

TAXATION

March quarter CPI figures released: impact on HECS/HELP debt

The Australian Bureau of Statistics (ABS) has released the CPI index number of 137.4 for the March Quarter 2024 (up from 136.1 for the December quarter).

Crypto asset data-matching program: ATO gazette notice

The ATO has issued a notice on its intention to acquire account identification and transaction data from crypto designated service providers for 2023-24 to 2025-26.

Miscellaneous super and taxation regulations amendments

Treasury has registered an instrument to make miscellaneous and technical amendments to regulations in the Treasury portfolio to correct errors and unintended outcomes.

TBB draft guidance on breach reporting obligations – Request for comments

The Tax Practitioners Board (TPB) has released draft guidance on breach reporting obligations and has requested comments by 28 May 2024.

IGTO - Tax Identity Fraud: An Own Initiative Investigation Interim Report

The Inspector-General of Taxation & Taxation Ombudsman (IGTO) has issued an 'interim report of our own initiative investigation into Tax Identity Fraud, focusing on the importance of bank account integrity. The report focuses on the ATO's risk management controls to prevent fraudsters from changing the bank account details on legitimate taxpayers' ATO accounts, which is a fundamental step in obtaining fraudulent refunds from the tax system.'

Decoding Division 7A – managing loans

The ATO have recently issued updated guidance on avoiding 'unexpected tax consequences by correctly managing the requirements of a Division 7A loan'.

FINANCIAL SERVICES

ASIC: get ready for climate change reporting now

ASIC Chair Joe Longo has outlined ASIC's initial enforcement approach in administering the proposed mandatory climate reporting regime.

SUPERANNUATION

Superannuation CEO Roundtable: notes released

ASIC and APRA has released the public notes on the Superannuation CEO Roundtables attended by various super trustee CEOs and other executives.

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.

TAXATION

March quarter CPI figures released: impact on HECS/HELP debt

The Australian Bureau of Statistics (ABS) has [released](#) the CPI index number of 137.4 for the March Quarter 2024 (up from 136.1 for the December quarter). This CPI index number is used to index HELP/HECs debts on 1 June under s 140-10 of the Higher Education Support Act 2003. Accumulated HELP/HECs debts will increase by 4.7% on 1 June 2024.

The Consumer Price Index (CPI) rose 1.0% this quarter. While prices continued to rise for most goods and services, annual CPI inflation was down from 4.1% last quarter and has fallen from the peak of 7.8% in December 2022.

Crypto asset data-matching program: ATO gazette notice

The ATO has issued a [notice](#) on its intention to acquire account identification and transaction data from crypto designated service providers for the 2023-24 financial year through to the 2025-26 financial year, inclusive.

Data items include:

- client identification details (names, addresses, date of birth, phone numbers, social media account and email addresses)
- transaction details (bank account details, wallet addresses, transaction dates, transaction time, transaction type, deposits, withdrawals, transaction quantities and coin type).

The data will be acquired and matched to ATO systems to identify and treat clients who failed to report a disposal of crypto assets in their income tax return. The ATO estimates that records relating to approximately 700,000 to 1,200,000 individuals and entities will be obtained each financial year.

Miscellaneous super and taxation regulations amendments

Treasury has registered the [Treasury Laws Amendment \(Miscellaneous and Technical Amendments\) Regulations 2024](#). The purpose of the instrument is to make miscellaneous and technical amendments to regulations in the Treasury portfolio to correct errors and unintended outcomes, make technical changes and quality improvements.

A notable amendment is in relation to adding a paragraph into the definition of "superannuation system" in regulation 5.01 of the Superannuation Industry (Supervision) Regulations 1994 to refer to the Commissioner of Taxation in their role as the maker of payments to a superannuation provider under the subsections to afford the correct status and treatment of the payments in the superannuation system.

Date of effect: Varies according to the status of the regulation or legislation being amended.

TBB draft guidance on breach reporting obligations – Request for comments

The draft guidance consists of a [draft information sheet](#), [summary document](#) and [high-level decision tree](#). Together, these documents explain:

- the additional breach reporting obligations, supported by practical case studies
- when the obligations apply
- what constitutes a significant breach
- the timeframe for reporting a significant breach
- what happens if a significant breach is not reported.

The IPA will be providing comments on this guidance and we are asking members to please send any feedback to us at ipaadvocacy@publicaccountants.org.au by **21 May 2024**, so that we may collate all the feedback and send a consolidated response to the TPB by the due date of 28 May 2024.

IGTO - Tax Identity Fraud: An Own Initiative Investigation Interim Report

IGTO has said that 'following the commencement of our investigation, the IGTO received numerous submissions from the taxpayer and tax practitioner community that raised concerns about the ATO's lack of action in detecting and preventing tax identity fraud.

The IGTO also investigated ATO actions taken in response to potential tax identity fraud that were the subject of taxpayer disputes (unresolved complaints).

The IGTO makes a total of thirteen (13) recommendations for ATO improvement in this interim (Phase 1) report.

You can read more information here on:

- [Tax Identity Fraud: an own initiative investigation Interim Report – The importance of bank account integrity](#)
- [ATO response](#)
- [Summary slide deck](#)

Decoding Division 7A – managing loans

The ATO has published the below guidance.

‘Division 7A can apply to loans, payments or other benefits when an associate or shareholder accesses money from their private company. When not managed correctly, this can result in the transfer of funds being treated as an unfranked dividend and larger than expected tax bills for your clients.

To avoid these unexpected tax consequences, place all payments and loans that haven't been repaid on a complying Division 7A loan. This agreement must be in place before the company's tax return lodgment date.

A Division 7A complying loan agreement must:

- be in writing before the company's tax return lodgment day
- have an interest rate for each year of the loan at least equal to the Division 7A benchmark interest rate
- have a maximum term of 7 years for an unsecured loan, or 25 years for certain secured loans.

The following details should also be documented:

- the identity of the parties
- the amount of the loan or amounts covered by the loan agreement
- the requirement to repay
- the agreement signed and dated by the parties.

We'll continue to support you and your clients to better understand Division 7A. In the next article, we'll focus on the rules for minimum yearly repayments on complying loans. We discussed the most [common mistakes](#) we're seeing and how you can avoid them in the previous article and our [February webinar](#).

We recommend you bookmark or favourite our [private company benefits – Division 7A dividends](#) web content so you can easily access our comprehensive information when you need it'.

FINANCIAL SERVICES

ASIC: get ready for climate change reporting now

ASIC Chair Joe Longo has outlined ASIC's initial enforcement approach in administering the [proposed mandatory climate reporting regime](#). In a recent [speech](#), he has urged large companies to start considering and putting into place the systems, processes and governance practices that required to meet new climate reporting requirements, proposed to commence from 1 January 2025, stating:

"It's simply not an option to put this off until after legislation has passed, and then scramble to comply. You have to figure out how you're going to marshal data, support and capabilities and start keeping the necessary records now - today."

SUPERANNUATION

Superannuation CEO Roundtable: notes released

ASIC and APRA has released the [public notes](#) on the Superannuation CEO Roundtables. Jointly hosted by ASIC and APRA, the roundtables were attended by 20 superannuation trustee Chief Executive Officers and other executives, representing a broad cross-section of the industry.

REGULATOR NEWS

ASIC News

ASIC has released the following updates in its Newsroom section:

- [26 April 2024 - MEDIA RELEASE24-086MR Southern Steel Group Pty Limited re-lodges FY23 financial report with comparatives](#) - Southern Steel Group Pty Limited (Southern Steel) has re-lodged its financial report for the year ended 30 June 2023 after ASIC's inquiries. When Southern Steel initially lodged its 30 June 2023 financial report, the financial report failed to include comparatives for the 30 June 2022 financial year which is a requirement of accounting standards. ASIC raised concerns with Southern Steel that they had failed to comply with the requirements of AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities. After these discussions, Southern Steel agreed to re-lodge its 30 June 2023 financial report with comparatives.
- [26 April 2024 - MEDIA RELEASE24-085MR NSW financial adviser Adele Baaini permanently banned from credit and financial services industries](#) - ASIC has permanently banned NSW based financial adviser Adele Baaini from providing any financial services, controlling an entity that carries a financial services business, performing a function involved in the carrying on of a financial business or from engaging in credit activities. ASIC found Ms Baaini engaged in dishonest conduct and failed to act with integrity and sound judgment in relation to a financial service.
- [26 April 2024 - MEDIA RELEASE24-084MR ASIC orders end to Centrepay credit](#)

[arrangements in Urban Rampage stores](#) - ASIC has ordered that Coral Coast Distributors (Cairns) Pty Ltd can no longer sign-up customers into Centrepay credit arrangements in its Urban Rampage stores. The decision comes after ASIC found that those arrangements were unsuitable for consumers in Coral Coast's target market because they were unlikely to be consistent with their financial situation and placed them at risk of financial hardship.

- [26 April 2024 - NEWS ITEM ASIC releases March 2024 financial adviser exam results](#) - ASIC today released the exam results from the 24th Financial Advisers Exam cycle, held in March 2024. This is the first exam to reflect the amendments in the Corporations (Relevant Providers—Education and Training Standards) Amendment (2024) Measures No. 1) Determination 2024. The exam, conducted by the Australian Council for Educational Research (ACER) since inception, follows a rigorous process to ensure all candidates in each cycle are tested to the same standards.
- [23 April 2024 – NEWS ITEM - No-action position on financial reporting obligations of special purpose financing subsidiaries and their guarantors](#) – Following stakeholder feedback, ASIC will not take enforcement action against special purpose financing subsidiaries or other wholly owned subsidiaries that issue debentures to sophisticated or professional investors simply for not preparing annual reports. ASIC had been advised that some entities had been operating on the basis that they were not excluded from relief from the reporting requirement under ASIC Instrument 2016/785.
- [23 April 2024 – SPEECH – Start preparing now: Early ASIC guidance on the mandatory climate disclosure regime](#) – ASIC Chair Mr Joe Longo provided the keynote speech at the Deakin Law School International Sustainability Reporting Forum on 22 April 2024. Companies and other reporting entities need to put systems and practices into place to meet climate reporting requirements. ASIC is mindful of the new environment faced by all participants and will make guidance available and will continue to work with the Government and other regulators.
- [22 April 2024 – MEDIA RELEASE - Former Victorian director charged with breaching his director duties and making false statements to ASIC](#) – Mr Benjamin Thomas Molloy of Point Cook, Victoria has been charged with breaching his duties as a director under s 184 and five counts of making false statements to ASIC under s 1308 of the *Corporations Act 2001* (Cth). ASIC alleges that, between 2019 and 2021, he misused his position of director by causing the proceeds of the sale of an asset to be redirected between companies. The maximum penalty for the offences is 15 years' imprisonment. The matter has been adjourned until July 2024 in the Melbourne Magistrates' Court.
- [22 April 2024 – MEDIA RELEASE - Henry Eng Chye Heng sentenced to 18 months' imprisonment for misleading share trading](#) – The former managing director and executive chairman of Perth-based bottled water producer Eneco Refresh has been sentenced to an 18-month term of imprisonment for market manipulation and creating a false or misleading appearance of an active market. However, the sentence was commuted to a 12-month good behaviour bond by the Perth District Court. Mr Heng used share trading accounts in the names of family members to manipulate the share price create the impression that the company's shares were being actively traded in a period spanning 2020 and 2021.
- [22 April 2024 – MEDIA RELEASE – ASIC cancels licence of JB Markets](#) – ASIC has cancelled the AUSTRALIAN Financial Services Licence of JB Markets Pty Ltd because it failed to comply with the financial requirements of the licence and failed also to have adequate resources in place. Section 912A of the *Corporations Act 2001* (Cth) sets out licensees' general obligations including financial requirements. The licence had been suspended since November 2023.
- [19 April 2024 – MEDIA RELEASE – Macquarie Bank to pay \\$10 million for failure to properly monitor system for third-party fee withdrawals from customer accounts](#) – In the

Federal Court, Wigney J ordered Macquarie Bank Pty Ltd to pay \$10 million in penalties for failing to meet its responsibilities under s 912A of the *Corporations Act 2001* (Cth). By allowing one of its advisers to fraudulently withdraw \$2.9 million from customer accounts between 2016 and 2020, Macquarie did not ensure that the financial services covered by its services were provided efficiently, honestly and fairly.

APRA news

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

- [23 April 2024 – NEWS ITEM – APRA consults on enhancements to quarterly insurance publication suite](#) – APRA proposes to introduce enhancements to its quarterly statistics for general, life and health insurance by adding dynamic data tables and visualisations. Submissions are open until 22 May 2024.