



TAXATION

Disregarding certain payments under section 109R of the ITAA 1936: draft determination (TD 2025/D2)

The ATO has issued draft determination TD 2025/D2 setting out the ATO's views on two separate but related issues regarding the application of s 109R of the ITAA 1936.

Review of ATO's registered agent phone line efficacy: IGTO

The IGTO, Ruth Owen, is investigating the effectiveness of the ATO registered agent phone line in response to increased reports of dissatisfaction with the service.

Repayment rates for HELP 2025-26 income year: notice registered

The Department of Education has registered the repayment incomes and repayment rates for HELP for the 2025-2026 income year.

Managed investment trust withholding regime: ATO tax alert released (TA 2025/1)

TA 2025/1 covers the ATO's concern with arrangements restructuring an existing trust or other inward investment structure to inappropriately access the MIT withholding regime.

Latest issue of ATO's interpretation NOW! released

The ATO has released Episode 117 of its series on statutory interpretation entitled interpretationNOW!

Monthly GST for non-compliant small businesses: ATO

The ATO will be moving non-compliant small businesses from quarterly to monthly GST reporting for a minimum of 12 months from 1 April 2025 to improve compliance.

FBT record keeping and plug-in hybrid exemption changes

With the 2025 FBT year ending on 31 March, the ATO has issued a reminder to employers about changes to record keeping rules and the plug-in hybrid vehicle exemption.

SUPERANNUATION

Technical amendments to Commonwealth superannuation scheme instruments



The Superannuation Legislation (CSS, PSS and PSSAP Membership) Amendment Declaration 2025 amends 11 principal Commonwealth super scheme instruments.

Family law instrument for valuing superannuation interests

The 2025 Approval Instrument sets out the methods and factors for the purpose of determining the gross value of a super interest in particular super plans.

CSS, PSS and PSSAP super instrument

The instrument amends 10 principal instruments governing membership of the relevant Commonwealth superannuation schemes (ACT and NT government bodies).

FINANCIAL SERVICES

APRA prepares governance reforms for financial institutions

APRA has released a discussion paper outlining 8 proposals to strengthen its prudential governance framework for banks, insurers and superannuation trustees.

Scams Prevention Framework legislation enacted

The world's first scam prevention legislation was enacted on 20 February 2025.

Productivity Commission releases Interim Report on their inquiry into opportunities in the circular economy

The Commission (PC) seeks further information and feedback following the release of an interim report on 5 March 2025.

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.

Proposed legislative amendments, Government announcements and consultations

Updates from the government including legislation.



TAXATION

Disregarding certain payments under section 109R of the ITAA 1936: draft determination (TD 2025/D2)

The ATO has issued the draft taxation determination entitled [Income tax: disregarding certain payments under section 109R of the Income Tax Assessment Act 1936 in determining how much of a loan has been repaid in situations where notional loans are involved](#).

Section 109R of the ITAA 1936 operates to disregard certain payments which might otherwise be taken into account in determining whether a loan has been repaid in whole or in part, or a minimum yearly repayment has been made. It is intended to prevent shareholders and their associates from avoiding the operation of Div 7A of the ITAA 1936 by repaying a loan, or making a minimum yearly repayment, with another loan from the same company.

The draft Determination sets out the ATO's view on the following 2 separate but related issues, that is:

- Section 109R of the ITAA 1936 can apply to disregard certain loan repayments made to a private company where the repaying entity is taken to have obtained a loan from the company by the interposed entity rules in s 109T and 109W of the ITAA 1936.
- Where a private company is taken to have made a notional loan under s 109T and 109W of the ITAA 1936, s 109R of the ITAA 1936 can apply to disregard certain repayments when determining how much (if any) of that loan has been notionally repaid.

The ATO may also consider the application of Part IVA of the ITAA 1936 to arrangements whereby loans from a private company are refinanced for the purposes of obtaining a tax benefit.

Date of effect: Once finalised, the Determination will apply retrospectively. However, it will not apply to taxpayers to the extent that it conflicts with the terms of settlement of a dispute agreed to before the date of issue of the Determination.

Comments are due by 17 April 2025.

Review of ATO's registered agent phone line efficacy: IGTO

The Inspector-General of Taxation and Taxation Ombudsman (IGTO), Ruth Owen is [investigating](#) the effectiveness of the ATO registered agent phone line in response to increased reports of dissatisfaction with the service.

The IGTO said that while the ATO is increasingly providing its services online, 65% of tax agents say they had problems using these services. Due to those problems, agents have opted to pick the phone and call the ATO's dedicated registered agent phone line to get help. The feedback received in relation to the registered agent phone line service is that the service has long wait times and is inconsistent, and that the agents aren't confident they will get the right answer when they call.

The IGTO's review will look into the differences between what registered agents expect and what the ATO provides, as well as how the ATO is consulting with them, to make recommendations on how the service can be improved.

As part of the review, the IGTO is asking registered tax and BAS agents across Australia to share their stories, feedback and insights with her online and in person. Aside from accepting submissions, the IGTO will also be hosting informal feedback forums to gain information and insights from registered agents and practitioners.

The IGTO expects to publish its report on the matter in June 2025.

Submissions from registered tax and BAS agents will be accepted until 28 March 2025.

Request for Member Input

The IPA will be making a submission in relation to the review. Members can send any comments and feedback by **21 March 2025** to ipaadvocacy@publicaccountants.org.au

Repayment rates for HELP 2025-26 income year: notice registered

The Department of Education has registered the [Notification of the repayment incomes and repayment rates for the Higher Education Loan Program \(HELP\) for the 2025-2026 income year](#). The notice specifies the repayment incomes and repayment rates for the Higher Education Loan Program (HELP) for the 2025-2026 income year.

The minimum repayment income for the 2025-2026 income year is \$56,156.

The following are the amounts referred to in s 154-20 of the Higher Education Support Act 2003 for the 2025-2026 income year:

Item	If the person's repayment income is:	The percentage applicable is:
1	More than or equal to \$56,156	1.0%
2	More than or equal to \$64,838	2.0%
3	More than or equal to \$68,727	2.5%
4	More than or equal to \$72,852	3.0%
5	More than or equal to \$77,223	3.5%
6	More than or equal to \$81,856	4.0%
7	More than or equal to \$86,767	4.5%
8	More than or equal to \$91,974	5.0%
9	More than or equal to \$97,492	5.5%
10	More than or equal to \$103,342	6.0%
11	More than or equal to \$109,543	6.5%
12	More than or equal to \$116,116	7.0%
13	More than or equal to \$123,082	7.5%
14	More than or equal to \$130,467	8.0%
15	More than or equal to \$138,295	8.5%
16	More than or equal to \$146,594	9.0%
17	More than or equal to \$155,389	9.5%
18	More than or equal to \$164,712	10.0%



Managed investment trust withholding regime: ATO tax alert released (TA 2025/1)

The ATO has issued [TA 2025/1: Managed investment trusts: restructures to access the managed investment trust withholding regime](#). The Alert highlights the ATO's concern with arrangements that restructure an existing trust or other inward investment structure to inappropriately access the managed investment trust (MIT) withholding regime (including deemed capital gains tax (CGT) treatment). This includes circumstances where the restructure is connected with the disposal of trust property or assets held by entities controlled by the trust.

The ATO said that it is currently reviewing such arrangements and are engaging in discussions with taxpayers. Taxpayers and advisers who enter into these types of arrangements will be subject to increased scrutiny.

The ATO adds that it is aware of existing MITs that were established for the making of new inbound investments into Australia (as opposed to a restructure) that are indirectly owned by a single foreign entity covered by subsection 275-20(4) of the ITAA 1997. While potential application of Part IVA of the ITAA 1936 may also be a relevant consideration for these structures, the ATO will not apply its compliance resources to these structures if they were established prior to the publication of this alert unless there is material new investment or ownership change.

Latest issue of ATO's interpretation NOW! released

The ATO has released [Episode 117](#) of its series on statutory interpretation entitled interpretation NOW!

Monthly GST for non-compliant small businesses: ATO

The ATO has [announced](#) that from 1 April 2025, it will be moving around 3,500 small businesses from quarterly to monthly GST reporting - those with a history of non-payment, late or non lodgment, or incorrect reporting in order to improve their compliance. Changes to reporting cycles will remain in place for a minimum of 12 months as part of the ATO's "Getting it right" campaign.

The ATO will contact small businesses and their tax professionals when their GST reporting cycle is changed from quarterly to monthly.

According to the ATO, small businesses that voluntarily moved their GST reporting and payment cycle to monthly have found it easier to manage their cash flow and meet their obligations with smaller, more manageable payments. For many, reporting and paying GST monthly aligns better with their reconciliation process, which is more efficient and saves time.

FBT record keeping and plug-in hybrid exemption changes

With the 2025 FBT year ending on 31 March, the ATO has issued a reminder to employers about changes to record keeping rules and the plug-in hybrid vehicle exemption.

The ATO has reminded employers that alternative record keeping rules apply from the 2025 FBT year. Employers can use existing records instead of diaries and declarations for some fringe benefits.

The ATO has also reminded employers that the FBT exemption for plug-in hybrid electric vehicles ends on 31 March 2025.

Read [here](#) for more detail.

SUPERANNUATION

Technical amendments to Commonwealth superannuation scheme instruments

The [Superannuation Legislation \(CSS, PSS and PSSAP Membership\) Amendment Declaration 2025](#) ("Amendment Instrument") amends 11 principal instruments that, together with the Acts under which they are made, govern the membership of the relevant Commonwealth superannuation schemes. The amendments largely repeal provisions that are inoperative or otherwise redundant because the authority or body to which they relate has ceased, been divested by the Commonwealth or is now staffed by persons employed by the Commonwealth under the Public Service Act 1999. The Amendment Instrument also amends some of the principal instruments to take account of changes to the names of certain authorities or bodies and organisational restructuring, and to correct a drafting error.

Impacted instruments:

- Superannuation (CSS) Approved Authority Declaration 1995;
- Superannuation (CSS) (Eligible Employees - Inclusion) Declaration 2003;
- Superannuation (CSS) (Eligible Employees - Exclusion) Declaration 2003;
- Superannuation (PSS) Approved Authority Inclusion Declaration 1995;
- Superannuation (PSS) Approved Authority Exclusion Declaration;
- Superannuation (PSS) Membership Inclusion Declaration 2006;
- Superannuation (PSS) Membership Exclusion Declaration 1995;
- Superannuation (PSSAP) Approved Authority Inclusion Declaration 2008;
- Superannuation (PSSAP) Approved Authority Exclusion Declaration 2005;
- Superannuation (PSSAP) Membership Eligibility (Inclusion) Declaration 2005; and
- Superannuation (PSSAP) Membership Eligibility (Exclusion) Declaration 2005.

Date of effect: 5 March 2025.

Family law instrument for valuing superannuation interests

The [Family Law \(Superannuation\) \(Methods and Factors for Valuing Particular Superannuation Interests\) Approval 2025](#) (2025 Approval Instrument) replaces the Family Law (Superannuation) (Methods and Factors for Valuing Particular Superannuation Interests) Approval 2003 (2003 Approval Instrument).

The 2025 Approval Instrument sets out the methods and factors approved by the Attorney-

General for the purpose of determining the gross value of a superannuation interest in particular superannuation plans. The 2025 Approval Instrument preserves the methods and factors in the 2003 Approval Instrument in its entirety, and sets out a framework for the approval of "transition factors", in these superannuation plans to ensure the approved methods and factors continue to operate effectively after the commencement of the 2025 Regulations and to ensure consistent and equitable outcomes for all parties who are subject to family law superannuation splitting arrangements.

Date of effect: 1 April 2025

CSS, PSS and PSSAP super instrument

The [Superannuation Legislation \(CSS, PSS and PSSAP Membership\) \(ACT and NT Government Bodies\) Amendment Declaration 2025](#) (Amendment Instrument) amends 10 principal instruments that, together with the Acts under which they are made, govern the membership of the relevant Commonwealth superannuation schemes.

The amendments largely repeal provisions that are inoperative or otherwise redundant, for example, because the ACT or NT Government authorities or bodies to which they relate have been divested or ceased. The Amendment Instrument also amends some of the principal instruments to take account of changes to the names of certain ACT or NT Government authorities or bodies or their employment arrangements.

Impacted instruments:

- Superannuation (CSS) Approved Authority Declaration 1995;
- Superannuation (CSS) (Eligible Employees -- Inclusion) Declaration 2003;
- Superannuation (CSS) (Eligible Employees -- Exclusion) Declaration 2003;
- Superannuation (PSS) Approved Authority Inclusion Declaration 1995;
- Superannuation (PSS) Approved Authority Exclusion Declaration;
- Superannuation (PSS) Membership Inclusion Declaration 2006;
- Superannuation (PSS) Membership Exclusion Declaration 1995;
- Superannuation (PSSAP) Approved Authority Exclusion Declaration 2005;
- Superannuation (PSSAP) Membership Eligibility (Inclusion) Declaration 2005; and
- Superannuation (PSSAP) Membership Eligibility (Exclusion) Declaration 2005.

Date of effect: 6 March 2025

FINANCIAL SERVICES

APRA prepares governance reforms for financial institutions

APRA has released a [Governance Review Discussion Paper](#) outlining 8 proposals to strengthen its prudential governance framework for banks, insurers and superannuation trustees, marking the first major update to these standards in over a decade. The proposals aim to establish clear benchmarks for regulated entities and address current areas of poor practice in governance.

The proposed changes include:

- enhanced requirements for board composition and skills;
- elevated standards for fitness and propriety of responsible persons;
- extended conflict of interest management requirements across banking and insurance sectors; and
- strengthened board independence measures.

A notable introduction is a 10-year lifetime tenure limit for non-executive directors at APRA-regulated entities.

Comments are due by: 6 June 2025

Scams Prevention Framework legislation enacted

The Scams Prevention Framework Act came into force on 21 February 2025. The legislation enhances protections against scams by setting out obligations for businesses in key sectors where scammers operate. The sectors include banking, telecommunications, insurance, digital platform service providers (including social media) and broadcasting service providers. The key principles of the Framework are to prevent, detect, disrupt, respond to and report scams. The legislation will be enforced by the ACCC and non-compliant businesses may face fines of up to \$50 million.

Productivity Commission releases Interim Report on their inquiry into opportunities in the circular economy

The Commission (PC) seeks further information and feedback following the release of an interim report on 5 March 2025.

Despite recent efforts, Australia's progress towards a more circular economy has been slow. This interim report highlights the ways in which Australians are using materials more sustainably and efficiently and the barriers that are limiting them.

It identifies priority opportunities in six sectors (the built environment, food and agriculture, textiles and clothing, mining, vehicles, electronics), as well as cross-cutting policy issues.

Submissions are due by **Friday 11 April 2025**.

Please see [here](#) for the Interim Report.

REGULATOR NEWS

ASIC News

ASIC has released the following updates in its Newsroom section:

- [7 March 2025 – MEDIA RELEASE – Antonio Stella indicted on insider trading charges](#)
– Antonio Stella of Donvale, Victoria, has been indicted on two counts of insider trading

following an ASIC investigation. ASIC alleges that Mr Stella sold shares in the Cann Group Ltd in 2021 while holding inside information regarding an upcoming share placement. The matter is being prosecuted by the Commonwealth Director of Public Prosecutions after it was investigation and referral by ASIC.

- [7 March 2025 – MEDIA RELEASE – ASIC bans former financial adviser Harris John Kohu Shortland for a period of seven years](#) – Harris Shortland has been banned from providing financial services for seven years as a result of his conviction on drug supply charges. He was formerly shareholder, director and responsible manager of HJ Shortland & Co Wealth Management Pty Ltd in Alice Springs. The company's Australian Financial Services Licence was cancelled in 2024.
- [6 March 2025 – MEDIA RELEASE – ASIC bans former Kingdom Developments Group director from being involved in financial services for six and a half years](#) – Andrew Bodnar, former director of companies in the Kingdom Developments Group, has been banned from the financial services industry until 2031 for his part in the collapse in the group in 2023. The company structure involved a number of special purpose vehicles including the issue of financial products. None of the companies, nor Mr Bodnar, held a licence to provide financial services. He became a bankrupt in 2023 with creditors owed \$131 million.
- [6 March 2025 – NEWS ITEM – ASIC has updated guidance to clarify treatment of student loan commitments by banks and lenders](#) – ASIC has published an update to Regulatory Guide 209 *Credit licensing: Responsible lending conduct* (RG 209) to assist banks and other lenders to assess prospective borrowers with student debts for their capacity to service additional debt. The revisions are a response to a call from the Treasurer to provide greater clarity to lenders and follow consultations with stakeholders.
- [5 March 2025 – MEDIA RELEASE – ASIC charges Brendan Gunn for dealing with money reasonably suspected of being proceeds of crime](#) – Brendan Gunn of Camp Hill Queensland, appeared in the Sydney Downing Centre Local Court charged under the Criminal Code with handling the proceeds of crime during 2020. At the time, he was a director of Mormarkets Pty Ltd which took deposits for conversion to cryptocurrency and other foreign investments. ASIC alleges that Mr Gunn dealt with bank cheques for investments totalling \$181,000 by three investors for conversion to crypt assets. The matter is being prosecuted by the Commonwealth Director of Public Prosecutions after it was referred by ASIC.
- [4 March 2025 – MEDIA RELEASE – Former Irexchange Limited Company Secretary and Legal Advisor, CEO and CFO charged after ASIC investigation](#) – Three former executives with Irexchange Ltd have appeared before the Downing Centre Local Court in Sydney charged with breaching ss 1308 and 1309 of the *Corporations Act 2001* (Cth) which prohibit the provision of false or misleading and statements information to ASIC, ASX and shareholders. The charges relate to an agreement concerning the shares of the company's founders and information about the company's business in a prospectus. The matter is being prosecuted by the Commonwealth Director of Public Prosecutions after it was referred by ASIC. The company entered external administration in 2019.
- [28 February 2025 – MEDIA RELEASE – Allianz and AWP convicted and fined \\$16.8 million for making false or misleading statements](#) – In the New South Wales Supreme Court, Allianz Insurance Australia Pty Ltd and AWP Australia Pty Ltd were found guilty of making false or misleading statements contrary to Part 7.10 of the *Corporations Act 2001* (Cth). The statements related to consumer travel insurance on their websites between 2016 and 2018. The matter was prosecuted by the Commonwealth Director of



Public Prosecutions after it was referred by ASIC. The [judgment](#) of Rothman J is available.

APRA news

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

- [6 March 2025 – MEDIA RELEASES – APRA proposes changes to strengthen and streamline governance and fit and proper requirements](#) – APRA has published a discussion paper, *Governance Review*, making eight suggestions to boost the prudential governance of banks, insurers and superannuation trustees. The suggestions include strengthening the requirements for boards to ensure they have the right skills and experience to align with the entity's strategy and raising the standards regarding the fitness of propriety of responsible persons. Stakeholders may make submissions up to 6 June 2025.

Proposed legislative amendments, Government announcements and consultations

- [3 March 2025 – Government response: Inquiry into the CHES replacement project](#) – The statutory inquiry into competition in clearing and settlement and the CHES replacement project made 12 recommendations. The Government's response was tabled on 27 February 2025. The recommendation to empower ASIC to make rules to facilitate competition in line with the Council of Financial Regulators' recommendations was actioned in May 2024 with the Corporations and Competition (CS Services) Instrument 2024. The recommendation to progress the Financial Market Infrastructure reforms as soon as practical has also been actioned with the passage of the Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024 in September 2024.