

TAXATION

Anti-money laundering rules: extension to lawyers/accountants

The Attorney-General's Department has issued a number of consultation papers as part of its intention to reform the anti-money laundering and counter-terrorism regime.

Work-related car expense deductions for 2024-25 onwards: draft

The ATO has issued draft legislative instrument which sets the rate of 88 cents per kilometre at which work-related car expense deductions may be claimed.

Tax agent regulatory reform measures: new consultation papers

Treasury has released two consultation papers as part of the Government's ongoing program to reform the tax agent regulatory framework.

Breach reporting obligations: TPB draft guidance released

The TPB has issued draft guidance on the breach reporting obligations which apply to registered tax practitioners from 1 July 2024.

ATO's bank account integrity risk management: IGTTO interim report

The Inspector-General of Taxation and Taxation Ombudsman has issued an interim report on the integrity of the ATO's bank account system.

Latest issue of ATO's interpretation NOW! released

The ATO has released Episode 107 of its series on statutory interpretation entitled interpretation NOW!.

IGoT News! - May 2024 edition released

The Inspector-General of Taxation and Taxation Ombudsman has released Edition 25 of the organisation's regular Newsletter IGoT News!.

TPB Bi-annual surveys

Every 6 months the Tax Practitioners Board (TPB) conduct a bi-annual survey across a sample of both tax practitioners and consumers. The TPB have advised that the next survey (wave 9) was scheduled for April 2024.

FINANCIAL SERVICES

ASIC scam alert - fake bond and term deposits

ASIC is alerting consumers to new ways scammers are offering fake bond and term deposit scams.

SUPERANNUATION

ASIC review of member services for death benefit claims

ASIC has commenced a multi-year project to look at superannuation industry practices and compliance with laws in relation to trustee administration and contact centres.

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.

Improving superannuation member services — Dealing with death benefit claims

ASIC have advised that they are ‘undertaking a review of industry practices and compliance with laws relating to member services, focusing initially on how trustees handle death benefits claims. We have now completed the first phase of our work on death benefits, which revealed areas for improvement in trustees’ public communications.’

Designated Complaints – Commencement of legislation and opening of applications

The Competition and Consumer Amendment (Fair Go for Consumers and Small Business) Act 2024 and Competition and Consumer (Designated Complaints) Determination 2024, which establish a designated complaints function within the Australian Competition and Consumer Commission (ACCC), have now commenced.

Digital statutory declarations now available in MyGov

From 12 February 2024, the Australian Government has made it simpler and quicker to create Commonwealth statutory declarations for circumstances such as visa applications, insurance and superannuation claims, and legal evidence.

TAXATION

Anti-money laundering rules: extension to lawyers/accountants

The Attorney-General's Department has issued a number of [consultation papers](#) as part of its intention to reform the anti-money laundering and counter-terrorism ("AML/CTF") regime.

The AML/CTF regime establishes a regulatory framework for combatting money laundering, terrorism financing and other serious financial crimes. There are 5 discussion papers in all:

- Paper 1: Further information for real estate professionals;
- Paper 2: Further information for professional service providers;
- Paper 3: Further information for dealers in precious metals and precious stones;
- Paper 4: Further information for digital currency exchange providers (DCEPs), remittance service providers and financial institutions;
- Paper 5: Broader reforms to simplify, clarify and modernise the regime (which will apply to current and new proposed reporting entities).

The consultation period closes on 13 June 2024.

Work-related car expense deductions for 2024-25 onwards: draft

The ATO has issued draft legislative instrument, the [Income Tax Assessment \(Cents per Kilometre Deduction Rate for Car Expenses\) Determination 2024](#). The instrument sets the rate of 88 cents per kilometre (previously 85 cents per kilometre) at which work-related car expense deductions may be claimed in an income year when using the cents per kilometre method.

Date of effect: 2024-25 income year and beyond until repealed.

Comments are due by 22 May 2024.

Tax agent regulatory reform measures: new consultation papers

Treasury has released two consultation papers as part of the Government's ongoing program to reform the tax agent regulatory framework.

The two papers are:

- [Response to PwC – tax regulator information gathering powers review](#); and
- [Response to PwC – regulation of accounting, auditing and consulting firms in Australia](#).

The closing date for submissions for both is 31 May 2024.

Tax regulator information gathering powers

This paper considers two broad proposals.

- The ATO be given the power to issue notices to produce documents, or give information, in its investigations into tax-related criminal offences.
- The Government consider enabling the ATO to access telecommunications data and stored communications, as part of the framework that exists for other law enforcement agencies, as part of its reforms to electronic surveillance laws.
- The TPB be permitted to use its information gathering power to require the production of a document (or thing) without the need to commence a formal investigation.

Regulation of accounting, auditing and consulting firms in Australia

This 50-page document seeks feedback and views on issues for Government consideration in relation to the regulation of accounting, auditing and consulting firms in Australia. It states that recent events have called into question whether the regulatory framework for accounting, auditing and consulting firms appropriately balances policy objectives (such as supporting a competitive market) while fostering appropriate conduct in the provision of key services (such as audit, insolvency and tax).

It explores the following issues:

- the adequacy of prescribed governance requirements for large partnerships;
- the adequacy of current professional standards, regulations and laws (including those relating to independence and the management of conflicts of interest);
- whether the transparency requirements for accounting, auditing and consulting firms are sufficient to: (i) give capital markets confidence that independent audit services are delivered in accordance with prescribed laws and standards, and (ii) enable stakeholders to obtain the information they need to inform their engagement with the firm(s);
- the adequacy of regulatory enforcement capabilities and standard setting;
- the protection of whistleblowers; and
- competition/resilience in the audit sector.

There are some 24 consultation questions under six headings: governance; professional standards, regulations and laws; transparency, public information and reporting; enforcement and standard setting; protection of whistleblowers; and competition/resilience of the audit sector.

Breach reporting obligations: TPB draft guidance released

The TPB has issued [draft guidance](#) on the breach reporting obligations which apply to registered tax practitioners from 1 July 2024. The draft Information sheet has been prepared to assist registered tax agents and BAS agents (collectively referred to as "registered tax practitioners") understand the breach reporting obligations under ss 30-35 and 30-40 of the Tax Agent Services Act 2009 ("TASA"), which apply from 1 July 2024.

The guidance assists tax practitioners with awareness, education and compliance when reporting to the TPB or relevant professional associations. The guidelines consist of a draft information sheet, summary document and high-level decision tree and explain:

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

Submissions are due by 28 May 2024.

ATO's bank account integrity risk management: IGTO interim report

The Inspector-General of Taxation and Taxation Ombudsman ("IGTO") has issued an [interim report](#) on the integrity of the ATO's bank account system. It focuses on the ATO's risk management controls to prevent fraudsters from changing the bank account details on legitimate taxpayers' ATO accounts, which has been a key step in fraudulent refunds being obtained from the tax system.

As part of the investigation, the IGTO received numerous submissions from the taxpayer and tax practitioner community that raised concerns about the ATO's lack of action in detecting and preventing tax identity ("TaxID") fraud. Only some of those concerns are addressed in this interim report. The remainder will be dealt with in the second phase of this investigation.

The IGTO makes 13 recommendations for the ATO to improve its administration of taxpayer banking details in the combat against TaxID Fraud, incorporating:

- improvements to make the ATO less attractive to fraudsters by making it harder for them (and not legitimate taxpayers) to divert monies to the fraudster's bank account;
- changes which harden the financial system against TaxID fraud by introducing more effective collaboration between the ATO and the banks on case-specific issues in real-time - especially through the Australian Financial Crimes Exchange and the Fintel Alliance; and
- measures to better detect and prevent TaxID fraud by empowering the 2 key participants (ie the taxpayer and the tax agents) in the tax system to assist the ATO, who are much better placed than the ATO to quickly and more reliably determine if a transaction is part of TaxID fraud or not - ie legitimate taxpayers and their agents.

Latest issue of ATO's interpretation NOW! released

The ATO has released [Episode 107](#) of its series on statutory interpretation entitled interpretation NOW!.

IGoT News! - May 2024 edition released

The Inspector-General of Taxation and Taxation Ombudsman ("IGTO") has released [Edition 25](#) of the organisation's regular Newsletter IGoT News!.

This edition marks the final newsletter from Karen Payne as IGTO, as her term ends on 5 May 2024.

Highlights of Edition 25 include the following.

- The Tax Identity Fraud Interim Report, which was released on 30 April 2024.
- Update of the current review and investigation entitled Administration and Management of Objections – Phase 2. The IGTO is currently finalising its initial draft based on its engagement with key stakeholders and analysis of ATO information and data. It is working towards finalising and releasing the report by the end of the 2023-24 financial year, or early next financial year.
- Tax disputes update: as at the end of Q3 FY24, the IGTO has received 1,300 complaints – which represents an increase of 15% (1,130) compared to FY23.

This is in line with the ATO recommencing or increasing certain activities – including debt collection – and ongoing themes of financial distress post-COVID, such as employees raising concerns regarding unpaid superannuation.

TPB Bi-annual surveys

The TPB website states that ‘the survey, which first commenced in September 2019, helps us to understand:

- consumers’ trust in registered tax practitioners
- usage and effectiveness of our public register
- awareness and effectiveness of Tax Practitioners Board (TPB) as a regulator.

It also guides us with several internal performance measures which help us run and manage the TPB effectively.

We’ve just completed analysing the 8th survey, conducted in October 2023. Below are some key findings:

- Where consumers use a tax practitioner, 31% of them use their services multiple times a year.
- Trust in tax practitioners remains high with 89% of respondents saying that they trust their tax practitioner completely.
- Only 11.5% of consumers are unsure if their tax practitioner is a registered agent or not, the lowest across all 8 surveys.
- Consequently 88.5% of consumers do know that their tax practitioner is registered with the TPB.
- 67% of consumers report using the same tax practitioner for 5 years or more. This is the highest level across all 8 surveys.
- Over 90% of tax practitioners access our advice and guidance more than once a year and find it useful.

We extend our gratitude to all tax practitioners who have participated in any previous survey and encourage those who receive the survey in the future to take part in it.

Your valuable input helps us improve our services and understanding of the industry. Survey results for April's survey will be available in July 2024'.

FINANCIAL SERVICES

ASIC scam alert - fake bond and term deposits

ASIC is [alerting](#) consumers to new ways scammers are offering fake bond and term deposit scams. Scammers are impersonating legitimate financial services businesses that do not have a website, social media account or other digital channels. The scammers are using the real business addresses, ABNs and AFSJs of the business and creating fake reviews. This limits consumers' ability to conduct internet searches or other research on the company as there is no "real" website or internet presence.

SUPERANNUATION

ASIC review of member services for death benefit claims

ASIC have commenced a multi-year project continuing over 2024 and beyond, which will look at superannuation industry practices and compliance with laws in relation to trustee administration and contact centres.

ASIC's initial focus is a two-phase review of how trustees handle death benefits claims. The regulator has [released](#) an article that outlines some observations from the first phase of their review, as well as actions trustees should take to improve their approach and the experience of their members.

REGULATOR NEWS

ASIC News

ASIC has released the following updates in its Newsroom section:

- [2 May 2024 – SPEECH – Greenwashing: A view from the regulator](#) – Mr Joe Longo, ASIC Chair, spoke at the RIAA Conference Australia and emphasised that, while the term “greenwashing” and “sustainable finance” are relatively new, the concepts of misleading and deceptive conduct are not. ASIC’s enforcement of laws is directed at protecting consumers and enhancing trust and transparency in the financial services industry, focus on entities that carelessly give information that is vague, inaccurate or misleading.
- [2 May 2024 – NEWS ITEM – Scam alert: Scammers are changing the way they impersonate financial services businesses in sophisticated bond and term deposit scams](#) – ASIC has warned consumers to beware of scammers increasingly impersonating small legitimate financial services providers without an online presence. There are several red flags that consumers should look out for, including requests to transfer funds to an account in the name of a person or organisation that is different to the purported provider.
- [1 May 2024 – MEDIA RELEASE - Financial Services Licensee sentenced for failing to](#)

[lodge annual financial reports](#) – Odyssey Equity Finance Pty Ltd of Keilor East, Victoria, pleaded guilty in the Dandenong Magistrates' Court to failing to lodge financial reports with ASIC for three consecutive financial years. The court was not satisfied that the ill health of Odyssey's director caused the contraventions, as claimed, but did accept that it was a mitigating factor.

- [1 May 2024 – MEDIA RELEASE – ASIC protects small business by disqualifying four directors for failures relating to the management of small proprietary companies](#) – In the first quarter of 2024, ASIC banned four directors from managing corporations after the collapse of various proprietary companies, leaving many creditors including former employees, the Australian Taxation Office and small business suppliers. Section 206F of the *Corporations Act 2001* (Cth) enables ASIC to disqualify a person from managing corporations for up to five years. ASIC will act against individuals to protect creditors and the general public against future company mismanagement.
- [1 May 2024 – NEWS ITEM – Improving superannuation member services – Dealing with death benefit claims](#) – ASIC has begun a review of the handling of death benefit claims by superannuation trustees. The first phase has indicated some areas of improvement in assisting beneficiaries at a stressful time. As the regulator of superannuation trustees, ASIC now directs them to address the suitability of their processes for death benefit claims.
- [30 April 2024 – SPEECH – Parliamentary Joint Committee Opening Statement, 30 April 2024](#) – The opening statement by Mr Joe Longo, ASIC Chair, to the Parliamentary Joint Committee on Corporations and Financial Services, Oversight of ASIC, the Takeovers Panel and the Corporations Legislation touched on the organisation's forthcoming leadership and culture changes, and its recent enforcement record.
- [30 April 2024 – MEDIA RELEASE – ASIC sues Magnis and Frank Poullas over disclosure failures](#) – ASIC has begun proceedings in Federal Court against Magnis Energy Technologies Ltd, alleging that the company has breached its continuous disclosure obligations, and against its Executive Chairman, Mr Frank Poullas, for alleged breaches of his duties as a director. The case relates to claims that the company had made about its lithium-ion battery making plant in the United States.
- [29 April 2024 – NEWS ITEM – ASIC releases summary document for identifying and supporting First Nations consumers experiencing financial abuse](#) – ASIC conducted a virtual workshop in March 2024 as part of its Indigenous Financial Services Framework. The following report detailed the experience of First Nations consumers' experience of financial abuse and listed opportunities for improvement for various services providers. The next workshop for financial services representatives will take place in June 2024.

APRA news

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

- [1 May 2024 – SPEECH - APRA Executive Board Member Suzanne Smith - Speech to the All Actuaries Summit 2024](#) – In a speech entitled "Think Bigger: The Power of a Thriving Insurance Industry", Ms Suzanne Smith encouraged insurance industry participants to develop an understanding of challenges across the entire system including the treatment of disability income insurance and genetic test results. She also called for greater transparency around risk assessment, product design, sales and claims to rebuild trust with policyholders.

Improving superannuation member services — Dealing with death benefit claims

ASIC have said that ‘our initial focus is a two-phase review of how trustees handle death benefits claims.’

The report contains the following headings and can be accessed [here](#):

- Complaints are on the rise
- Death benefit claims can be complex
- Helping members plan ahead
- Effective communication is critical
- ASIC calls on trustees to act now

Designated Complaints – Commencement of legislation and opening of applications

‘Designated complainants will be able to submit a designated complaint to the ACCC where they have evidence of a significant or systemic market issue affecting Australian consumers or small businesses.

Once a designated complaint is lodged, the ACCC will be required to consider and publicly respond to the complaint within 90 days. The ACCC must state what further action, if any, will be taken in response to the complaint.

The application period for applying to become a designated complainant opened today and will close on **24 May 2024**. Information about applying, including the application form, is available on the Treasury website at <https://treasury.gov.au/designatedcomplaints>.’

Digital statutory declarations now available in MyGov

‘You can now create a Commonwealth statutory declaration using your Digital ID, through a new end-to-end digital process in myGov without the need to find an approved witness.

All Australians can now complete a Commonwealth statutory declaration in three equally valid and legally effective forms:

- digitally through the myGov platform using myGovID,
- electronically using electronic signatures and video-link witnessing, and
- the traditional, paper-based method using wet-ink signatures.

All Australians, including business, will benefit from this reform through a decrease in administrative and cost burdens which is expected to save over \$156 million each year, simplifying government services and delivering productivity benefits for the private sector.

If you would like further information, visit www.ag.gov.au/legal-system/statutory-declarations.’