

## **IPA NEWS**

### **Constitutional changes being proposed at AGM 2024**

The Board of the IPA has undertaken a detailed review of the IPA's complaints and disciplinary system, and proposes, with their full endorsement, Constitutional changes to be voted upon at the IPA Annual General Meeting (AGM) to be held on **27 November 2024** at 6:00pm AEDT

### **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**

### **Senate committee recommends passage of Aged Care Bill 2024**

The Senate Community Affairs Legislation Committee has recommended that the Aged Care Bill 2024 be passed – the Bill is currently before the House of Representatives.

### **Report on ATO objection management and IGTO forward workplan released**

The final report of the IGTO's review into the ATO's administration and management of objections has been released alongside the IGTO's forward workplan for 2024-25.

### **TPB annual report 2023-24 released**

The TPB has released its 2023-24 annual report, putting into perspective the level of scrutiny the tax profession has experienced during that period.

### **Community charity guidelines: exposure draft released**

Treasury has released draft guidelines setting out rules that community trusts and charities must comply with be endorsed as deductible gift recipients under tax law.

### **Focus for private groups 2024-25 page launched: ATO**

The ATO has issued a bulletin in relation to the launch of a new areas of focus 2024-25 page on private groups.

### **IPA Engagement letter templates**

We will shortly be releasing updated Tax engagement letter templates for the new disclosures

required by the [Tax Agent Services \(Code of Professional Conduct\) Determination 2024](#) (Determination).

## **Submission to the Productivity Commission: Opportunities in the circular economy**

The IPA has made a submission to the Productivity Commission on the Opportunities in the circular economy. The submission notes that 'Australia is lagging other countries in progressing to a circular economy, including materials productivity, and that various lessons can be drawn which may enable us to either 'catch up' or catapult ahead.'

## **SUPERANNUATION**

### **No ASIC fees for RSE auditor changes**

ASIC has registered regulations which prescribe that there is no fee for applications made to ASIC for the resignation, removal or appointment of RSE auditors.

### **Seeking member views – AASB Exposure Drafts (ED) to simplify the reporting framework for Australian not-for-profit entities**

On 31 October 2024, the AASB issued two Exposure Drafts (ED) to simplify the reporting framework for Australian not-for-profit entities.

## **FINANCIAL SERVICES**

### **Bill introduced to replace SOAs for retail clients**

A Bill has been introduced proposing changes relating to Recommendation 9 of the Quality of Advice Review.

### **Consultation opens on ASIC's sustainability reporting guidelines**

ASIC has released a draft regulatory guide on the upcoming sustainability reporting regime for stakeholder consultation.

### **ASIC prepares cost recovery levies for \$328m in regulatory costs**

ASIC has registered the instruments that together provide ASIC with the figure to enable it to calculate levies for the 2023-24 financial year.

## **REGULATOR NEWS**

### **ASIC News**

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

## APRA news

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

## Proposed legislative amendments, Government announcements and consultations

Updates from the government including legislation.

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## IPA NEWS

### Constitutional changes being proposed at AGM 2024

The Institute of Public Accountants (IPA), as a leading professional body must continually seek to raise the bar in member regulation and oversight to maintain public trust and confidence. As a result, the IPA is proposing changes to its complaints and disciplinary functions.

The Board of the IPA has undertaken a detailed review of the IPA's complaints and disciplinary system, and proposes, with their full endorsement, the following Constitutional changes to be voted upon at the IPA Annual General Meeting (AGM) to be held on **27 November 2024** at 6:00pm AEDT:

1. The establishment of a Professional Conduct Committee, which will be tasked with assisting with certain disciplinary matters, the purpose of which is to increase administrative efficiency and ensure the appropriate level of independence and transparency.
2. Clarification of the powers of the IPA to disclose information to certain other regulatory and professional bodies, including information regarding Members, and the procedures, processes or actions taken by the IPA or any committee of the IPA (having regard to privacy law considerations).
3. An increase to the maximum amount of the fine that may be imposed by the Professional Conduct Committee or a Disciplinary Tribunal in certain circumstances outlined in chapter 7 (Investigation and Disciplinary Procedures) of the IPA Constitution, from \$10,000 to \$100,000. This will bring the IPA in line with the lowest of the maximum fines imposed by the other professional accounting bodies in Australia.
4. Changes to specify the grounds on which an IPA Member can lodge a notice of appeal following a finding made by the Disciplinary Tribunal.

The IPA Board of Directors recommends that members **APPROVE all of** the proposed amendments to the IPA Constitution at Clauses 4(11), 13(3), 23(2), 23(3), 23(5), 98(1), 98(2)(a) to (c), 98(2)(f) to (h), 98(3)(b) and (c), 98(3)(g) and (h), 99, 104(3), 108A(1) and 108B. Members can register via <https://publicaccountants.org.au/AGM-2024>.

The IPA AGM will be streamed live for IPA Members not able to be present at the meeting. IPA Members joining the IPA AGM via the live stream will do so as observers only, and will be encouraged to register a Proxy to be able to vote at the AGM.

Proxy forms and associated AGM material will be made available via the IPA website (Member section).

## AML Consultation

If you have an interest, please send an email to [ipaadvocacy@publicaccountants.org.au](mailto: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

### Senate committee recommends passage of Aged Care Bill 2024

The Senate Community Affairs Legislation Committee has recommended that the Aged Care Bill 2024 be passed. The Report can be found [here](#). The Bill is currently before the House of Representatives.

- Coalition Senators recommend that the Bill be passed with 31 recommended amendments.
- The Greens recommended in their dissenting report that the Government address many of the serious concerns raised throughout the inquiry, as well as provide the outstanding rules to enable a clearer assessment of the impact of the legislation in its totality.
- Independent Senator David Pocock also had "significant concerns".

### Report on ATO objection management and IGTO forward workplan released

The newly appointed Inspector-General of Taxation and Taxation Ombudsman ("IGTO"), Ruth Owen has released the final report of her review into the [ATO's administration and management of objections](#) \.

In the report, the IGTO highlights 4 areas of improvement:

- increasing accessibility by extending online lodgment to all taxpayers;
- streamlining processes to reduce time and resources devoted to high volume, low risk objections;
- increasing taxpayer engagement to speed up the time taken to complete an objection; and
- learning lessons from objections to prevent the number of objections needing to be made.

The ATO has agreed in full, in part or in principle with all recommendations made by the IGTO.

The IGTO has also released its [forward workplan of systemic reviews for 2024-25](#). The workplan marks the change in the manner and style in which IGTO reviews are undertaken

and reported.

The workplan sets out the IGTO's aim to complete four systemic reviews per year, with shortlisted priority areas for review, namely:

- how the tax system is used as a weapon in financial coercion or abuse;
- the service provided to tax agents through the ATO dedicated agent helpline; and
- how ATO can improve their letters to taxpayers, to make them more easily understood.

Topics that were not shortlisted, due to limited review resources, were also highlighted for future consideration with any other emerging topics.

## TPB annual report 2023-24 released

The TPB has issued its [2023-24 Annual Report](#). The report puts into perspective the level of scrutiny the tax profession has experienced during the period.

Some highlights to the TPB's response to support the legislative reforms arising from the Treasury Laws Amendment (2023 Measures No.1) Act 2023 and Treasury Laws Amendment (Tax Accountability and Fairness) Act 2024, include:

- converting the three-year registration period to annual registration;
- strengthening the disclosure framework by requiring tax practitioners to not employ or use the services of a disqualified entity without TPB approval;
- strengthening transparency by requiring tax practitioners to report significant breaches of the Code of Professional Conduct in relation to their own conduct and the conduct of other registered tax practitioners;
- amending the Tax Agent Services act 2009 to give the relevant Minister the power to supplement the Code of Professional Conduct to address emerging and existing behaviours and practices;
- extending whistleblower protections to eligible whistleblowers who make disclosures to the TPB, as well as disclosures to certain other entities who may support or assist the whistleblower;
- enabling the publication of additional information that will appear on the TPB register, assisting consumers in making informed choices if they choose to engage with a tax practitioner.

## Community charity guidelines: exposure draft released

Treasury has released the draft legislative instrument entitled [Taxation Administration \(Community Charity\) Guidelines 2024](#) (the "Guidelines"). The Guidelines set out rules that community charity trusts and their trustees, and community charity corporations and their directors, must comply with if such charities ("community charities") are to be, or are to remain, endorsed as deductible gift recipients ("DGRs") under the taxation law. The Guidelines also set out how to work out the amount of an administrative penalty in relation to community charities for the purposes of ss 426-120(1) and 426-195(1) in Sched 1 to the Taxation Administration Act 1953.

The Guidelines follow the commencement of the Treasury Laws Amendment (Support for

Small Business and Charities and Other Measures) Act 2024 on 29 June 2024, which created a framework for DGR endorsement for community charities.

DATE OF EFFECT: The day following its registration on the Federal Register of Legislation.

SUBMISSIONS are due by 3 December 2024.

## Focus for private groups 2024-25 page launched: ATO

The ATO has issued a [bulletin](#) in relation to its launch of a new areas of focus 2024-25 page on private groups. The page highlights the ATO's primary focus areas and outlines where the ATO is investing its efforts to provide education and guidance, while engaging with private groups to help them understand their obligations.

Private groups and other stakeholders are encouraged to check the page regularly to stay informed about the ATO's evolving priorities based on intelligence received and developing insights.

The bulletin also highlights the ATO's updated [What attracts our attention](#) content.

## IPA Engagement letter templates

Following registration of the Determination on 2 July 2024, the government issued the following legislative instruments to amend the Determination in response to stakeholder feedback:

- [Tax Agent Services \(Code of Professional Conduct\) Amendment \(Measures No.1\) Determination 2024](#) (registered on 9 September 2024)
  - This amendment provided certainty to registered tax practitioners as to the TPB's approach to the transition and implementation of the additional Code obligations.
  - The amendment also deferred the application date of the new obligations until 2025
    - 1 July 2025 – for registered tax practitioners with 100 or less employees as at 31 July 2024.
    - 1 January 2025 – for any other registered tax practitioners.

The Tax Practitioners Board have advised that attaching a copy of its [Information for clients factsheet](#) - tax agents (or a link to it) in the engagement letters would satisfy the new disclosure requirements

Practitioners need to give consideration to engagements that commence before the operative dates (above) but are likely to cross over into the operative date period.

As mentioned, we will shortly be publishing our tax engagement letters but to also note that we are also additionally reviewing and updating all our engagement letter templates and will be publishing the revised templates expected to be available from early 2025.

## Submission to the Productivity Commission: Opportunities in the circular economy

Among other things, our submission states 'A proposal has been put forward for our collaboration which includes the following specific objectives:

- Development of a Circular Economy diagnostic methodology for industry.
- Systematization of the methodology, development of data collection tools and information processing.
- Execution and validation of the methodology through pilot tests.
- Develop publishable material as a background record.

You can access the full submission [here](#)

## SUPERANNUATION

### No ASIC fees for RSE auditor changes

ASIC has registered the [Corporations \(Fees\) Amendment \(RSE Auditors\) Regulations 2024](#) (Regulations) which prescribe that there is no fee for applications made to ASIC for the resignation, removal or appointment of Registrable Superannuation Entity (RSE) auditors, in line with the treatment of similar entity types such as managed investment scheme auditors.

The regulations commence on 8 November 2024, but have retrospective application from 1 July 2023, which will align with the introduction of the requirement for RSE auditors and superannuation trustees to apply to ASIC for the appointment, resignation or removal an RSE auditor.

## FINANCIAL SERVICES

### Bill introduced to replace SOAs for retail clients

A private member's bill\*, the [Corporations Amendment \(Streamlining Advice Process\) Bill 2024](#), has been introduced to streamline the engagement process between a financial adviser (providing entity) and their client. The changes outlined in this Bill relate to Recommendation 9 of the [Quality of Advice Review](#): "Statement of Advice" and the "Good Advice Duty".

This Bill proposes to:

- insert a new Div 3 into Part 7 of the Corporations Act 2001 which would require a financial adviser (providing entity) to provide a Letter of Engagement and a Record of Advice (ROA) for any retail client seeking advice. The Letter of Engagement will state the scope of advice sought and agreed to;
- replace SOA's with ROA's;
- add a requirement that the ROA outline why the advice is "directly relevant" to the agreed scope of the advice sought and the client's personal circumstances; and
- as with an SOA, it is envisioned that an ROA will be provided prior to providing any

advice.

\* The successful passage of a private members' bill through Parliament is extremely rare. Between 10 November 1998 and 11 April 2022, there have been just 14 successful private members' bills: see Australian Law Reform Commission, [Lawmaking by Parliamentary Term](#), (2022).

## Consultation opens on ASIC's sustainability reporting guidelines

ASIC has released a draft regulatory guide on the upcoming sustainability reporting regime for stakeholder consultation.

From 1 January 2025, many large Australian businesses and financial institutions will be required to prepare annual statutory sustainability reports with climate-related financial disclosures.

Draft Regulatory Guide 000 Sustainability reporting (Draft RG 000) provides guidance on:

- who must prepare a sustainability report;
- how the regime interacts with existing legal obligations;
- how ASIC will administer the sustainability reporting requirements;
- ASIC's approach to granting relief and using its new directions power; and
- specific issues regarding report contents and sustainability-related financial disclosures.

ASIC is seeking stakeholder feedback on the draft guide through [Consultation Paper 380 Sustainability reporting \(CP 380\)](#).

Reporting entities are encouraged to prepare for the new requirements. More information is available on the ASIC website: [sustainability reporting](#).

CONSULTATION PERIOD CLOSES: 19 DECEMBER 2024.

## ASIC prepares cost recovery levies for \$328m in regulatory costs

ASIC has registered:

- [ASIC \(Supervisory Cost Recovery Levy - Regulatory Costs\) Instrument 2024/821](#); and
- [ASIC \(Supervisory Cost Recovery Levy - Annual Determination\) Instrument 2024/822](#),

which together provide ASIC with the figures to enable it to calculate the levies payable by each leviable entity (such as financial services licensees and RSE licensees) for the 2023-24 financial year.

ASIC will use the figures in these instruments in preparing the invoices for the levies which will be sent out to industry in January 2025.

ASIC's regulatory costs for 2023-24 were \$328,108,436.

Further information about the levy can be found at [asic.gov.au/industry-funding](https://asic.gov.au/industry-funding).

## Seeking member views – AASB Exposure Drafts (ED) to simplify the reporting framework for Australian not-for-profit entities

The AASB has advised that they have published:

- Exposure Draft ED 334 Limiting the Ability of Not-for-Profit Entities to Prepare Special Purpose Financial Statements; and
- Exposure Draft ED 335 General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities.

These EDs are the result of feedback received, discussions and research by the AASB undertaken since the previous consultation process including the Board's preliminary view presented in the 2022 Discussion Paper.

ED 334 proposes:

- amendments to the Conceptual Framework for Financial Reporting (Conceptual Framework) and Australian Accounting Standards (including Interpretations) to remove the ability for not-for-profit entities to prepare SPFS via AASB 1057 Application of Australian Accounting Standards so that the pronouncements apply to:
  - NFP entities that are required by legislation to prepare financial statements that comply with either Australian Accounting Standards or accounting standards;
  - other NFP entities that are required only by their constituting document or another document to prepare financial statements that comply with Australian Accounting Standards; and
  - NFP entities that elect to prepare general purpose financial statements.

ED 335 proposes:

- a new Tier 3 Australian Accounting Standard General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities with simplified recognition, measurement and disclosure requirements that apply to all eligible not-for-profit (NFP) private sector Tier 3 entities.

The consultation provides an opportunity for interested stakeholders to help shape the NFP sector financial reporting framework.

To accompany the consultation on these Exposure Drafts, the AASB has published:

- A **summary** of the Tier 3 Exposure Draft proposals and the extent of simplification against Tier 2 reporting requirements.
- A **key facts** document that provides a high-level overview of the Exposure Drafts.

AASB staff is also developing a webcast to provide an overview of the key proposals in ED 334 and ED 335. More details will be available soon.

We encourage all NFP stakeholders to get involved by:

- submitting a comment letter on the AASB website;
- completing an online survey for:
  - ED 334, click here to access; or
  - ED 335, click here to access.'

You can access more information [here](#).

The IPA will be making a submission and should you wish for your comments to be included in our submissions, please send any comments to [ipaadvocacy@publicaccountants.org.au](mailto:ipaadvocacy@publicaccountants.org.au) by **3 February 2025**.

## **REGULATOR NEWS**

### **ASIC News**

ASIC has released the following updates in its Newsroom section:

- [7 November 2024 – MEDIA RELEASE – ASIC seeks feedback on proposed guidance on sustainability reporting regime](#) – From 1 January 2025, many large Australian businesses are required to prepare annual statutory sustainability reports including climate-related financial disclosures, after amendments brought by the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024* (Cth). ASIC has issued a draft regulatory guide and a Consultation Paper 380 *Sustainability reporting (CP 380)*, and invites comment from stakeholders. Interested parties may make submissions until 19 December 2024.
- [7 November 2024 – SPEECH – Senate Economics Legislation Committee, Supplementary Budget Estimates](#) – ASIC Chair Joe Longo appeared before the Senate Economics Legislation Committee along with other Commissioners and senior management. ASIC's ongoing transformation equips it well to adapt to rapidly evolving environments.
- [6 November 2024 – MEDIA RELEASE – ASIC's proceedings against Dixon Advisory director Paul Ryan dismissed](#) – In the Federal Court, O'Callaghan J has dismissed ASIC's case against a director of Dixon Advisory Pty Ltd. ASIC had alleged that, in the lead-up to Dixon Advisory becoming insolvent, he had breached his duties as a director and making decisions which favoured its holding company at the expense of its creditors. ASIC is considering the [judgment](#) which is available.
- [5 November 2024 – MEDIA RELEASE – ASIC takes action to wind up 95 companies](#) – On 1 November 2024, Stewart J made an order to appoint provisional liquidators to a set of companies. ASIC applied for their winding up because it had no confidence in their conduct and management. A number of the companies are also subject to complaints and appear to be associated with scam websites.
- [5 November 2024 – MEDIA RELEASE – Federal Court appoints receivers to ALAMMC Developments](#) – On 1 November 2024, in the Federal Court O'Sullivan J made orders appointing receivers to the property of ALAMMC Developments Pty Ltd and related companies and extended travel restriction orders on its director, Mr David McWilliams, until 1 July 2025. The orders and the [judgment](#) dated 4 November 2024 are available.

### **APRA news**

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

- [8 November 2024 – SPEECHES – Therese McCarthy Hockey remarks to FINSIA's The Regulators event](#) – APRA Executive Board Member Therese McCarthy Hockey presented to FINSIA's event in Sydney and outlined its priorities for 2025. The System

Risk Stress test will involve the connections between the banking and superannuation systems. APRA will also continue to engage with banks, insurers and superannuation trustees to ensure their compliance with new standards from 1 July 2025.

- [7 November 2024 – MEDIA RELEASES – APRA consults on adjustments to its general insurance reinsurance framework](#) – APRA is conducting a consultation on proposed adjustments to general insurers' access to reinsurance, including alternative arrangements. Interested parties may make submissions until 17 February 2025.
- [4 November 2024 – MEDIA RELEASES – APRA registers new non-operating holding company – St Andrew's Australia Services Pty Ltd](#) – APRA has registered St Andrew's Australia Services Pty Ltd as a non-operating holding company of one registered life insurer under the *Life Insurance Act 1995* (Cth), and one authorised general insurer under the *Insurance Act 1973* (Cth).

## Proposed legislative amendments, Government announcements and consultations

- [7 November 2024 – LEGISLATION – Scams Prevention Framework Bill 2024](#) – The Assistant Treasurer, Mr Stephen Jones, introduced this bill in the House of Representatives. The proposed amendments will introduce a framework that includes multiple regulators and enables an external dispute resolution scheme to be authorised. Amendments in the *Corporations Act 2001* (Cth) are confined to Part 7.10A.
- [4 November 2024 – LEGISLATION – Corporations Amendment \(Streamlining Advice Process\) Bill 2024](#) – This bill was introduced in the House of Representatives by Mr Bert van Manen, the Opposition Whip, and proposes to repeal and substitute Part 7.7, Division 3 (Additional requirements for personal advice provided to a retail client) of the *Corporations Act 2001* (Cth). The proposed amendments address the recommendations of the *Quality of Advice Review* by Michelle Levy commissioned by the previous government in 2022 and are aimed at confirming a clear agreement is in place prior to the provision of any advice and standardising administrative requirements for financial advice.