TAXATION

Straight from the Source – Not-for-Profits update
Assistant Commissioner Jennifer Moltisanti has released the November 2023 issue of her blog Straight from the Source.

NFP annual reporting requirements: ATO reminder
The ATO has issued a reminder that not-for-profit entities with an active ABN will need to lodge an annual NFP self-review return from 2023-24.

High Court solicitors' scales of costs – 2024 increase
The High Court Rules have been amended to increase the solicitors' scales of costs for 2024.

State and Territory entities excluded from "charity" definition
Treasury has released draft Charities (State or Territory Government Entity) Instrument 2023.

Six public funds declared as developing country relief funds
The Income Tax Assessment (Developing Country Relief Funds) Amendment (Update No 1) Declaration 2023 declares six public funds to be "developing country relief funds".

Early stage innovation companies
ATO has issued 2023/6 on what expenses are taken into account in determining whether a company meets the requirements of an early stage innovation company.

Trading stock: standard value of goods taken for private use: 2023-24
TD 2023/7 sets out the amounts the ATO will accept as estimates of the value of goods taken from trading stock for private use in 2023-24.

Buy-back or redemption of hybrid securities
ATO has released an updated version of PCG 2021/1, which contains methodologies for determining market value when a hybrid note is bought back.

ATO accounts: myGov access to be tightened
The Assistant Treasurer has announced a tightening of the way in which individuals can access their myGov account.

Australian film incentives: increase in location offset
In the 2023-24 Budget, the government announced that the location offset would be increased from 16.5% to 30%.

ATO pauses debt awareness campaign
The Australian Taxation Office (ATO) has advised that ‘in response to community

feedback, the ATO has paused its awareness campaign around tax debts on hold.'

GST

ATO 2022-23 Annual Report released

The ATO has released its 2022-23 Annual Report highlights including figures from Operation Protego.

FINANCIAL SERVICES

Financial advice registration requirement extended

ASIC has registered an instrument that puts in place further interim measures to delay the requirement for relevant providers to be registered with ASIC.

Major shake-up of accountancy bodies

The Treasurer has advised that three bodies which currently oversee financial reporting and set the reporting standards will be combined into a single entity.

SUPERANNUATION

Remuneration disclosure requirements: APRA instrument updated

The Instrument updates SPS 510 to incorporate transitional measures following the implementation of CPS 511.

APRA updates FAQs on Superannuation Data Transformation

APRA has advised that it has published two new frequently asked questions (FAQs) and two updated worked examples for the Superannuation Data Transformation project.

REGULATOR NEWS

Financial advisers – new registration rules

Following the Treasury Laws Amendment (2023 Measures No. 1) Bill receiving Royal Assent yesterday, ASIC has today released guidance for financial advisers and AFS licensees about the new requirement for relevant providers to be registered.

ASIC calls for greater organisational vigilance to combat cyber threats

'ASIC calls on organisations to prioritise their cyber security after its report into the cyber capability of corporate Australia identified significant gaps'

ASIC Newsroom

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

TAXATION

Straight from the Source – Not-for-Profits update

Assistant Commissioner Jennifer Moltisanti has released the November 2023 issue of her blog Straight from the Source, a monthly publication which focusses on the Not-for-Profit sector. The following items were addressed.

The Not-for-profit (NFP) Centre moved from the ATO's Private Wealth business line to the ATO's Small Business line in May 2023. The implications and impact of that move are discussed.

A reminder that non-charitable NFPs with an active ABN are now required to lodge an annual NFP self-review return to access income tax exemption. Lodgments are required to be made from the 2023-24 income year onward.

For those who have not noticed, the ATO has recently launched its revamped website. There is a dedicated website which provides details, ie the refreshedato.gov.au.

NFP annual reporting requirements: ATO reminder

The ATO has issued a reminder that not-for-profit entities with an active ABN will need to lodge an annual NFP self-review return from 2023-24.

The return can be lodged at any time between 1 July and 31 October 2024. If a return is not lodged, the NFP may become ineligible for an income tax exemption (and penalties may apply).

There are eight categories of income tax exempt entities that can self-assess eligibility for income tax exemption, outlined in Div 50 of the ITAA 1997. These are: community service; sporting; cultural; educational; health; employment; scientific; and resource development.

Charities registered with the Australian Charities and Not-for-profits Commission (ACNC) are not required to lodge a return – these entities already lodge an annual information statement to the ACNC each year.

High Court solicitors' scales of costs – 2024 increase

The High Court Rules have been amended to increase the solicitors' scales of costs for 2024. The scales of costs specify the amount which solicitors, who are entitled to practise in the High Court, may charge and be allowed in respect of proceeding in the Court. The fees are subject to an annual review by the Joint Costs Advisory Committee ("JCAC").

In its report the JCAC recommended an increase of 4.5% to the solicitors' costs provided for in the Rules of each Court. The High Court has accepted the recommendation of the Committee. The increases to the solicitors' costs provided in Sch 2 will take effect on 1 January 2024 and will apply in respect of all work done and services performed by solicitors after 1 January 2024.

State and Territory entities excluded from "charity" definition

Treasury has released draft Charities (State or Territory Government Entity) Instrument 2023. It will prescribe types of government entities established under a law by a State or Territory which, by virtue of its status as a government entity, will be excluded from the definition of "charity" for the purposes of all Commonwealth laws. A core element of the definition of charity in the Charities Act 2013 is that a government entity cannot be a charity.

The draft will replace the Charities (Definition of Government Entity) Instrument 2013, which is to sunset on 1 April 2024. There are no changes of note to what is contained in the 2013 instrument. The new instrument will take effect on the day after it is registered.

Six public funds declared as developing country relief funds

The Income Tax Assessment (Developing Country Relief Funds) Amendment (Update No 1) Declaration 2023 declares 6 public funds to be "developing country relief funds".

The Overseas Aid Gift Deduction Scheme ("OAGDS") is one of the general categories set out in Div 30 of the ITAA 1997. Australian organisations approved under the OAGDS establish a public fund that is then declared by the Minister as a developing country relief fund. The fund is entitled to received tax deductible gifts.

The funds are as follows:

Corethics Aid Fund, which operates in Indonesia;

Friends of the Franciscan Hospitaleira Asramas – Overseas Aid Fund, which operates in Timor-Leste;

IMESA Public Fund, which operates in India;

Maiya School Fund, which operates in Bangladesh;

Nina Imani Public Fund, which operates in Tanzania; and

One Dollar Project Relief Fund, which operates in Kenya.

Early stage innovation companies

The ATO has issued Taxation Determination TD 2023/6 on what expenses are taken into account in determining whether a company meets the requirements of an early stage innovation company (ESIC). Taxpayers who invest in an ESIC are entitled to a tax offset. To qualify as an ESIC, the company must satisfy an early stage test and an innovation test. The early stage test includes the condition that the company and any 100% subsidiaries incurred total expenses not exceeding $1 million in the previous income year.

In the ATO's view, "expenses" are amounts that are recognised as expenses under general accounting concepts. However, an expense is not "incurred" unless it is incurred in the tax sense. To alleviate the compliance burden associated with determining whether expenses are incurred, a company and its investors can rely on the amounts reported as total expenses in the company tax return, without separately identifying whether those expenses are incurred.

Date of effect: retrospective. TD 2023/6 finalises TD 2019/D5 and is similar to the draft.

Trading stock: standard value of goods taken for private use: 2023-24

Taxation Determination TD 2023/7 sets out the amounts the ATO will accept as estimates of the value of goods taken from trading stock for private use in 2023-24 by taxpayers in specified industries involving food.

Buy-back or redemption of hybrid securities

The ATO has released an updated version of Practical Compliance Guideline PCG 2021/1, which contains methodologies for determining market value when a hybrid note is bought back or a hybrid share is redeemed from an investor holding the security on capital account.

The update clarifies various aspects of the calculation of the volume weighted average price.

ATO accounts: myGov access to be tightened

The Assistant Treasurer has announced a tightening of the way in which individuals can access their myGov account.

The Minister states that individuals who use their myGovID to login to their ATO account will need to use that myGovID for future logins from now on. In other words, it will not be possible to access an ATO account without it (eg via an email/username and password). This is to counter illicit access of ATO accounts by people using stolen personal information obtained from the dark web. The release notes that last year more than 8,000 individuals suffered fraud related to this.

Australian film incentives: increase in location offset

In the 2023-24 Federal Budget, the Government announced that:

the location offset would be increased from 16.5% to 30%; and

the minimum qualifying Australian production expenditure ("QAPE") for the location offset would be increased to $20 million for feature films (up from $15 million) and to $1.5 million per hour for a television series (up from $1 million per hour).

See Budget Paper No 2 at p 182.

In addition, the following new eligibility requirements will be introduced:

a production must meet minimum training obligations or contribute to the broader workforce and infrastructure capacity of the sector;

a production must use one or more Australian providers to deliver post, digital and visual effects for the production.

Industry consultation on these new eligibility requirements is currently being conducted.

The 30% rate and new eligibility requirements will apply to eligible productions that commence principal photography or production of the animated image on or after 1 July 2023.

The Location Incentive – a merit assessed grant of up to 13.5% of a production's QAPE (which complemented the location offset to provide total support of up to 30%) – is no longer available (ie no applications accepted from 30 June 2023).

ATO pauses debt awareness campaign

The ATO have said that they have ‘heard the concerns raised by the community.

We have paused the awareness campaign and will review our overall approach on how we communicate about debts on hold.

The purpose of the letters was to ensure people had full visibility of their existing debts with the ATO, where collection had been put on hold.

These debts relate to tax returns for past income years.

The letters provided a reminder about existing debts but did not require payment.

It's important to us that taxpayers have trust in our tax system and our records.

We verified that all debts exist, and that all taxpayers were previously informed when the debt was originally incurred through their notice of assessment.

Taxpayers can check whether they have a debt on hold by calling us.

However, we accept that our communication approach caused unnecessary distress – especially for those debts incurred several years ago.

We will review our overall approach to debts on hold before progressing any further.

No further action is required by anyone who has received a letter. However, if you have questions about your existing tax debt, you can contact the ATO for further information.

On background

In the past, the ATO has excluded some debts from being recovered, such as when the debts are very small.

Tax debts on hold are debts that the ATO is not taking active steps to recover. When a tax debt is put on hold, a taxpayer is informed in writing that while the ATO will not currently pursue the debt, the debt remains payable.

We expanded this approach to support the community during COVID-19 and paused offsetting debts previously put on hold entirely, meaning debts were not deducted from tax refunds or credits.

This approach was reviewed by the ANAO as part of our financial statements audit. This review found excluding any existing debts from being offset was not consistent with the law, regardless of when the debt arose.

The ATO investigated further and received clear advice that all debts must be offset. It is required by law. The ATO does not have the power to forgive or waive a tax debt'.

GST

ATO 2022-23 Annual Report released

The ATO has released its 2022-23 Annual Report. Highlights include the following.

- The ATO collected gross tax of $730 billion and provided refunds of $154 billion, with net tax collections of $576 billion – up $60.6 billion (11.8%) over the previous year, and $37.1 billion (6.9%) above the amount expected at the time of the October 2022-23 Budget.
- There were 20.3 million income tax lodgments finalised and $52.5 billion in refunds issued.
- The Tax Avoidance Taskforce helped generate an additional $7.6 billion in tax revenue, with more than $6.4 billion of this coming from public and multinational businesses – and $4.4 billion being attributable to interventions in the oil and gas sector.
- The ATO-led Serious Financial Crime Taskforce raised $293 million in liabilities and $139 million in cash collections. Following joint investigations with law enforcement agencies, 10 people were convicted and sentenced. An additional 3 were convicted and are currently awaiting sentencing. At 30 June 2023 there were 47 people before the courts.
- The Shadow Economy program raised $2.1 billion in liabilities and $1.4 billion in cash collections. In addition, the ATO-led Illicit Tobacco Taskforce seized illicit tobacco with an estimated $110 million in excise forgone.
- Operation Protego was set up to counter major GST fraud. The ATO states that the fraud has been contained, with more than 90% of the primary liabilities relating to fraudulent claims up to 30 June 2022. It has taken a range of compliance actions against more than 57,000 perpetrators, and there has been "a continuous reduction in these GST fraud attempts".
- The ATO raised around $973 million in super guarantee charge liabilities through super guarantee voluntary disclosures and ATO compliance actions, relating to around 64,600 employers and on behalf of 710,000 employees. Of the super guarantee charge raised during 2022-23, the ATO collected and distributed around $387 million of super guarantee entitlements to the superannuation funds of around 485,300 employees.

The issue of debt continues to be a major concern. The report notes that one of the ATO's key priorities is to address the collectable debt that has accrued over the past 4 years. This has increased from $26.5 billion (at 30 June 2019) to $50.2 billion (at 30 June 2023) – up $23.7 billion or 89%. In terms of the last 12 months, the amount of collectable debt was $44.8 billion as at 30 June 2022, ie an annual increase of $5.4 billion or 12%.

FINANCIAL SERVICES

Financial advice registration requirement extended

ASIC has registered the ASIC Corporations (Amendment) Instrument 2023/730 (the "Amending Instrument"). The Amending Instrument puts in place further interim measures to delay the requirement (the "Registration Requirement") for "relevant providers" to be registered with ASIC as a precondition for providing personal advice ("Financial Advice") to retail clients about relevant financial products.

By way of background, the requirement for relevant providers to be registered was introduced by the Financial Sector Reform (Hayne Royal Commission Response -- Better Advice) Act 2021 ("Better Advice Act"). The registration provisions, as inserted by the Better Advice Act, staggered commencement dates so that Australian financial services ("AFS") licensees and relevant providers could continue providing Financial Advice without being registered up to 1 January 2023. Subsequent steps were taken by the Government to delay the Registration Requirement to 1 October 2023.

The Amending Instrument provides for a further delay to the Registration Requirement to 1 February 2024 in order to allow:

- parliament to further consider the Treasury Laws Amendment (2023 Measures No. 1) Bill 2023 ("TLAB 1"), which gives ASIC the power to use assisted decision-making systems when processing registration applications and facilitate multiple registration of relevant providers;
- ASIC to implement TLAB 1 if TLAB 1 is enacted;
- industry to understand its rights and obligations concerning the Registration Requirement; and
- AFS licensees to register their relevant providers with ASIC prior to the Registration Requirement commencing.

Major shake-up of accountancy bodies

The Treasurer has advised that the following three bodies which currently oversee financial reporting and set the reporting standards will be combined into a single entity:

- Australian Accounting Standards Board (AASB);
- Auditing and Assurance Standards Board; and
- Financial Reporting Council.

It is intended that the body will be operational on or after 1 July 2026, subject to the passage of legislation. The Government will finalise the details of the governance arrangements for the new entity (which has not been given a name as yet) which will involve "appropriate transitional arrangements". Draft legislation will then be released.

SUPERANNUATION

Remuneration disclosure requirements: APRA instrument updated

APRA has registered the Superannuation (prudential standard) determination No 2 of 2023. The Instrument updates SPS 510 to incorporate transitional measures following the implementation of CPS 511.

Prudential Standard CPS 511 Remuneration sets out new remuneration disclosure requirements for all APRA-regulated entities. It replaces the former rules contained in SPS 510.

The application of CPS 511 is on a staggered basis which commenced on 1 January 2023 and will complete on 1 January 2024, at which time the Board Remuneration Committee requirements and Remuneration policy requirements set out in SPS 510 will no longer be applicable. The purpose of the instrument is to revoke the existing requirements under SPS 510 and replace it with the "new" SPS 510 – which incorporates necessary consequential amendments resulting from the commencement of CPS 511.

APRA updates FAQs on Superannuation Data Transformation

APRA has advised that it has published two new frequently asked questions (FAQs) and two updated worked examples for the Superannuation Data Transformation (SDT) project.

The new FAQs and updated worked examples relate to reporting expenses under SRS 332.0 Expenses and SRS 550.0 Asset Allocation.

REGULATOR NEWS

Financial advisers – new registration rules

From 1 February 2024, financial advisers who provide personal advice to retail clients on relevant products must be registered with ASIC.

ASIC will host two webinars on December 6 and 7 to provide more information about the registration requirement, including a step-by-step demonstration of the registration process.

EVENT DETAILS:

The first webinar, ***Overview of the registration requirement***, will be held at: **11:30AM-12:30PM AEST Wednesday, 6 December 2023** (enrol here).

The second webinar, ***Practical guide on how to register a Relevant Provider***, will be held at:**11:30AM-12:15PM AEST Thursday, 7 December 2023** (enrol here).

Attendees are encouraged to send questions in advance to ASIC by including the questions in their enrolment form(s).

ASIC calls for greater organisational vigilance to combat cyber threats

‘Survey results highlights

The report summarises the results of ASIC’s recent cyber pulse survey.

- 44% of participants do not manage third-party or supply chain risk
- 58% of participants have limited or no capability to protect confidential information adequately
- 33% of participants do not have a cyber incident response plan
- 20% of participants have not adopted a cyber security standard

ASIC Chair Joe Longo said, ‘For all organisations, cyber security and cyber resilience must be a top priority. ASIC expects this to include oversight of cyber security risk throughout the organisation’s supply chain – it was alarming that 44% of participants are not managing third-party or supply chain risks. Third-party relationships provide threat actors with easy access to an organisation’s systems and networks.’

Encouragingly, participating organisations indicated well-developed capabilities in identity and access management, governance and risk management, and information asset management, with large organisations consistently self-reporting more mature cyber capabilities.

Understandably, due to competing demands for limited human and financial resources, small organisations lagged behind in third-party risk management, data security, consequence management, and adoption of industry standards than larger entities.

‘There is a need to go beyond security alone and build up resilience – meaning the ability to respond to and recover from an incident. It’s not enough to have plans in place. They must be tested regularly – alongside ongoing reassessment of cyber security risks.

‘An effective cyber security strategy, and governance and risk framework, should help identify, manage, and mitigate cyber risks to a level that is within the risk tolerance of senior leadership and boards,’ concluded Mr Longo.’

Download

Report 776 *Spotlight on cyber: Findings and insights from the cyber pulse survey 2023*’

ASIC news

ASIC has released the following updates in its Newsroom section:

- 24 November 2023 - MEDIA RELEASE 23-315MR ASIC permanently bans former insurance broker - ASIC has permanently banned Renato De Maria, of Melbourne, Victoria, from providing any financial service. Mr De Maria is also permanently banned from controlling an entity that carries a financial services business and performing any function involved in the carrying on of a financial services business. Mr De Maria was a responsible manager and is the sole director of Melbourne-based Alliance Management Group Pty Ltd (formerly Alliance Insurance Broking Services Pty Ltd). The Australian Financial Services Licence (AFSL) held by Alliance Management Group Pty Ltd has been cancelled.

- 24 November 2023 - NEWS ITEM ASIC consults on remaking class order on Exchange Traded Funds (ETFs) - ASIC is seeking feedback from the investment management industry on our proposal to remake the ASIC Class Order [CO 13/721] Relief to facilitate quotation of exchange traded funds on the AQUA (ASX Quoted Assets) Market. Consultation Paper 374 Remaking ASIC Class Order on Exchange Traded Funds: [CO 13/721] sets out ASIC's proposed amendments to [CO 13/721]. [CO 13/721] affords equal treatment relief for responsible entities and corporate directors (issuers), ongoing disclosure relief, relevant interest relief as well as substantial holding and beneficial trading relief for issuers. The class order is due to expire on 1 April 2024.

- 23 November 2023 - MEDIA RELEASE23-314MR Mercer to pay $12 million penalty for misleading representations and fee disclosure failures - The Federal Court has ordered Mercer Financial Advice (Australia) Pty Ltd to pay a $12 million penalty after being found to have failed in its fee disclosure obligations and charging fees to customers it was not entitled to charge. ASIC Deputy Chair Sarah Court said, "This is a significant penalty for a financial advice provider. Mercer failed in its obligation to provide fee disclosure statements to clients, provided misleading information in the disclosure statements it did provide, and charged its clients fees for services it was not entitled to charge. These failures occurred in part because Mercer failed to maintain the necessary systems and processes to ensure that the disclosure statements sent to customers were timely and accurate. ASIC expects businesses to invest properly in their compliance systems. As today's outcome shows, if they fail to do so, they face significant penalties," concluded Ms Court.

- 23 November 2023 - MEDIA RELEASE23-313 MR ASIC accepts court enforceable undertaking from iExtend - ASIC has accepted a court enforceable undertaking from iExtend Holdings Company Pty Ltd and iExi Pty Ltd (iExtend) after investigating concerns they were operating a financial services business without an Australian financial services (AFS) licence. ASIC's investigation revealed that iExtend was offering to pay people's life insurance premiums in exchange for a portion of the benefit if a claim is made. To give effect to this arrangement, iExtend acquired interests in life insurance policies by entering into a co-ownership deed with policy holders. The court enforceable undertaking requires iExtend to apply for an AFS licence to issue financial products, to provide general advice and to provide claims handling and settling services.

- 22 November 2023 - NEWS ITEM ASIC Annual Forum 2023: Retirement income covenant: one year on - Jane Eccleston, Jacki Ellis, Tim Jenkins and Dr

Geoff Warren in conversation at the ASIC Annual Forum 2023. This article follows a session on the impact of the retirement income covenant on the superannuation industry at the 2023 ASIC Annual Forum in Melbourne. The covenant requires trustees to develop a retirement income strategy to improve long-term outcomes for members in or approaching retirement. Protecting consumers as they plan and make decisions for retirement is a strategic priority for ASIC. However, a year after the introduction of the covenant, ASIC and the Australian Prudential Regulation Authority (APRA) conducted a joint review which found that more progress was needed to implement it.

- 22 November 2023 - MEDIA RELEASE 23-312MR ASIC suspends licence of Suetonius Wealth Management - ASIC has suspended the Australian financial services (AFS) licence of Sydney based financial services provider, Suetonius Wealth Management Pty Limited (Suetonius), until 28 February 2024. Suetonius had failed to lodge its financial statements and audit reports for financial years ending 30 June 2021 and 30 June 2022. ASIC suspended Suetonius's AFS licence to give the provider the opportunity to lodge its financial statements and audit reports. If Suetonius has not lodged its financial statements and audit reports by 28 February 2024, the end of the suspension period, ASIC will consider cancelling its AFS licence. Suetonius' licence was suspended on 17 November 2023.

- 22 November 2023 - NEWS ITEM ASIC Annual Forum 2023: Disruption by natural disasters - Andrew Hall, John Trowbridge, Karen Cox and Nathan Bourne speaking during the 2023 ASIC Annual Forum. This article follows a session on the impact of increased natural disasters on insurers and their customers at the 2023 ASIC Annual Forum in Melbourne. ASIC has identified three areas of improvement across the insurance sector, needed to ensure good consumer outcomes - making good on pricing promises, better claims handling practices and strengthened product design and distribution. At a time when extreme weather events are becoming more frequent, insurers need to adapt to ensure they can balance the need for affordable, quality products with sustainable business models.

- 22 November 2023 - NEWS ITEM ASIC Annual Forum 2023: How digital innovation is transforming financial markets - Tony Boyd, David Ferrall, Tony Mackay, Marnie Reid and Calissa Aldridge in conversation at the ASIC Annual Forum 2023. This article follows a session on the pace of technologically driven change in global financial markets at the 2023 ASIC Annual Forum in Melbourne. Technology is forging new digital ecosystems and the reshaping financial system. Regulators and industry alike must do all they can to navigate disruption, and avoid learned market abuse, misinformation, discrimination, and bias. ASIC supports technological change that improves outcomes across the financial system, and takes a principles-based, technology-neutral approach to regulation.

- 22 November 2023 - MEDIA RELEASE 23-311MR ASIC disqualifies former Magnolia Group Capital director – ASIC has disqualified a former Magnolia Capital Group director from managing corporations for a period of 5 years and banned him for a period of 10 years from providing financial services and engaging in credit activities. Mitchell Atkins of Erina, New South Wales was a director of the Magnolia Capital Group of companies which collapsed in 2022 owing unsecured creditors millions of dollars. The Magnolia Capital group of companies operated businesses between 2018 and 2022 that provided investors with financial advice and services in relation to secured lending transactions and share investment. Mr Atkins was a director of all the companies in the Magnolia Capital Group, including 13 companies where a liquidator's report was lodged with ASIC and identified that the companies were unable to pay their unsecured creditors more than 50 cents in the dollar.

- 22 November 2023 - NEWS ITEM ASIC Annual Forum 2023: Navigating disruption - regulator perspectives – Joe Longo, Gina Cass-Gottlieb and John Lonsdale speaking during the 2023 ASIC Annual Forum. This article follows a session on how Australia's financial services and consumer protection regulators are navigating a time of constant change and disruption at the 2023 ASIC Annual Forum in Melbourne. Financial markets are fast-paced and constantly evolving, and regulators are harnessing new developments in technology, automation, and digital innovation to stay ahead of the game. ASIC is continually developing its capabilities to become a leading digitally enabled and data-informed regulator.

- 21 November 2023 - NEWS ITEM ASIC Annual Forum 2023: Hardship and vulnerable consumers – Suneeta Sidhu, Elsa Markula and Travers McLeod speaking during the 2023 ASIC Annual Forum. This article follows a session on the hardship issues impacting vulnerable consumers at the 2023 ASIC Annual Forum in Melbourne. ASIC is seeing evidence that an increasing number of customers are experiencing financial distress and difficulty due to cost-of-living pressures. The way credit providers respond can have a substantial impact on the lives of their customers. In addition to increased scrutiny of lenders' hardship practices, ASIC remains focused on protecting vulnerable consumers and small businesses from the harms arising from predatory lending practices, high-cost credit and other poor conduct.

- 21 November 2023 - NEWS ITEM - ASIC Annual Forum 2023: Responding to climate disruption - Karen Chester, Emma Herd, Kristy Graham, Kate Griffiths and Mark Rigotti speaking during the 2023 ASIC Annual Forum. This article follows a session on the impacts of the net-zero economy on Australian businesses at the 2023 ASIC Annual Forum (AAF) in Melbourne. The Australian Government is consulting on a new mandatory climate-related reporting regime – representing a gear-change for industry and regulators alike. Supporting effective climate and sustainability governance and disclosure, as well as tackling greenwashing, are priorities for ASIC.

- 21 November 2023 - NEWS ITEM ASIC Annual Forum 2023: Impact of AI on financial services – Graham Jefferson, Nick Abrahams, Josh Shipman and Professor Nicholas Davis speaking during the 2023 ASIC Annual Forum. This article follows a session exploring the impact of artificial intelligence (AI) on financial systems at the 2023 ASIC Annual Forum in Melbourne. Through machine-learning models, robo-advice, and scam prevention, AI can be used to leverage good outcomes for consumers – but each new opportunity carries risk. ASIC is closely monitoring the development and application of AI to better understand the threats and opportunities for regulated entities and markets.

- 21 November 2023 – SPEECH ASIC Annual Forum 2023: Enforcement session opening remarks – Enforcement session opening speech by ASIC Deputy Chair Sarah Court at the ASIC Annual Forum, 21 November 2023. ASIC is one of the most active enforcement agencies in the country. Its enforcement approach is proactive, strategic and bold. ASIC successfully delivered against its 2023 enforcement priorities and has set new priorities for 2024. These priorities communicate our intent to industry and our stakeholders, and give a clear indication of where we will direct our resources and expertise. The public announcement of areas for enforcement can also have a compliance effect in and of itself.

- 21 November 2023 – SPEECH ASIC Annual Forum 2023: Navigating disruption: Setting a direction for ASIC in 2024 – Keynote opening address by ASIC Chair Joe Longo at the ASIC Annual Forum, 21 November 2023. Regulation and enforcement are the key to navigating disruption. With heightened geopolitical uncertainty, market volatility and unpredictability in the global economy, effective regulatory responses are required. ASIC takes a strategic approach to respond to emerging risks and harms and will continue to act to deter bad behaviour where necessary.

- 21 November 2023 - MEDIA RELEASE 23-310MR ASIC announces 2024 enforcement priorities – ASIC today announced its enforcement priorities for 2024, indicating its enforcement focus for the coming year and communicating its intent to industry and stakeholders. In 2024, two new priorities have been added in relation to the superannuation industry, including a focus on member services failures and misconduct relating to the erosion of superannuation balances. New priorities relating to insurance claims handling, compliance with financial hardship obligations and the reportable situation regime have also been added.

- 20 November 2023 - MEDIA RELEASE 23-309MR Bondi Beach company director convicted of obtaining a financial advantage by deception offences – Louise Angela Medley of Bondi Beach, NSW has been found guilty and convicted of two counts of dishonestly obtaining financial advantage by deception. Ms Medley was sentenced to an 18 months community corrections order on 13 November 2023, after earlier being found guilty. An ASIC investigation found that between about 16 December 2016 and 13 March 2018, whilst a director and sole shareholder of Black Collections Pty Ltd ACN 615 105 345 (Black Collections), Ms Medley was dishonestly remunerated $28,016.81 for collecting on consumer credit debts despite knowing that Black Collections was fraudulently acting as a debt collector. The company operated as a debt collection agency in Double Bay, New South Wales. On 17 June 2021, Black Collections was convicted and fined $8,800 for engaging in unlicenced credit activity and $4,400 for holding out that it held a licence that would authorise it to collect on consumer debts. At the time, Black Collections did not qualify for an exemption from the need to hold an Australian Credit Licence (ACL). It was also found that on 16 December 2016, Ms Medley, on behalf of Black Collections, held out that Black Collections held a Master CAPI license and was therefore authorised to collect on consumer credit, when it was not. The matters were prosecuted by the Commonwealth Director of Public Prosecutions.

- 20 November 2023 - MEDIA RELEASE 23-308MR New Commissioners commence at ASIC - ASIC Chair Joe Longo has welcomed the commencement of new Commissioners Simone Constant and Alan Kirkland, who began their five-year terms today. In August the Treasurer announced the appointment of three new Commissioners to ASIC to serve alongside Mr Longo, Deputy Chair Sarah Court and Deputy Chair Karen Chester, noting Ms Chester's term ends in January 2024. Ms Kate O'Rourke commenced her term in September 2023.

- 20 November 2023 - MEDIA RELEASE 23-307MR ASIC and RBA acknowledge ASX's CHESS solution design announcement – Today, ASIC and the Reserve Bank of Australia (RBA) (the Regulators) acknowledged ASX's announcement of a solution design to replace CHESS. The product-based solution and vendor announced by ASX is a foundational step in getting the CHESS replacement program back on track. This follows advice provided by the ASX Cash Equities Clearing and Settlement Advisory Group (Advisory Group), a small group of recognised industry leaders established to advise ASX Clear and ASX Settlement on strategic clearing and settlement issues led by independent chair Alan Cameron AO.