

IPA NEWS

AML Consultation

IPA is seeking experienced members in public practice with an interest in assisting IPA's advocacy and policy team with AUSTRAC industry consultation on the development of rules and guidance relating to the expected reform of the AML/CTF regime.

TAXATION

ATO's corporate tax transparency report for 2022-23 released

The ATO has released its 10th annual report analysing aggregated data from the 2022-23 income tax returns of some of Australia's largest corporations.

IGTO FY24 annual report released

The IGTO annual report for the financial year ending 30 June 2024 has been released, highlighting some of the agency's key achievements.

Latest issue of ATO's interpretationNOW! Released

The ATO has released Episode 113 of its series on statutory interpretation entitled interpretationNOW!.

Updated DIS on FCT v Hannover Life RE of Australasia Ltd

The ATO has updated its Decision Impact Statement to include a reference to GSTR 2008/1.

ATO Updates

The ATO have issued several updates including: Commissioner of Taxation annual report 2023-24; Corporate tax transparency report for 2022-23; Superannuation Clearing house upcoming closure; personal services business webinar recording; and Division 7A webinar.

Anti-Money Laundering Amendment Bill 2024

The IPA, CAANZ and CPA Australia (Joint Accounting bodies) appeared before the Legal and Constitutional Affairs Legislative Committee, regarding the *Anti-Money Laundering and*

Counter-Terrorism Financing Amendment Bill 2024.

ASIC to host webinar on assessing financial adviser qualifications

ASIC will host a webinar 'to provide practical guidance to Australian financial services (AFS)

licensees and financial advisers (relevant providers) to assist industry with the application of the qualifications standard, particularly to existing providers' on **Wednesday, 13 November 2024 from 12:30PM to 1:30PM AEST**.

Australian Business Licence and Information Service (ABLIS)

IPA Members might be interested in using this tool and sharing it with their clients. ABLIS helps you to 'find the licences you need for your business start, run and grow your business'.

Scam alert – November 2024 – myID transition scams

The Australian Taxation Office (ATO) has advised that they are 'seeing an increase in scams relating to the upcoming change of myGovID to myID'.

SUPERANNUATION

APRA inaugural super fund expenditure data released

APRA has released its inaugural publication of superannuation fund expenditure data for 2022-23.

FINANCIAL SERVICES

ASIC urges financial firms to strengthen AI governance

ASIC's Report 798 urges financial services and credit licensees to improve AI governance – ASIC will monitor AI use and may take enforcement action if necessary.

Annual breach reporting insights: \$92.1m in customer compensation

ASIC has released its third annual report on the reportable situations regime revealing significant breaches and compensation trends in the financial services sector.

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.

IPA NEWS

AML Consultation

If you have an interest, please send an email to ipaadvocacy@publicaccountants.org.au by COB 8 November 2024.

You can read more on the consultation on the development of rules and guidance relating to the expected reform of the AML/CTF regime [here](#)

TAXATION

ATO's corporate tax transparency report for 2022-23 released

The ATO has released its [Corporate tax transparency report for 2022-23](#), the tenth annual report.

The report analyses aggregated data from the 2022-23 income tax returns of some of Australia's largest corporations, including:

- any corporate tax entity with a total income equal to or exceeding \$100 million; and
- entities that have petroleum resource rent tax (PRRT) payable.

Listed highlights for 2022-23:

- There are 3,985 entities in this year's population, representing a net increase of 1,272 entities (46.9%) from 2021-22 and 1,040 entities are attributable to the lower total income threshold applying for Australian private entities from the 2022-23 income year.
- Total income for 2022-23 was \$3,138.4 billion, an increase of 23.3%.
- Taxable income was \$380.1 billion, an increase of 11.3%.
- Tax payable was \$97.9 billion, an increase of 16.7%.
- Foreign-owned entities accounted for 41.3% of this year's corporate transparency population and 41.5% of tax payable.
- Australian public entities accounted for 15.1% of this year's corporate transparency population and 47.9% of tax payable.
- Australian private entities accounted for 43.6% of this year's corporate transparency population and nearly 10.6% of tax payable.
- Australian private entities with income between \$100 million and \$200 million accounted for 26.1% of the total corporate transparency population, 4.6% (or \$142.9 billion) of total income, 2.4% (or \$9.2 billion) of taxable income and 2.5% (or \$2.5 billion) of the total tax payable.
- Entities with income of more than \$5 billion represented 2.2% of the corporate transparency population and accounted for 61.6% of tax payable (\$60.4 billion).
- Entities with income of between \$250 million and \$5 billion represented 42.1% of the corporate transparency population and accounted for 31.7% of the tax payable (\$31.1 billion).
- Medium entities - those with income of less than \$250 million - represented the largest portion (55.7%) of the corporate transparency population and accounted for only 6.6%

of the tax payable (\$6.5 billion). The increase in the number of medium entities in this year's corporate transparency population is due to the lowering of the total income threshold for Australian private entities.

- Tax payable in the corporate transparency population was again dominated by the Mining, Energy and Water segment at 55.9% (\$54.7 billion) of the total. This year the Mining, Energy and Water segment increased by \$12.5 billion (29.5%) on last year.
- Approximately 31% of entities paid nil tax (14% incurred an accounting loss, 7% incurred a tax loss, 2% utilised offsets, 8% utilised tax losses from prior year).
- PRRT payable decreased 6.5% from \$1,996.6 million last year to \$1,867.1 million this year.

IGTO FY24 annual report released

The Inspector-General of Taxation and Taxation Ombudsman ("IGTO"), Ruth Owen, has issued its [annual report](#) for the financial year ended 30 June 2024.

As Ms Owen commenced her role in the agency on 15 July 2024, the report provides information about the period under the leadership of the previous Inspector-General, Karen Payne. It highlights some key achievements where the agency:

- received 1,705 complaints and commenced 1,461 dispute investigations, which represents a 12% increase in complaint receipts and a 43% increase in investigations commenced when compared to FY23. The IGTO finalised 1,193 dispute investigations, a 42% increase over the last financial year;
- released 4 public reports examining a range of issues including small business litigation funding, tax identity fraud, the Commissioner's general powers of administration, and the Commissioner's remedial power;
- augmented its triage processes to provide earlier contact and assurance to taxpayers.

Latest issue of ATO's interpretationNOW! released

The ATO has released [Episode 113](#) of its series on statutory interpretation entitled interpretationNOW!.

Updated DIS on FCT v Hannover Life RE of Australasia Ltd

The ATO has [updated](#) its decision impact statement on FCT v Hannover Life RE of Australasia Ltd [2024] FCAFC 23 to include a reference to GSTR 2008/1. This ruling includes the ATO's views on identifying acquisitions that do not directly relate to a specific type of supply (being overheads and enterprise costs). In the Hannover case, the Full Federal Court dismissed the Commissioner's appeal against a decision that a life insurer's "overhead" acquisitions were creditable acquisitions to the extent that they related to its GST-free supplies.

ATO updates

The ATO have issued the below updates:

- [Commissioner of Taxation annual report 2023-24](#)

- [Corporate tax transparency report for 2022-23 released](#)
- [Superannuation Clearing House upcoming closure](#)
- [Personal services business webinar recording released](#)
- [Division 7A webinar](#)

‘Commissioner of Taxation annual report 2023-24

The ATO’s 2023-24 annual report has been [published](#). The report informs parliament, stakeholders, and the community about their performance over the past financial year.

Corporate tax transparency report for 2022-23 released

The ATO have published the [Corporate tax transparency report for 2022-23](#).

This tenth annual report provides the data released and analysis of 3,985 large corporate entities operating in Australia, a net increase of 1,272 entities. This increase comes as the report now includes data for Australian-owned private corporate entities with total income between \$100 million to \$200 million.

The published details are taken directly from tax returns and does not reflect any intervention or compliance work after lodgment.

This year, the report shows:

- large corporates paid \$97.9 billion in income tax, up 16.7% from the previous year
- the percentage of those entities that paid no income tax has decreased since the first publication of the Corporate tax transparency report from 36% in 2013–14 to 31% in 2022–23.

Read more about why this information is published at [Corporate tax transparency](#) or view the latest *Report of entity tax information* on [data.gov.au](#).

Superannuation Clearing House upcoming closure

The recent [government announcement](#) provided more detail about the implementation of Payday Super. As part of this reform, from 1 July 2026 the ATO’s Small Business Superannuation Clearing House (SBSCH) will be closed.

The ATO are encouraging current users of the SBSCH to start considering the range of existing alternative options to make their super payments ahead of the closure. These include:

- commercial or super fund clearing houses
- payroll software.

Over the coming months the ATO will provide regular updates on the closure of the SBSCH.

For more information on SBSCH visit [ato.gov.au/SBSCH](#). For more information on Payday Super visit [ato.gov.au/paydaysuper](#).

Updates to guidance material

Practitioners are encouraged to [subscribe](#) to *Tax professionals newsletters* for the latest [Tax professionals newsroom](#) articles and other key updates from the ATO.

Personal services business webinar recording released

The recording of the ATO's recent webinar, [Personal services business and what you need to know \(Part 3\)](#), is now available.

This webinar answers key questions raised earlier in the series, correcting common misconceptions about how to treat personal services income when qualifying as a personal services business (PSB).

It also provides a refresher on the PSB tests and outlines alienation arrangements and what may attract the ATO's attention.

A copy of the webinar slides is attached as a resource for agents.

Upcoming ATO events for tax professionals: Division 7A webinar

[Webinar registration is now open](#) for the final ATO Division 7A webinar for 2024: 'Continuing the focus on Division 7A: The section 109RB discretion' on 19 November.

In this webinar the ATO will discuss when the Commissioner can exercise the section 109RB discretion to disregard the operation of Division 7A or allow a deemed dividend to be franked.

It will cover the requirements that must be met for the Commissioner to exercise the discretion, factors that affect whether it will be exercised, case examples and how agents can apply for it.

If agents can't attend the live event, a recording will be available on the ATO website shortly after together with recordings of previous [webinars](#).

Anti-Money Laundering Amendment Bill 2024

The joint accounting bodies made a [submission](#) the bill, and the IPA along with the other two accounting bodies are working with AUSTRAC to develop the Rules and guidance materials for our members.

ASIC to host webinar on assessing financial adviser qualifications

'The webinar will include a practical walkthrough of how to assess a person's qualifications against the requirements, and how to input qualifications information into the Financial Advisers Register.

What is covered?

How to assess a person's qualifications against the requirements, and how to input qualifications information into the Financial Advisers Register.

Why this webinar?

31 December 2025 marks the end of the transition period for existing providers to meet the qualifications standard. Relevant providers will be unable to continue to provide personal advice to retail clients in relation to relevant financial products from 1 January 2026 if they have not complied with the standard.

How do I enrol?

Enrol here: [Assessing financial adviser qualifications](#)

Australian Business Licence and Information Service (ABLIS)

‘Answer some simple questions about your business and the ABLIS tool will provide you with tailored information on what you need for your business including:

- Licences
- Regulations
- Council approvals and
- Compliance requirements

You can access the tool [here](#)

Scam alert – November 2024 – myID transition scams

The ATO have said that ‘myID is a new name and will have a new look – but it will still be used the same way.

There is nothing the community needs to do to prepare for this change. You do not need to set up a new myID or reconfirm your details as part of this change.

If you are asked to do this, it is a scam. See example of the scam [here](#)

Visit www.ato.gov.au/scamalerts to find out more’.

SUPERANNUATION

APRA inaugural super fund expenditure data released

APRA has released its inaugural publication of super fund expenditure. Expenditure data for 2022-23 is available in the following publications:

- [Annual Fund Level Superannuation Statistics - expenditure](#); and
- [Annual Superannuation Bulletin - expenditure](#).

The expenditure data includes:

- investment-related expenses;
- administration;
- advertising;
- sponsorship; and
- payments to industrial bodies.

The fund-level expenditure data will be published annually. Data for the financial year 2023-24 is expected to be released in early 2025.

FINANCIAL SERVICES

ASIC urges financial firms to strengthen AI governance

ASIC's [Report 798 "Beware the gap: Governance arrangements in the face of AI innovation"](#) urges financial services and credit licensees to improve AI governance. The review of 23 licensees found nearly half lacked policies on consumer fairness or bias in AI use. ASIC Chair Joe Longo stressed that existing obligations require appropriate governance for new technologies, including due diligence on third-party AI suppliers. Risks of inadequate AI governance include misinformation, bias, consumer manipulation, and data breaches. ASIC will monitor AI use and may take enforcement action if necessary.

For more of ASIC's AI insights, listen also to the [Inside ASIC podcast - Episode 4: Tech regulation](#) (14:03 mins - published 9 October 2023).

Annual breach reporting insights: \$92.1m in customer compensation

ASIC has released its third annual report on the reportable situations regime (formerly known as "breach reporting"), revealing significant breaches and compensation trends in the financial services sector:

[Report 800 Insights from the reportable situations regime: July 2023 to June 2024](#)

Information ASIC receives from Australian financial services (AFS) licensees and Australian credit licensees ("credit licensees") about self-reported matters ("reportable situations") must be published annually by ASIC under the regime. The report is intended to assist industry and customers identify where significant breaches are occurring.

As at 30 June 2024, licensees reported paying around \$92.1 million in compensation to approximately 494,000 customers for breaches during the reporting period.

For more details, visit ASIC's webpage on [Reportable Situations for AFS and Credit Licensees](#).

REGULATOR NEWS

ASIC News

ASIC has released the following updates in its Newsroom section:

- [1 November 2024 – SPEECH – Parliamentary Joint Committee Opening Statement, 1 November 2024](#) – ASIC Chair Joe Longo appeared before the Parliamentary Joint Committee on Corporations and Financial Services, Inquiry into the Oversight Of ASIC, the Takeovers Panel and the Corporations Legislation along with ASIC Commissioners and senior management. Mr Longo provided an update of ASIC's enforcement on corporations and consumer law regarding financial services and referred to the recent ASIC report on the use of AI by financial services and credit licensees.
- [31 October 2024 – NEWS ITEM – ASIC releases third publication on insights from the reportable situations regime](#) – ASIC is required to report on information supplied by licensees annually to assist the financial services industry and clients. ASIC has published Report 800 *Insights from the reportable situations regime: July 2023 to June 2024*, which offers observations on trends in breach reporting in the 2023-24 financial year.
- [30 October 2024 – MEDIA RELEASE – ASIC sues Oak Capital alleging unconscionable conduct designed to avoid the National Credit Code](#) – ASIC has instituted proceedings in the Federal Court against Oak Capital Mortgage Fund Ltd and Oak Capital Wholesale Fund Pty Ltd alleging that the lenders had engaged in unconscionable conduct by attempting to avoid the ambit of the national Credit Code and the *National Consumer Credit Protection Act 2009* (Cth). Between 2019 and 2023, Oak Capital made 47 loans worth a total of \$37 million to companies rather than individuals where the company named as the borrower had no genuine interest in the loan, minimal assets and no trading activities. ASIC alleges that Oak ought to have known, in the circumstances, that the loans were for domestic or personal purposes, which attract the operation of the Credit Code.
- [30 October 2024 – MEDIA RELEASE – ASIC disqualifies NSW director for five years](#) – ASIC has banned Constandinos Ganatzos of Brighton-Le-Sands from managing companies for the maximum period of five years following his role in the collapse of 21 companies in the construction, labour hire, transport and other industries between 2016 and 2021. ASIC drew on liquidators' report to conclude that he did not understand his role as a director and entirely failed to discharge his duties. The companies collapsed owing over \$71 million to unsecured creditors, including over \$21 million to the Australian Taxation Office and \$1.2 million in workers compensation debt.
- [30 October 2024 – MEDIA RELEASE – ASIC suspends three high volume SMSF auditors connected to a SMSF administration provider](#) – ASIC has suspended the registrations of three self-managed superannuation fund auditors for one year because of their breach of independence requirements. Their receipt of 99% of audit fees from a single online platform gave rise to self-interest concerns and endangered the auditors' independence.
- [30 October 2024 – MEDIA RELEASE – ASIC releases FY 2023–24 financial reporting and audit report and launches auditor independence surveillance](#) – Report 799 *ASIC's oversight of financial reporting and audit 2023–24* outlines the results of ASIC's survey of companies' disclosure of material business risks, impairment of assets, revenue recognition and other financial report disclosures. The report spotlights areas where the

quality of financial reporting and audits can be improved.

- [29 October 2024 – MEDIA RELEASE – ASIC Annual Forum program announced, limited registrations remain](#) – The full program for the ASIC Annual Forum and dinner has been announced. Speakers and panellists will include Danielle Wood, Chair of the Productivity Commission; Joe Longo, ASIC Chair; and Michele Bullock, Governor of the Reserve Bank of Australia. The event will take place in Sydney on 14-15 November 2024 and feature the theme *Bridging generations: Regulating for all Australians*.
- [29 October 2024 – MEDIA RELEASE – ASIC warns governance gap could emerge in first report on AI adoption by licensees](#) – ASIC has urged financial services and credit licensees to ensure that their governance practices are keeping pace with their adoption of AI, particularly in the context of consumer-facing applications. Report 798 *Beware the gap: Governance arrangements in the face of AI innovation* outlines the results of ASIC's review of 23 licensees' use of AI and how they are mitigating associated risks.
- [28 October 2024 – MEDIA RELEASE – Federal Court finds HCF Life contract term was liable to mislead the public](#) – In the Federal Court, Jackman J has ruled that a "pre-existing condition" term in some HCF Life Insurance Company Pty Ltd policies was liable to mislead the public. The term purported to allow HCF to refuse coverage to a customer even if they were not aware of a pre-existing condition when entering into an insurance contract. Section 47 of the *Insurance Contracts Act 1984* (Cth) prevents insurers from excluding coverage for non-disclosure of a pre-existing condition in such circumstances, but the "ordinary and reasonable reader" would not have been aware of its effect and the product disclosure statement made no mention of HCF being unable to rely on the exclusion clause in some situations. The [judgment](#) is available.
- [25 October 2024 – MEDIA RELEASE – Federal Court appoints receivers to director of ALAMMC Developments](#) – In the Federal Court, O'Sullivan J has made orders appointing receivers and managers to the property of the director of the ALAMMC Developments group of companies, and his partner. The order follows the granting of asset preservation orders in September 2024 regarding 13 companies.

APRA news

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

- [1 November 2024 – MEDIA RELEASES – APRA applies additional \\$10m capital requirement to Pacific International Insurance](#) – Following a review of the binder holder arrangements of Pacific International Insurance Pty Ltd, APRA has imposed a further \$10 million capital requirement. The review found that Pacific was deficient in overseeing and controlling its risk management framework as applied to its authorisation of intermediaries to enter into policies on its behalf.
- [31 October 2024 – MEDIA RELEASES – APRA updates RPG 702.0 for the Economic and Financial Statistics \(EFS\) collection](#) – APRA has issued a revised version of Reporting Practice Guide RPG 702.0 ABS/RBA Data Quality for the EFS Collection (RPG 702.0) and the EFS Data Priority Listing.
- [31 October 2024 – MEDIA RELEASES – APRA releases Monthly Authorised Deposit-taking Institution Statistics for September 2024](#)
- [30 October 2024 – MEDIA RELEASES – APRA increases transparency of super fund expenses](#) – APRA has released its first report on fund-level data on expenditure by superannuation funds and their trustees on a range of categories for the 2022-23

financial year. This data is to be published annually, with data for the 2023-24 financial year to be issued in early 2025.

- [29 October 2024 – MEDIA RELEASES – APRA and ASIC publish latest data on life insurance claims and disputes – June 2024](#) – APRA has published its Life Insurance Claims and Disputes Statistics publication, covering the 2023-24 financial year.
- [29 October 2024 – SPEECHES – APRA Deputy Chair Margaret Cole – Speech to the AFR Super & Wealth Summit 2024](#) – Margaret Cole presented in Sydney to this summit and highlighted the responsibility of superannuation fund trustees to ensure that their expenditure is in the best financial interests of fund members. Ms Cole also foreshadowed the commencement of the Financial Accountability Regime which will apply to superannuation from March 2025, and boost trustees' obligations to align expenditure with their best financial interests duty.