

TAXATION

Administrative Review Tribunal announced to commence in October

The Attorney-General's Office has announced that the operational commencement date of the ART will be 14 October 2024.

Foreign resident capital gains withholding tax regime: exposure draft

Treasury has issued a draft Bill proposing amendments to Subdiv 14-D in Sch 1 to the TAA to modify the foreign resident capital gains withholding tax regime.

Consultation paper on changes to foreign resident capital gains tax released

Treasury has issued a consultation paper proposing measures to strengthen the foreign resident capital gains tax regime.

Recent Tax Agent Services law changes: TPB overview

The Tax Practitioners Board has issued a reminder to tax practitioner of changes to the Tax Agent Services Act, many of which apply from 1 July 2024.

PS LA 2011/4 - Collection and recovery of disputed debts updated

The ATO has released an updated version of PS LA 2011/4 - its practice statement on the collection and recovery of disputed debts.

Extension of time for SMEs to self-amend returns: exposure draft

Treasury has issued a draft Bill for consultation proposing to amend the ITAA 1936 to allow SMEs an extension of time to self-amend returns.

Latest issue of ATO's interpretationNOW! released

The ATO has released Episode 110 of interpretationNOW!

Tax Practitioners Board (TPB) registration review

The government has released a consultation paper reviewing the [Tax Practitioners Board \(TPB\) registration requirements](#) for tax practitioners with a particular focus on the education, qualification and experience requirements for new entrants and existing practitioners.

Tax Practitioner Governance and Standards Forum and Consultative Forum - 24 July 2024

A meeting of the combined Tax Practitioner Governance and Standards Forum (GSF) and Consultative Forum (CF) was held on Wednesday, 24 July 2024. We also welcomed Treasury's attendance and appreciated everyone's valuable input.

Scam awareness at tax time 2024

A key focus for the ATO this tax time is to protect taxpayers from scammers. Before giving anyone personally identifying information (PII), the ATO are encouraging people to Stop, Think and Protect.

Code of Professional Conduct Determination – ongoing advocacy

The Joint Professional Bodies are continuing their advocacy efforts in relation to Tax Agent Services (Code of Professional Conduct) Determination 2024 (the Determination).

SUPERANNUATION

APRA Prudential Handbook - final digital version released

APRA has released the final version of its digital Prudential Handbook, consolidating APRA's prudential standards, practice guides and supporting information in one location.

TD 2024/6: Trustee risk reserves: deductibility of fund payments to trustee

TD 2024/6 considers the deductibility of payments made by a super fund to its trustee to address the trustee's risk of exposure arising from amendments to s 56 of the SIS Act.

ASIC reminds super trustees of new financial reporting and audit obligations

ASIC has reminded superannuation trustees that audited financial reports are now required to be lodged with ASIC within 3 months of the end of the fund's financial year.

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.

A simplified trust account framework for Queensland's building industry

The Queensland Government has amended the [trust account framework](#) for the building and construction industry, which aims to help protect subcontractor progress payments and retentions, particularly in the event of insolvency.

TAXATION

Administrative Review Tribunal announced to commence in October

The Attorney-General's Office has [announced](#) that 14 October 2024 will be the operational commencement date of the Administrative Review Tribunal ("ART"). The new federal review body will replace the Administrative Appeals Tribunal (AAT).

This follows the passing of legislation to abolish the AAT and replace it with the ART, in May 2024.

All matters currently before the AAT will continue as usual and will automatically transition to the ART upon its commencement. People who have applied to the AAT for review of a decision do not need to submit a new application, and all AAT decisions that have already been finalised will not be considered again by the ART.

Foreign resident capital gains withholding tax regime: exposure draft

Following the Government's announcement during the 2023-24 Mid-Year Economic and Fiscal Outlook to improve the integrity of the foreign resident capital gains withholding ("FRCGW") regime, Treasury has issued a draft Bill entitled [Treasury Laws Amendment Bill 2024: Foreign Resident Capital Gains Withholding Payments](#).

The Bill amends Subdiv 14-D in Sch 1 to the Taxation Administration Act 1953 to modify the FRCGW regime to:

- increase the withholding rate to 15 per cent (from 12.5 per cent); and
- remove the threshold (currently \$750,000) before which withholding applies so that disposals of relevant CGT assets by a foreign resident are subject to FRCGW requirements regardless of the market value of the CGT asset.

DATE OF EFFECT: The amendments apply to acquisitions made on or after the later of the start of 1 January 2025 and the commencement of Sch 1 of the Bill.

SUBMISSIONS are due by 5 August 2024.

Consultation paper on changes to foreign resident capital gains tax released

Treasury has issued a consultation paper proposing measures to strengthen the foreign resident capital gains tax ("CGT") regime. The consultation paper, entitled [Strengthening the foreign resident capital gains tax regime](#) follows the Government's announcement in the 2024-25 Budget to clarify and broaden the types of assets that foreign residents are subject to CGT on, and improve the integrity of the foreign resident CGT regime while aligning Australia's foreign resident CGT regime more closely with international tax practice.

Proposed to apply to CGT events commencing on or after 1 July 2025, the reforms consist of 3 complementary elements to increase the integrity and certainty of the foreign resident CGT rules contained in Div 855 of the ITAA 1997:

- clarify and broaden the types of assets that foreign residents are subject to CGT on;
- amend the point-in-time principal asset test ("PAT") to a 365-day testing period; and
- require foreign residents disposing of shares and other membership interests exceeding \$20 million in value to notify the ATO, in the approved form prior to the transaction being executed.

SUBMISSIONS are due by 20 August 2024.

Recent Tax Agent Services law changes: TPB overview

The Tax Practitioners Board ("TPB") has issued a [media release](#) to serve as a reminder to tax practitioners the changes to Tax Agent Services Act 2009 ("TASA"), many of which applies from 1 July 2024:

- **Moving to an annual registration period** - from 1 July 2024 the registration period for tax practitioners moved to an annual cycle (from a 3-year period). This change applies to both new and renewal applications submitted from 1 July 2024;
- **Additional Code obligations** - the Tax Agent Services (Code of Professional Conduct) Determination 2024, effective 1 August 2024, introduces 8 additional Code of Professional Conduct ("Code") obligations that reinforce the high professional and ethical standards expected of tax practitioners;
- **Breach reporting obligations** - from 1 July 2024 tax practitioners are required to report significant breaches to the Code relating to their own conduct and that of other registered tax practitioners to the TPB. If the breach is by another registered tax practitioner, they must also report the breach to the recognised professional association of the tax practitioner;
- **Whistleblower protections** - from 1 July 2024, individuals who disclose information to the TPB about a related entity where it assists the TPB's functions or duties under the TASA will qualify for whistleblower protection;
- **Extending the period of TPB investigations** - from 1 July 2024, the timeframe for the TPB to make a decision about the outcome of an investigation has been extended to a 24-month period (from a 6-month period) to allow the TPB additional time to properly consider complex matters more extensively.

Relevant links to more information for each of the changes are available in the media release. The TPB also said that it will release draft guidance materials on the new Code obligations progressively for consultation.

PS LA 2011/4 - Collection and recovery of disputed debts updated

The ATO has released an updated version of [PS LA 2011/4](#), its practice statement on the collection and recovery of disputed debts. The update clarifies the ATO's expectation that large business and wealthy group taxpayers either pay their disputed debt in full or enter into a 50/50 arrangement. If they fail to do either of these, the ATO may take action to secure payment of the disputed debt before the dispute is resolved.

Extension of time for SMEs to self-amend returns: exposure draft

Treasury has issued the draft [Treasury Laws Amendment Bill 2024: Self-amendments by small and medium businesses](#). The draft Bill proposes to amend the ITAA 1936 to allow small and medium business entities up to 4 years after the Commissioner has given notice of an assessment, to apply to have the assessment amended.

As background, the Government announced the small business package "Driving Collaboration with Small Business to Reduce the Time Spent Complying with Tax Obligations" as part of the 2023-24 Budget. The package is intended to deliver reforms to cut paperwork and reduce the time small businesses spend doing taxes. The draft Bill proposes to implement one component of the package - extending the time for small and medium business entities to request amendments to their tax assessments, from 2 years to 4 years.

The draft Bill proposes to allow the Commissioner, on application by the taxpayer, to amend an assessment of an individual, a company or a person in their capacity as trustee of a trust estate, where the taxpayer is a small or medium business entity, within 4 years after the day on which the Commissioner gives notice of the assessment to the taxpayer. The application for an amendment must be in the approved form and given to the Commissioner before the expiry of the 4-year period.

While the Commissioner is permitted to amend the assessment within the extended period, the provision does not require the Commissioner to make the requested amendment. The Commissioner is also restricted to only amend the assessment to give effect to the decision on the taxpayer's application.

DATE OF EFFECT: The amendments apply in relation to assessments issued after commencement of Bill for income years starting on or after 1 July 2024.

SUBMISSIONS are due by 9 August 2024.

Latest issue of ATO's interpretationNOW! released

The ATO has released [Episode 110](#) of its series on statutory interpretation entitled interpretationNOW!.

Tax Practitioners Board (TPB) registration review

Response to PwC – Review of the eligibility requirements for tax practitioner registration with the Tax Practitioners Board

'Key features of the proposed enhanced registration regime

Treasury is seeking stakeholder feedback on whether enhancements to the following areas of the registration regime are appropriate, and views on the proposed options where outlined. These areas include:

- strengthening company and partnership registration eligibility requirements
- re-evaluating the professional association accreditation and registration pathways
- broadening the TPB's ability to accept alternative forms of 'relevant experience'
- amending the primary qualification settings prescribed in the TASA
- improving the 'fit and proper person' test set out in the TASA

Other proposals for consideration

Treasury is seeking stakeholder views on whether gaps exist elsewhere in the registration regime, and if so, what solutions could help strengthen and modernise the registration framework to ensure it is fit for purpose. This may include feedback on whether existing definitions within the TASA are adequate.

A list of possible proposals, including some identified in the 2019 TPB review, is listed below for consideration.

- Addition to the Code to require individual tax practitioners to maintain contingency and succession plans to provide for continuity of services to clients in the event of significant or disruptive events (e.g. a sole practitioner is incapacitated, or a tax practitioner is subject to a cyber-attack).
- Noting the findings of the 2020 TPB review of education standards for tax and BAS agents, and recommendations from the 2019 TPB review, amending the TASA to allow the TPB to consider other qualifications outside the traditional tax practitioner course of study.
- Amending the TASA to appropriately capture or regulate existing and emerging tax intermediaries, including service providers such as digital software providers, tax advisers of cryptocurrency disposal, and conveyancers.
- Amending the TASA to change the definition of tax agent services, consequently changing who is required to register with the TPB. Under the current framework, individuals employed as tax managers or tax advisers within an organisation are not required to register with the TPB even where those employees are providing tax agent services to their employer. This also extends to employees from external tax firms who may be seconded within a client to manage a client's tax

Review of the eligibility requirements for registration with the Tax Practitioners Board affairs from within the client organisation. Consequently, these employees or secondees are not subject to TASA oversight. Options could include requiring certain classes of in-house tax advisers to be registered tax practitioners or including secondment services within the scope of the TASA, to ensure that there is consistency of regulation between in-house and external advisers.

- Legal practitioners who provide legal services, which includes tax advice, are regulated in their respective State and Territory and are generally exempt from registration with the TPB. It is only where that legal service includes preparing, or lodging, a return (or a statement in the nature of a return, such as an income tax return or a business activity

statement), that the legal practitioner is required to register with the TPB. The 2019 TPB Review considered it was appropriate that the general exemption from TPB registration remain, noting the regulatory overlaps that would otherwise exist. Treasury seeks views on the appropriateness of this exemption continuing and whether legal practitioners should be required to register with the TPB to provide tax agent services for a fee, even if it does not include the preparation or lodgement of a return or a statement in the nature of a return.'

Please send your comments or feedback by **1 August 2024** to ipaadvocacy@publicaccountants.org.au and we consolidate and include them in our submission.

Tax Practitioner Governance and Standards Forum and Consultative Forum - 24 July 2024

Below is a summary of the key messages arising from the combined Tax Practitioner Governance and Standards Forum (GSF) and Consultative Forum (CF) held on Wednesday, 24 July 2024.

1. The purpose of the meeting was to discuss the [Tax Agent Services \(Code of Professional Conduct\) Determination 2024](#). The Determination sets out further obligations to supplement and elaborate on the Code of Professional Conduct (the Code) that will strengthen the professional standards of tax practitioners to enhance public trust and confidence in the tax profession, implement recommendations from the 2019 [independent review](#) into the effectiveness of the TPB and the Tax Agent Services Act 2009 (TASA), and respond to the PwC tax leaks scandal.
2. From 1 August 2024, tax practitioners will need to comply with 8 additional Code obligations that will supplement the existing Code obligations. These new obligations have been informed by stakeholder input received from public consultation.
3. The Australian Government recognises the vital role that tax practitioners play in the tax system. Recent events associated with the PwC tax leaks matter have highlighted gaps in regulation of the profession. The government has determined that the TPB (as regulator), requires enhancement to TASA legislative framework to ensure appropriate standards of professional and ethical conduct in the profession.
4. Treasury provided background information relating to the Determination. In particular that:
 - a. Recommendation 5.1 from the 2019 TPB Review^[1] recommended:

The relevant Minister be given a legislative instrument power to be able to supplement the Code of Professional Conduct to address emerging or existing behaviours and practices. The legislative instrument process would also ensure appropriate consultation with key stakeholders and parliamentary oversight.

- b. Further, on 6 August 2023, the government announced a significant package of reforms to address misconduct and rebuild people's confidence in the systems and structures that keep our tax system and capital markets

- strong. These reforms were aimed at strengthening the integrity of the tax system, increasing the powers of our regulators and strengthening regulatory frameworks to ensure they are fit for purpose.
- c. One element of the package was supplementing the Code – which the new Code items give effect to. See the [government response to PwC tax leaks scandal](#) for further information.
 - d. The government welcomed the ongoing assurances from members of the GSF and CF that the profession supports and welcomes a more robust and effective regulatory framework of the tax profession, and an offer of ongoing constructive collaboration to assist and guide tax practitioners during implementation.
5. Treasury referenced the letter of the Joint Bodies of 15 July 2024, and clarified several points on the operation of the new obligations. In particular:
- a. Confirming that the new obligations operate consistently with the existing Code obligations, and the TASA, to deliver a coherent set of ethical and professional standards.
 - b. Advising that the new Code items are informed by, and are broadly consistent with, standards made by Accounting Professional & Ethical Standards Board (APESB),^[2] and existing obligations already applying to tax practitioners under the TASA, taxation laws and the Criminal Code. The new Code items also reflect ethical standards already applying to other similar professions – and are therefore well tested.
 - c. Assuring members that those practitioners that already comply with APESB standards will generally be complying with the new Code obligations. Treasury and the TPB expected the majority of tax practitioners, who already do the right thing, will already be generally compliant with all obligations under the expanded Code.
 - d. Noting that tax practitioners owe duties to maintain public trust in the tax profession, and public trust in the tax system. Tax practitioners also owe duties to their clients. The duties sit alongside each other, uneasily at times, but not fundamentally opposed. The existing Code already reflects possible tension between the duties by acknowledging that sometimes the tension will need to resolve in favour of the public interest by permitting disclosure of certain information in certain situations to regulatory authorities where the law requires them to do so.
 - e. Confirming that one new limited scenario requiring disclosure to authorities, which was revised and limited in scope following public consultation, is where the tax practitioner becomes aware that they were involved in making or preparing a false or misleading statement that was given the ATO or TPB. If the statement was made by a client, tax practitioners will firstly need to advise their clients to correct the statement, and only where the client does not act to correct the statement, does the practitioner need to notify the ATO that the statement given may have been false or misleading. There is no obligation to correct the statement for the client, nor necessarily provide anything more than some basic details to the ATO. Any further action is then a matter for the ATO.
 - f. The obligations requiring disclosure to clients of relevant matters relates only to matters that could significantly influence a reasonable client's decision to engage the tax practitioner to provide tax agent services. Despite some commentary in media, the obligation is an objective test and does not apply to insignificant matters, nor matters that do not relate to a

practitioner being a competent and fit or proper person to provide tax agent services. The obligation reinforces the general duty to act in clients' best interest, allowing clients to make informed decisions. Disclosure of some past events is necessary as those events may be just as important to fully informed decision-making as future events.

- g. The new obligations were developed to recognise different business models of a small practice and a large firm. What is required from each practitioner will turn on their individual circumstances. For example, a system of quality management for a sole practitioner will be fairly streamlined, simple and straightforward, because that practitioner is unlikely to require much more to be confident that they are compliant with the Code in providing tax agent services.
6. The TPB emphasised that there will be a transitional phase and that once the new obligations commence, the TPB will take a pragmatic approach to implementation. The TPB's immediate focus is to finalise guidance, through consultation, educate tax practitioners so they understand what is required of them and to support those tax practitioners genuinely trying to do the right thing. This includes providing a reasonable time for tax practitioners to understand their obligations, assess their own practice and implement changes, if required, to comply with the new obligations.
7. The TPB confirmed its commitment to seek initial feedback and input from professional associations before draft guidance is released for public consultation. The TPB advised of an updated anticipated timeline for consulting on guidance to support the new requirements as follows:

Guidance	Expected release date for public consultation on draft guidance product	Expected date for finalisation of guidance product
Tranche 1	Early August	Late September
<ul style="list-style-type: none"> False or misleading statements (s15) Conflicts of interest (s20) Maintaining confidentiality (s25) 	(4-week consultation period)	
Tranche 2	Late August	Early November
<ul style="list-style-type: none"> Record keeping (s30) Competence (s35) Quality management systems (s40) Informing clients of relevant matters (s45) 	(6-week consultation period)	

Tranche 3	Early September	Early November
<ul style="list-style-type: none"> Upholding standards (s10) 	(4-week consultation period)	

The TPB also confirmed that the release of draft and final guidance products will be supported by information on TPB's website, webinars and other communication products.

The professional associations raised several questions and concerns, including:

1. the start date of 1 August 2024 being insufficient for tax practitioners to comply with the new requirements
2. the false and misleading statement item in Code Determination was inconsistent with Code item 6 (confidentiality of client information) in the TASA
3. that there had been significant additions to the Code Determination that were not subject to further stakeholder consultation
4. the obligation to notify clients of 'all relevant matters' was too wide and should be clearer in the Code Determination that it does not include matters related to personal beliefs and health issues. Concerns about having to notify clients of events dating back to 1 July 2022 were also raised
5. the broad scope of the new Code Determination item relating to 'keeping proper client records'
6. the lack of differentiation in what is required of a small practice compared to a large firm in relation to the new item in the Code Determination relating to having a quality management system in place.

The TPB and Treasury acknowledged this feedback and provided further information, including a reference to the TPB's recently published [FAQs](#), to address the concerns being raised. The TPB agreed to taken on board the discussion and incorporate into the draft guidance products wherever appropriate.

Members were thanked for their time and contributions during the meeting. Given the significant reform program impacting the tax profession, it was agreed that frequent and targeted engagement with the GSF and CF on emerging issues will continue.

There was agreement that the community deserves to receive high quality taxation advice from advisers they can trust, and that all GSF and CF attendees were united behind that common goal.

References

^[1] Recommendation 5.1 was given effect by Treasury Laws Amendment (2023 Measures No. 1) Act 2023.

^[2] See: APES110, APES220, and APES320, which is available at www.APESB.org.au. APESB standards are binding on all members of the CPA Australia, CA ANZ and IPA.

Scam awareness at tax time 2024

Stop – don't share any PII unless you trust the person and they genuinely require your details.

Think – ask yourself if the message or call could be fake. Never click on hyperlinks directing you to an online log in portal.

Protect – contact us as soon as possible if something feels wrong or if you've noticed suspicious activity on your ATO accounts.

If you think a phone call, SMS, voicemail, email or interaction on social media claiming to be from the ATO is not genuine, do not engage with it. You should either:

- go to [Verify or report a scam](#) to see how to spot and report a scam, or
- If you have divulged information or paid a scammer money, phone the ATO on 1800 008 540.

Code of Professional Conduct Determination – ongoing advocacy

To date we have written an open [letter to Assistant Treasurer](#), had meetings with TPB and Treasury and Ministers office.

Our ongoing advocacy will now include members of Parliament in the lead up to resumption of Parliament sittings on 12 August.

Our position has been to have the Determination removed and conduct further targeted consultation to ensure the new measures can be fairly implemented and that there are no unintended consequences for tax practitioners or the regulator, the Tax Practitioners Board (TPB).

The TPB has also issued a communique (See item in this edition titled 'Tax Practitioner Governance and Standards Forum and Consultative Forum - 24 July 2024')

SUPERANNUATION

APRA Prudential Handbook - final digital version released

APRA has released the final version of its digital [Prudential Handbook](#), following a beta launch in June 2024. The handbook consolidates APRA's prudential standards, practice guides, and supporting information in one location. It offers search functionality within standards and guidance, and shows how standards fit into the prudential framework. Reporting standards remain on APRA's main website.

A video overview of the handbook is available on the [APRA website](#) for users seeking additional information.

TD 2024/6: Trustee risk reserves: deductibility of fund payments to trustee

The ATO has issued [Taxation Determination TD 2024/6](#) which considers the deductibility of payments made by a superannuation fund to its trustee to address the trustee's risk of exposure arising from amendments to s 56 of the Superannuation Industry (Supervision) Act 1993. From 1 January 2022, a provision in a fund's governing rules is void in so far as it exempts or indemnifies the trustee from penalties under Commonwealth law. The ATO notes that impacted funds have taken differing approaches to address the risk of exposure to penalties, including establishing or building a trustee risk reserve.

The ATO view is that a fund payment to the trustee is deductible if it is for trustee services. This is the case even if the trustee increases its existing ongoing and recurrent charges for those services to reflect the increased cost of providing those services. The payment would need to be apportioned if some of the expenditure relates to gaining or producing exempt or NANE income.

A fund payment would be capital in nature and therefore not deductible under s 8-1 if the trustee charges the fund the amount in order to build or maintain a reserve to address the trustee's risk due to the s 56 amendments, and the amount is charged as a lump sum, or as lump sum instalments or an ongoing amount that is separate and distinct from its existing ongoing and recurrent charges for trustee services.

DATE OF EFFECT: retrospective.

TD 2024/6 finalises TD 2023/D3 and contains the same views as the draft.

ASIC reminds super trustees of new financial reporting and audit obligations

ASIC has [reminded](#) superannuation trustees that audited financial reports are now required to be lodged with ASIC within three months of the end of the fund's financial year. For most funds, the deadline is 30 September 2024.

Audited financial reports must include the financial statements and notes, directors' declaration, auditor's report and director's report, which contains remuneration disclosure. Recent reforms also require trustees to make fund financial reports publicly available on the fund website.

REGULATOR NEWS

ASIC News

ASIC has released the following updates in its Newsroom section:

- [25 July 2024 – MEDIA RELEASE – ASIC suspends Australian credit licence of John Adicho](#) – ASIC has suspended Melbourne-based credit licensee John Adicho from engaging in credit assistance activities for a period of six months until 18 December 2024. ASIC had found that he had failed to discharge the duties and obligations of a credit licensee, and cannot be relied on to do so. He had held the licence since 2011.
- [25 July 2024 – MEDIA RELEASE – EuropeFX director Pedro Sasso banned for five](#)

[years](#) – ASIC has banned Pedro Eduardo Sasso, the director of Maxi EFX Global AU Pty Ltd, from directing or controlling an entity carrying on a financial services business for five years starting on 6 May 2024. EuropeFX had been the corporation authorised representative of Union Standard International Group Pty Ltd (in liq). ASIC found that he is not a fit and proper person to hold a licence, nor competent to act in a financial services business because he failed to investigate client complaints, and abrogated his responsibility to supervise and oversee overseas-based persons. The Administrative Appeals Tribunal refused his application for stay and confidentiality orders.

- [25 July 2024 – NEWS ITEM – New financial reporting and audit obligations for superannuation funds commence](#) – In the interests of transparency and accountability, superannuation trustees must now lodge audited financial reports within three months of the end of the fund's financial year. Audited reports must include financial statements and notes, directors' declaration and report, and the auditor's report. The obligations are detailed in Part 2M.3 of the *Corporations Act 2001* (Cth). For most funds, the first deadline is 30 September 2024.
- [25 July 2024 – NEWS ITEM – Annual ASIC insolvency data reveals increase in companies failing](#) – A newly released annual report from ASIC indicates that over 11,000 companies entered external administration for the first time in the 2023-2024 financial year. In absolute terms, this is higher than the last peak although it is a smaller share of the total of registered companies. Restructuring appointments grew strongly during the year. Construction, accommodation and food services were the industries most affected by administrations.
- [25 July 2024 – MEDIA RELEASE – ASIC sues COFCO International Australia Pty Ltd and COFCO Resources SA for futures market manipulation](#) – ASIC has commenced proceedings against COFCO International Australia Pty Ltd and COFCO Resources SA, alleging that the companies manipulated the market for Eastern Australia Wheat Futures January 2023 contracts in early 2022. ASIC seeks declarations and civil penalties in the Federal Court against both companies, reflecting one of its priorities for 2023 of preventing manipulation in energy and commodity derivatives markets.
- [24 July 2024 – MEDIA RELEASE – Australians can be confident in the integrity of our equity markets: ASIC report](#) – ASIC has released a new report, *Equity market cleanliness snapshot report 786 July 2024*, which indicates that equity markets in Australia operate with a high level of integrity. The report covers the five-year period up to 30 April 2024. In that span of time, there were two temporary periods of deterioration: the first during the COVID-19 pandemic, and the second in late 2023 as corporate activity increased again.
- [23 July 2024 – MEDIA RELEASES – Charges laid in alleged Telegram 'pump and dump' conspiracy following ASIC investigation](#) – Four people have been charged in the Downing Centre Local Court in Sydney with conspiring to artificially inflate selected Australian stock prices before dumping them. They are charged with dealing with the proceeds of crime, conspiracy to rig the share market, and false trading under the Criminal Code and s 1041B of the *Corporations Act 2001* (Cth). ASIC became aware of the activity via the Telegram social media forum and warned traders in the group that they may be breaking the law.
- [22 July 2024 – MEDIA RELEASES – ASIC secures travel restraint orders against financial advisor Barry King](#) – Melbourne-based financial adviser Barry David King is restrained from leaving or attempting to leave Australia until 1 April 2025 as a result of orders granted by Black J in the Supreme Court of New South Wales. ASIC is currently investigating the King Financial Group of companies and related trusts with regard to alleged financial misconduct.
- [22 July 2024 – MEDIA RELEASES – ASIC protects small business: Quarterly Update 1](#)

[April – 30 June 2024](#) – In the second quarter of 2024, ASIC banned a number of directors for the maximum five years for illegal phoenix company activity and making uncommercial transactions with company funds as a result of their involvement in collapsed companies. Their actions unfairly affected many legitimate creditors, including their employees, other small businesses and the Australian Taxation Office. ASIC's enforcement activity is geared to protecting small businesses from unscrupulous individuals and providing support where possible.

- [19 July 2024 – NEWS ITEM – ASIC and OAIC sign information sharing MoU to accelerate data and privacy breach responses](#) – ASIC and the Office of the Information Commissioner have entered into a Memorandum of Understanding to share data and information about privacy breaches. As a result of the arrangement, it is expected that ASIC will be better placed to perform its functions.

APRA news

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

- [25 July 2024 – NEWS ITEM – APRA releases annual Private Health Insurance Coverage Survey](#) – APRA has released its annual Private Health Insurance Coverage Survey publication for the December 2023 reference period.
- [24 July 2024 – MEDIA RELEASES – APRA finalises targeted changes to strengthen banks' liquidity and capital requirements](#) – APRA has released its proposals for tightening banks' liquidity and capital requirements to boost their future resilience in the face of crisis events. The proposals were the subject of a consultation starting in November 2023. APRA proposes that, from 1 July 2025, small and medium-sized banks that are subject to minimum liquidity holdings be required to adjust the value of their liquid assets regularly and all banks be equipped to report financial data when calling on exceptional liquidity assistance from the Reserve Bank of Australia.
- [23 July 2024 – MEDIA RELEASES – APRA completes program to modernise the prudential architecture](#) – APRA has published the final version of its digital Prudential Handbook. The process of its modernisation began in 2021 to clarify the regulatory framework for banks insurers and superannuation trustees and improve its responsiveness to change. The new handbook brings together all of APRA's prudential standards, practice guides and supporting information into a single central place.
- [22 July 2024 – MEDIA RELEASES – APRA issues \\$10.7 million infringement notices and accepts court enforceable undertaking from OPC](#) – APRA has accepted an enforceable undertaking from OnePath Custodians Pty Ltd in which the superannuation fund agreed to redress compliance problems and pay compensation to fund members. OnePath had already paid over \$10.7 million in infringements for its failure to invest member's default superannuation contributions in MySuper products as required under the *Superannuation Industry (Supervision) Act 1993* (Cth). In the two years since governance and cultural shortcomings were identified, new sectors of adversely affected members continue to emerge and APRA is concerned that OnePath's weaknesses are not being addressed systemically.

A simplified trust account framework for Queensland's building industry

The changes, which take immediate effect from 1 July 2024, are intended to reduce the complexity and cost of complying with the framework. In relation to accounting and record

keeping, the changes:

- simplify the trust record keeping requirements and align them to standard accounting practice (this will help to fast-track the development of software solutions that comply with the framework)
- pause the requirement for independent account reviews until suitable software is widely available
- clarify that trust account balances are not included in minimum financial requirements reporting.

For each trust, the following records must be kept separately from the business records:

- A trust account ledger that identifies the balance of beneficial interest in the trust and that consists of ledger accounts for each beneficiary, the trustee and the bank.
- A monthly reconciliation statement that ensures the trust ledger accounts balance and the bank ledger account reconciles to the bank statement for the trust account.
- Copies of the related source documents including contracts, payment claims and schedules, bank statements and trust notices related to the trust for seven years.

The Queensland Building and Construction Commission (QBCC) is suggesting building industry licensees have a 'tax-time' discussion with their accountant to consider their readiness for the next phases of the framework.

See these links for more detailed information about the [security of payment amendments](#), [operating a trust account](#) and the [future phases of the trust account framework](#).

The department has been working closely with more than 30 digital software providers to clarify record keeping requirements for trust accounts and support the development of software solutions. It is expected software will progressively become available in the market throughout late 2024 and early 2025.

Many of the changes to the framework have come about through your feedback and our interaction with the government.

We will be working together with the government and the QBCC to provide more information about record keeping requirements and the final phases of the trust account framework in coming months and into 2025.