The ATO said the new reporting requirement affects around 150,000 NFPs who currently self-assess as income tax exempt.

The ATO said that non-charitable NFPs can report from as early as 1 July, even though the due date is in October. The NFPs can get ready by:

- conducting an early review of their eligibility by using the [ATO's guide](#);
- [checking all their details are up to date](#), including authorised associates, contacts and their addresses are current;
- reviewing their purpose and governing documents to understand the type of NFP they are; and

- setting up myGovID and linking it to the organisation's ABN using Relationship Authorisation Manager.

NFPs can use Online services for business which lets organisations manage their reporting at a time that is convenient to them. If engaged, registered tax agents can lodge on an NFP's behalf through Online services for agents.

## **GST**

### **The Government issues fake myGov sites warning**

The Government has issued a [release](#) warning of scammers using fake myGov sites to steal myGov sign in details that can be used to commit tax and refund fraud in other people's names.

The scammers will use text message or email to lure people into clicking a link using phrases such as "You are due to receive an ATO Direct refund" or "You have a new message in your myGov inbox - click here to view". The Government makes clear that the ATO or myGov will never send an email or text message with a link to sign in to myGov.

The Government also said that its scammer crackdown activities are on-going and "early signs" show the efforts are working.

## **FINANCIAL SERVICES**

### **Exemption of certain lump sum payments from the Medicare levy**

Treasury has issued the [Treasury Laws Amendment Bill 2024: Medicare levy lump sum exemption](#). The Draft proposes to amend the Medicare Levy Act 1986 to make changes to how certain eligible lump sum payments in arrears are assessed for the purposes of the Medicare levy.

The changes ensure low-income taxpayers are not denied concessional Medicare levy treatment solely as a result of receiving an eligible lump sum payment, eg as compensation for underpaid wages. This means a taxpayer receiving a lump sum payment in arrears is eligible for the exemption from the Medicare levy if specific criteria are met.

Treasury is also seeking feedback on the effectiveness on the accompanying exposure draft explanatory material in explaining the policy context and operation of the proposed new law.

**Date of effect:** for assessments from the 2024-25 income year.

**Submissions** are due by 23 April 2024.

## Treasury Laws Amendment (Delivering Better Financial Outcomes and Other Measures) Bill 2024

### Schedule 1 - Delivering better financial outcomes – reducing red tape

Schedule 1 to the Bill delivers tranche 1 of the Government's Delivering Better Financial Outcomes package, including the initial response to the Quality of Advice review.

Tranche 1 includes amendments that will provide legal certainty for the payment of financial adviser fees from a member's superannuation fund account and remove red tape that currently adds to the cost of financial advice with no benefit to consumers.

This measure will support increased access to affordable financial advice for millions of Australians and will particularly benefit the five million Australians at or approaching and planning for their retirement that need assistance navigating the pension and superannuation systems'.

You can read the Explanatory memoranda and text of the Bill [here](#)

## Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024

### Schedule 4 — Climate-related financial disclosure

Schedule 4 to the Bill generally requires entities that lodge financial reports under Chapter 2M of the Corporations Act and meet certain minimum size thresholds, or have emissions reporting obligations under the NGER scheme, to make disclosures relating to climate in accordance with relevant sustainability standards made by the AASB.

The amendments phase-in the new obligations for climate-related financial disclosure depending on entity size and type over a number of years.

Date of effect Schedule 4 to the Bill commences the day after Royal Assent. The new requirements generally apply to reporting entities from financial years starting on or after 1 January 2025. Transitional provisions phase-in these new obligations, generally depending on the size and type of the reporting entity, over a number of years'.

[Media release from Treasurer.](#)

## **SUPERANNUATION**

### Transfer balance impact of successor fund transfers: draft regs

Treasury has issued the [Exposure Draft: Treasury Laws Amendment Instrument 2024: Successor fund transfers and capped defined benefit income streams](#). The draft regs are intending to remove the potential for recipients of capped defined benefit income streams ("CDBISs" - eg term allocated pensions/market linked income streams commenced before 1 July 2017 and lifetime income streams) to have their transfer balances impacted by

involuntary fund transfers. They will provide that, when a successor fund transfer occurs, the credit that arises in a CDBIS recipient's transfer balance account is equal to the debit that arises. The change will apply retrospectively, ie from 1 July 2017.

**Submissions** due 24 April 2024.

## **REGULATOR NEWS**

### **ASIC News**

ASIC has released the following updates in its Newsroom section:

- [5 April 2024 – MEDIA RELEASE – Head of audit at William Buck Victoria pays \\$20,625 penalty for audit rotation issues](#) – ASIC has issued three infringement notices against Nicholas Benbow, Director of William Buck Audit (Vic) Pty Ltd for failing to conduct reviews of listed companies against accounting standards. He self-reported the alleged breaches to ASIC as required under s 311 of the *Corporations Act 2001* (Cth).
- [3 April 2024 – MEDIA RELEASE – ASIC cancels licence of Menon & Associates Pty Ltd](#) – ASIC has cancelled the Australian Financial Services Licence held by Menon & Associates Pty Ltd because it is no longer conducting a financial services business. It had held the licence since 2017.
- [2 April 2024 – MEDIA RELEASE – Former Sydney financial adviser charged with dishonest conduct](#) – David Valvo, former financial adviser and proprietor of Your Financial Freedom Pty Ltd, has been charged with dishonest conduct contrary to s 1041G of the *Corporations Act 2001* (Cth). ASIC alleges that in a period spanning 2019 and 2020, Mr Valvo completed and submitted withdrawal forms for 12 clients' superannuation accounts, knowing that the forms were not genuine. The matter was adjourned and Mr Valvo was granted conditional bail.
- [2 April 2024 – MEDIA RELEASE – Federal Court throws out application to prevent ASIC investigation](#) – In the Federal Court of Australia, Rofe J has dismissed an application by Provide Nominees Pty Ltd to prevent further investigation by ASIC about allegations of misleading and deceptive conduct. Provide had alleged that ASIC did not have reasonable grounds to suspect that it had contravened the law as ASIC had not reached a state of mind required by s 13 of the *Australian Securities and Investments Commission Act 2001* (Cth). The [judgment](#) is also available.
- [28 March 2024 – MEDIA RELEASE – Janet Cameron convicted and fined in Hobart Magistrates Court](#) – Former Director of Bellamy's Australia Ltd Janet Heather Cameron of Bicheno, Tasmania has been convicted and fined \$8,000 after an ASIC investigation and banned automatically from managing corporations for five years. She has appealed to the Supreme Court of Tasmania.

### **APRA news**

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

- [4 April 2024 – news item – APRA releases minor updates to the prudential framework for ADIs and insurers](#) – APRA has issued proposed revisions to various prudential standards and practice guides and seeks feedback from industry participants. Consultation is open until 3 May 2024.
- [3 April 2024 – NEWS ITEM – APRA releases letter on upcoming climate risk self-](#)

### Making small business count

[assessment survey](#) – APRA has released a letter from its Chair, John Lonsdale, to all entities that it regulates foreshadowing its 2024 voluntary climate risk assessment survey. The survey provides a follow-up to its 2022 survey and will include new questions on transition plans and nature risk.