Coster Galgut
Chartered Accountants

T AX UPDATE – OCTOBER 2024

The important details for October 2024

What did I miss?

Can you achieve certainty with the ATO? We look at the updated guidance on utilising the commercial deals service.

Plus, exchange traded funds have been in the news quite a bit lately (ever since research revealed that the younger generation are giving up on owning a home and engaging in ETFs to build wealth). The ATO have released new guidance on the tax treatment of buying and selling ETFs.

Plus new materials and guidance from the Tax Practitioners Board on the impending Code of Professional Conduct reforms.

As change occurs, we'll keep you posted!

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From Government

The end of the AAT

On 14 October 2024, the Administrative Review Tribunal (**ART**) commenced operations and replaced the Administrative Appeals Tribunal (**AAT**). The new tribunal operates in a similar way as the AAT and reviews the same types of decisions.

While the Small Business Taxation Division no longer exists, the ART has a new jurisdictional area for 'Taxation and Business'.

All existing AAT matters should have automatically been transferred to the ART on 14 October 2024. There is no need to submit a new application to the ART for existing matters.

AAT decisions that have already been finalised will not be considered again in the ART.

From 14 October 2024, any applications to review Government decisions should be made to the ART, including where the government decision was made prior to this date.

More information

- Administrative Review Tribunal
- Administrative Review Tribunal starts

Review of tax promoter penalty laws

Treasury has released a consultation paper with respect to the tax promoter penalty laws (**TPPL**), with submissions due by 1 November 2024.

The promoter penalty provisions within Division 290 of Schedule 1 to the TAA aim to deter the promotion of tax avoidance and tax evasion schemes. Civil penalties apply where tax practitioners breach the TPPL and they can also be disqualified by the Tax Practitioners Board (**TPB**).

The consultation looks at whether the TPPLs operates as intended, are fit for purpose, and are adequate to deter, and to protect the community from contemporary forms of misconduct – an elevated topic of conversation following the PwC scandal.

The consultation paper outlines the operation of the TPPL, certain emerging behaviours (e.g. social media), and other frameworks that may apply to promoters of tax exploitation schemes.

More information

- Amending tax practitioner code of conduct instrument

TPB draft guidance on TASA Code changes

The Tax Practitioners Board (TPB) has updated existing guidance and issued new draft guidance on the new obligations under the *Tax Agent Services Act 2009* inserted by the *Tax Agent Services (Code of Professional Conduct) Determination 2024*.

The following draft information sheets on how the TPB interprets key aspects of the new obligations:

- Upholding and promoting the ethical standards of the tax profession (TPB(I) D56/2024)
- False or misleading statements (TPB(I) D57/2024)
- Managing conflicts of interest when undertaking activities for government and maintaining confidentiality in dealings with government (TPB(I) D58/2024)
- Obligation to keep proper client records of tax agent services provided (TPB(I) D59/2024)
- Supervision, competency and quality management under the Tax Agent Services Act 2009 (TPB(I) D60/2024)
- Keeping your clients informed (TPB(I) D61/2024)

The draft information sheets are very detailed and provide case studies on the practical scope of the new obligations and actions that practitioners are expected to take to demonstrate compliance.

Submissions can be made until 21 November 2024. The final guidance is expected to be issued in December 2024 along with other materials to assist with the new obligations.

More information

- TPB expands consultation on draft Code Determination guidance

From the Regulators

Supplementary annual GST return 2025

The ATO has released instructions for completing the Supplementary annual GST return 2025, which is required to be lodged by certain public and multinational businesses.

In particular, clients who have received one of the following on or before 30 June 2024 will be required to lodge a Supplementary annual GST return 2025:

- Top 100 GST Assurance Report
- Top 1,000 Combined Assurance Review report, with a GST assurance rating
- Top 1,000 GST Streamlined Assurance Review.

The ATO will notify any taxpayers who are required to lodge a return.

Taxpayers who receive a GST assurance rating after 30 June 2024 will need to complete the Supplementary annual GST return from the 2025-26 year onwards.

The return is targeted at understanding key governance and GST changes during the year, covering:

- How the client has actioned recommendations, areas of low assurance or red flags outlined in the most recent GST assurance review (including subsequent interactions with the ATO)
- Whether clients have maintained or increased levels of GST governance and if any material business or systems changes that impact on the GST control framework since the last GST assurance review
- The reconciliation between audited financial statements and annualised business activity statements

- Whether the client has taken any material uncertain GST positions during the period
- Whether the client has identified any material GST errors in the period and how these have been rectified, and whether they have claimed any material amounts of credits in the period that were referable to earlier periods.

More information

- Supplementary annual GST return 2025
- Supplementary annual GST return

Tax treatment of buying and selling ETFs

The ATO has released new guidance on the tax treatment of buying and selling exchange traded funds (**ETFs**).

In broad terms, ETFs are managed (investment) funds that trade on the ASX or another registered exchange. Generally, when you invest in an ETF, you are purchasing units in a trust/fund which owns the underlying investments, rather than owning the underlying assets directly.

Broadly, taxpayers are required to declare in their tax returns:

- Income from distributions from ETFs
- Income from ETFs that have been reinvested into a distribution reinvestment plan (DRP)
- Capital gains or losses from the disposal of any ETF units.

ETF distributions are essentially trust distributions that represent a share of the income of the fund. Depending on the assets held by the ETF, the income can be comprised of different types of income including interest, dividends, franking credits and capital gains and which need to separately disclosed in the tax return at the correct labels.

Generally, Australian ETFs will provide an annual ETF tax statement which will notify taxpayers of the breakdown of their distributions and how to disclose the amounts in their tax return. However, foreign-owned ETFs may not provide investors with a similar statement, so clients will need to use their own records to correctly calculate and disclose the foreign income in their tax return.

Many ETFs offer DRPs to investors, where instead of receiving a cash distribution, the investor has the option to re-invest the distribution in order to purchase additional units in the ETF. The ATO has clarified that the distribution income is assessable in that year, irrespective of whether it was reinvested or if they received a cash distribution. This is because general trust income rules apply to ETF. That is, trust distributions are assessable in the income year they relate to, and not the year they are paid.

More information

- Exchange traded funds

Achieving certainty with the ATO

The ATO is encouraging taxpayers to engage with the ATO if they want certainty on the tax implications of complex or unusual commercial deals and avoid future compliance action.

The ATO's commercial deals service enables taxpayers to engage with the ATO after the relevant transaction has been completed but prior to lodgment of the tax return. The idea is that this service assists taxpayers and the ATO to reach mutual agreement on the tax implications of the deal and resolve any tax issues before lodgment.

The commercial deals service can be used in a range of situations, including significant business transactions that may impact on the structure of the business. For example:

- Financing and refinancing
- Initial public offerings
- Mergers and acquisitions
- Restructures
- Sale of business (partial or complete) or business assets
- Sale of commercial property
- Share buybacks
- Takeovers.

The ATO has also updated its website guidance with case studies to provide examples of how the commercial deals service might be utilised. These include:

- Applying the market value substitution rule when siblings sell shares in a family company to other siblings
- Applying the general value shifting regime to a company restructure
- Negotiations with the ATO regarding capital gains liabilities and variation of the foreign resident capital gains withholding (**FRCGW**) amount.

The ATO is also focusing its pre-deal completion and pre-lodgment compliance activities for commercial deals where there is a potential risk of:

- Misapplication of the capital gains tax exemption for foreign residents and taxable Australian property under Division 855;
- The dissipation of assets, such as the movement of funds outside Australia (for example, where a foreign resident is selling their sole Australian asset).

More information

- Engage with us for your commercial deal
- Commercial deals service resources

Updated guidance on compassionate release of super

The ATO has updated its guidance on the five main grounds for eligibility for compassionate release of superannuation. These are:

1. Medical treatment or transport for the applicant or their dependent
2. Accommodating a disability for the applicant or their dependent;
3. Palliative care for a terminal illness for the applicant or their dependent;
4. Funeral expenses for the applicant's dependent; or
5. Preventing foreclosure or forced sale of the applicant's home.

When it comes to medical treatment, then the treatment must be necessary to:

- Treat a life-threatening illness or injury
- Alleviate acute or chronic pain
- Alleviate acute or chronic mental illness.

Applications relating to medical treatment must include two medical reports, where at least one report has been provided by a specialist. The reports must state that the treatment is necessary to treat or alleviate one of the conditions above, and that the treatment is not readily available in the public health system.

The ATO can only approve the release of superannuation on compassionate grounds where all conditions set out in the regulations are met, including the requirement that the individual has no other means to pay for the expenses.

More information

- Eligibility for compassionate release of super

ATO targeting unpaid tax and super

The ATO is changing its approach to businesses that continue to ignore ATO SMS and letter correspondence regarding unpaid tax and superannuation liabilities.

Where businesses do not engage with the ATO or set up a payment plan for unpaid GST, pay as you go (PAYG) withholding or employee super obligations, the ATO will move quickly to firmer actions such as Director Penalty Notices (DPNs) and garnishee arrangements.

Directors of multiple companies who allow amounts of GST, PAYG withholding and employee super to remain unpaid and ignore ATO correspondence can also expect to receive DPNs capturing the total value of these amounts across all related entities. The DPN system allows the ATO to recover these amounts personally from the directors.

More information

- [We're changing our approach to collecting unpaid tax and super]

Rulings, Determinations & Guidance

Restructures and the new thin capitalisation and debt deduction rules

The ATO has issued a draft Guideline (PCG 2024/D3) which sets out the ATO's compliance approach and risk assessment framework for restructures under the new thin capitalisation rules and debt deduction creation rules (**DDCR**).

The new thin capitalisation regime implemented three new earnings-based tests which apply from 1 July 2023, as well as the DDCR, which applies for income years starting 1 July 2024. The DDCR operates to disallow debt deductions (such as interest deductions) for certain related party arrangements. The DDCR can apply to both multinational groups, as well as private businesses/groups.

The PCG establishes a risk assessment framework categorising restructures into four zones:

1. **White Zone**: No further risk assessment requirement - covered by an eligible settlement agreement or court ruling, with no material changes.

2. **Yellow Zone**: Restructures not in the Red, Green or White zones.

3. **Green Zone**: Low risk - applies where all of the taxpayer's restructures are covered by a low-risk example in the PCG.

4. **Red Zone**: High risk – covers taxpayers who undertake a restructure that is covered by any of the high-risk examples in the guideline or where the ATO has undertaken an audit or review and provided a high-risk rating.

Schedule 1 of the draft Guideline covers examples where the DDCR may need to be considered.

Schedule 2 of the draft Guideline covers the compliance risks that arise from restructures in relation to DDCR, and the features of low-risk and high-risk restructures.

Once finalised, the PCG will apply to restructures entered into after 22 June 2023.

More information

- PCG 2024/D3

Corporate collective investment vehicle regime

The ATO has issued Law Companion Ruling LCR 2024/1 which covers the operation of the corporate collective investment vehicles (**CCIVs**) regime.

A CCIV is a new type of company limited by shares that is available for funds management. From a regulatory perspective, a CCIV is a registered company with all its assets and liabilities segregated into "sub-funds" and is operated by a single corporate director. For tax purposes, each sub-fund is treated as a distinct trust entity, where general trust taxation rules apply, subject to some modifications where it does not qualify for the attribution managed investment trust (**AMIT**) regime.

The CCIV tax framework leverages the existing tax framework that applies to trusts and the existing attribution flow-through regime (i.e., per the AMIT regime), instead of creating another regime.

The ruling also explains the deeming principle in Subdivision 195-C, and its effect on the tax treatment of CCIVs, CCIV sub-funds and investors. Under the deeming principle, the business, assets and liabilities of a CCIV sub-fund are treated as a separate trust estate, where the CCIV is the trustee, and the members of the sub-fund are beneficiaries. Broadly, this means that the CCIVs are not taxed as companies, and investors are not taxed as shareholders. The ATO intends for this deeming principle to have broad application for tax law purposes, however, this doesn't extend to creating an actual trust relationship for general law purposes.

The ruling also addresses specific tax interpretative issues related to CCIVs, including corporate tax law implications, interactions with third parties, and GST matters.

LCR 2024/1 applies from 1 July 2022, which is the commencement date of the CCIV regime.

More information

- LCR 2024/1

Updated guidance on school and college building funds

The ATO has released an Addendum (TR 2013/2A1) which amends TR 2013/2 to reflect the ordinary meaning of 'school' for deductible gift recipient (**DGR**) endorsement purposes and to ensure that the meaning of school is consistent with the Federal Court decision in *The Buddhist Society of Western Australia Inc v Commissioner of Taxation (No 2)* [2021] FCA 1363.

TR 2013/2 explains the meaning of a 'school or college' for the purpose of the DGR endorsement rules in Item 2.1.10 of the table in section 30-25(1) of the ITAA 1997.

The amendments (paragraph 12A) clarify that while an essential element of a school is to provide education, the education provided does not require formal examination or testing, or the granting of formal awards of certificates of completion. The definition of 'school' is also not limited to those focused on academic pursuits and includes recreational, technical, arts and agricultural schools (this isn't an exhaustive list).

The Addendum also includes a new list of factors that can help demonstrate there is a school (but are not required):

- A set curriculum;
- Instruction or training provided by suitably qualified persons;
- The enrolment of students;
- Some form of assessment and correction;
- The creation of a qualification or status which is recognised outside of the organisation.

The Addendum also provides updated guidance on what should be considered in determining whether a building has the character of a school building.

More information

- TR 2013/2A1 - Addendum

Updated GST guidance on food marketed as a prepared meal

The ATO has issued an updated draft determination (GSTD 2024/D3), which covers the GST implications of supplies of food marketed as a prepared meal, in light of the recent Federal Court decision in *Simplot Australia Pty Limited v Commissioner of Taxation* [2023] FCA 1115 (***Simplot***). This draft ruling replaces the previous draft ruling, GSTD 2024/D1W, which has now been withdrawn.

Section 38-3(1) of the GST Act 1999 provides that certain supplies of food 'of a kind' that are specified in Schedule 1 are not GST-free. Within the category of 'Prepared food', column 3 of table item 4 includes frozen 'food marketed as a prepared meal, but not including soup'. It does not matter 'whether it is supplied hot or cold, or requires cooking, heating, thawing or chilling prior to consumption'.

In *Simplot*, the Court looked at whether particular frozen food products imported by Simplot such as fried rice, pasta, risotto, cauliflower rice etc, could be considered 'prepared meals'.

The Court considered the attributes of a 'prepared meal' are to be discerned from common experience. The relevant attributes include:

- Quantity – the term 'meal' connotes a quantity of substance, even if it might be a small meal;
- Composition — a prepared meal connotes food consisting of more than one ingredient or element;
- Presentation — a prepared meal connotes a combination of foods that is complete i.e. whether there is seasoning, sauces and flavourings may all be relevant.

The GST treatment doesn't depend on whether the specific product is marketed as a prepared meal, but rather, whether the product is a member of a class of foods that are marketed as prepared meals. This is to be considered 'as a matter of common sense and common experience'.

The draft determination includes some examples of common foods and how the tests can apply. In the examples, pots of bircher muesli, frozen lasagna / pastas, microwavable dumplings will likely be considered food of a kind marketed as a prepared meal. On the other hand, frozen mashed potato, trifle, meal preparation kits, stir-fry kits where you need to cook the ingredients are not of a kind marketed as a prepared meal.

The draft determination also provides further guidance on the GST treatment of salad products. Where the salad is marketed as a prepared meal containing a variety of ingredients, a balanced proportion of ingredients, and a sufficient overall quantity to constitute a meal, this is more likely to be commonly marketed as a complete meal to be eaten on its own. On the other hand, salad products that lack variety and a balance of ingredients (e.g. if it has a high proportion of one ingredient or limited ingredients) are less likely to be food of a kind marketed as a prepared meal.

Common salad items will also be added to the Detailed Food List. For example, tabbouli, potato salad, creamy pasta salad, coleslaw, seafood salad etc. will be GST-free, while Caesar salad and Greek salad, and other pasta products will be taxable.

The ATO provides a 4-step method statement to determine whether a product is food of a kind marketed as a prepared meal. Step 3 provides a compliance approach for salads, which offers specific guidance that looks to the composition and packaging of the salad with certain thresholds (e.g. 10% meat or seafood by weight, instructions for heading, 60%/70% total weight from single ingredient etc.). Where the salad product meets the criteria, then it would be considered low risk that it would be considered food of a kind marketed as a prepared meal, and the ATO will be less likely to apply compliance resources to review these.

More information

- GSTD 2024/D3

Cases

Taxpayer not liable for luxury car tax and GST on cars sold from museum

In *Automotive Invest Pty Limited v Commissioner of Taxation* [2024] HCA 36, the majority of the High Court (3:2) held in favour of the taxpayer. The Court held that the cars which were exhibited in a car museum and then sold were not liable to increasing luxury car tax (**LCT**) adjustments under the *A New Tax System (Luxury Car Tax) Act 1999* (Cth) (**LCT Act**).

The taxpayer carried on a business of acquiring and selling luxury and collectible vintage cars in Gosford, NSW. However, the taxpayer also displayed the cars in a 'car museum' as a marketing effort to attract visitors and potential buyers. The vehicles in the 'car museum' were generally all for sale. The appeal related to 40 cars that were displayed in the museum and were sold to other dealers, collectors or consumers.

The Commissioner argued that there should be an increasing LCT adjustment in respect of the 40 cars on the basis that a car dealer is only entitled to quote its ABN and avoid LCT on acquisition of a car if the sole purpose is to hold the cars as trading stock. The Commissioner argued that the taxpayer was not entitled to quote its ABN in relation to the 40 cars because they were also used for the additional purpose of being displayed in the museum, which was not a "quotable purpose".

The taxpayer argued that the cars were solely held as trading stock, and displaying them in the car museum was a means of selling them. The taxpayer also submitted that the word "other" in the phrase "for no other purpose" in s 9-5(1) of the LCT Act should be construed as meaning "alternative" rather than "additional", and that using the cars in the museum was an additional, and not an alternative, purpose.

The Court found that the evidence supported the taxpayer's argument that his sole reason for employing the 'museum concept' was as a means to achieve his ultimate object or end of selling cars, including:

- All 40 cars were for sale in the museum.
- The premises were made to appear as a museum (and not an ordinary car dealership or sale yard) to attract more people and publicity, so that more cars would be sold.
- To the extent that the museum might be treated as a separate business, there was evidence that the museum made a loss.
- The revenue from the museum was, and remained, only a tiny fraction of the revenue from the sale of the cars.
- It was inferred that in the absence of the business of selling cars, the taxpayer would no longer have any use for a museum.

The Court agreed that the purpose or object of the taxpayer was to sell cars, and the museum was only a means of achieving that purpose. As a result, the cars were not subject to increasing LCT adjustments.

More information

- Automotive Invest Pty Limited v Commissioner of Taxation [2024] HCA 36

It wasn't income it was winnings from gambling…

In *Youssef v Commissioner of Taxation* [2024] FCA 1154, the Federal Court dismissed the taxpayers' appeal of the AAT decision in *QQRK v FC of T* [2023] AATA 3493, finding that the taxpayers failed to prove that the substantial deposits into their bank accounts were referable to gambling proceeds and loans.

The taxpayers, two brothers, operated a concrete pumping business. After an audit, the Commissioner concluded that unreported substantial deposits into their bank accounts were assessable income the taxpayers had failed to include in their tax returns and issued amended assessments for the income years ended 30 June 2011 to 30 June 2016. The brothers objected to the assessments and sought a review by the AAT, arguing the deposits were attributable to their winnings as prolific gamblers or to loans given and received in connection with gambling.

The AAT upheld the ATO assessments, finding the brothers' evidence to be incomplete and inconsistent, and concluded they had not proven what their assessable income should be. In order to overturn an ATO assessment the taxpayer will need to more than show that the ATO's figure is incorrect. The taxpayers appealed the AAT's decision to the Federal Court.

On the gambling winnings, the Court found that while one brother (George) had made some winnings from gambling, the evidence provided was not a complete picture as he had not kept complete records, including leaving out many gambling losses. It was therefore not possible to obtain a clear picture of his actual gambling profits, or make an estimate of this amount. George was also found to be an unreliable witness before the Tribunal, which reduced the credibility of his evidence.

The brothers also contended that the maximum income the business could have generated, together with interest and rent, did not come close to the amounts in the Commissioner's amended assessments. The Court held that because George could not prove his gambling losses, the Tribunal could not be sure how much George made as profits from his gambling. In turn, it could not be sure that the deposits represented gambling profits.

George also argued that some of the deposits related to loans that had been repaid to him mostly by fellow gamblers. He submitted that the repaid loans showed that his assessable income should be reduced by the repayments because these were not income. The Court did not accept this submission. Apart from one loan, the deposits into his accounts didn't reflect the repayment of loans that he advanced.

George failed to prove what his assessable income was and in such a way that it was not possible to even arrive at a rough estimate, because he failed to show what his gambling losses were. Secondly, even if his income was the maximum amount made by the concrete pumping business with interest and rent, that figure didn't match the deposits made into his account.

The Federal Court upheld the AAT's decision and dismissed the appeal.

More information

- [Youssef v Commissioner of Taxation (Appeal) [2024] FCA 1154]

Legislation

Super contributions on paid parental leave

The *Paid Parental Leave Amendment (Adding Superannuation for a More Secure Retirement) Bill 2024* received Royal Assent on 1 October 2024.

The Bill amends the *Paid Parental Leave Act 2010* with effect that superannuation contributions are added to paid parental leave under the Commonwealth-funded Paid Parental Leave Scheme for Parental Leave Pay recipients. This applies in connection with children born on or after 1 July 2025.

More information

- Paid Parental Leave Amendment (Adding Superannuation for a More Secure Retirement) Bill 2024

Amended Tax Practitioner Code of Conduct

The Assistant Treasurer has made a legislative instrument that clarifies some of the new components to the Code of Professional Conduct for tax practitioners, primarily the obligations in relation to false or misleading statements and keeping clients informed that were introduced under the *Tax Agent Services (Code of Professional Conduct) Determination 2024* (**Determination**).

The instrument primarily amends sections 15 (false or misleading statements) and 45 (keeping clients informed) of the Determination.

The legislative instrument repeals and substitutes section 15(2) (Responding to a false or misleading statement made to the Board or Commissioner). The amendments clarify:

- The obligation only applies to statements made or prepared by the practitioner or where the practitioner permitted or directed someone else to make or prepare the statement.
- The obligation only applies in those cases where the practitioner has reasonable grounds to believe (assessed objectively and based on the evidence available to the practitioner) that the statement was relevantly and materially false or misleading because of a failure by someone involved in preparing or making the statement to take reasonable care, or because someone involved in preparing or making the statement intentionally disregarded, or was reckless to the operation of, a taxation law.
- The factors about what amount of time is considered reasonable for a tax practitioner and/or a client to provide a defensible explanation or to take action to correct a false or misleading statement.
- A practitioner's obligations where a client does not act to correct a false or misleading statement after being advised by the practitioner within a reasonable time period.
- The obligations do not apply where the course of action would pose an unreasonable risk to the practitioner's personal safety, or the safety of a member of their family or staff, or to the extent that such an action would be unlawful under another law.

The legislative instrument amends section 45(1) to clarify the specific types of matters, events and circumstances that tax practitioners need to disclose to current and prospective clients, instead of applying to 'any' matter that could significantly influence a decision of a client to engage them.

More information

- Tax Agent Services (Code of Professional Conduct) Amendment (Measures No. 2) Determination 2024

Reforms to M&A rules

The *Treasury Laws Amendment (Mergers and Acquisitions Reform) Bill 2024* was introduced into Parliament on 10 October 2024.

The Bill introduces reforms to Australia's merger rules to promote competition announced in April 2024.

Under the proposed laws, there will be a mandatory notification system for mergers above certain thresholds, which will need to be approved by the Australian Competition and Consumer Commission (**ACCC**).

There will be three key thresholds:

- Any merger will be looked at if the Australian turnover of the combined businesses is above $200 million, and either the business or assets being acquired has Australian turnover above $50 million or global transaction value above $250 million.
- The ACCC will look at any merger involving a very large business with Australian turnover more than $500 million buying a smaller business or assets with Australian turnover above $10 million.
- To target serial acquisitions, all mergers by businesses with combined Australian turnover of more than $200 million where the cumulative Australian turnover from acquisitions in the same or substitutable goods or services over a 3 year period is at least $50 million will be captured, or $10 million if a very large business is involved.

More information

- Treasury Laws Amendment (Mergers and Acquisitions Reform) Bill 2024
- Historic reforms for a more competitive economy enter Parliament

AML reforms extend obligations to professionals

The *Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2024* has passed the House of Representatives and is before the Senate.

Amongst other reforms, the Bill extend the AML/CTF regime to "higher-risk services" provided by real estate professionals, professional service providers including lawyers, accountants and trust and company service providers. Certain services provided by these sectors are recognised globally as high risk for money laundering exploitation. These designated services would be regulated under the AML/CTF regime.

More information

Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2024

Tax whistleblower protections regulation

Treasury has made Regulations that amend the *Taxation Administration Regulations 2017* to allow confidential information from whistleblowers to be disclosed to the Inspector-General of Taxation (**IGT**), the TPB, and the Commissioner of the Australian Charities and Not-for-profits Commission (**ACNC**).

The tax whistleblower laws provide protections to whistleblowers when they make eligible disclosures to the ATO or another eligible recipient under section 14ZZV of the *Taxation Administration Act 1953*. Unless consent is provided by the whistleblower, this means that information cannot be readily shared with the IGT, TPB or Commissioner of the ACNC without breaching the provisions. However, a disclosure of a protected discloser's identity is authorised in several circumstances, including where the disclosure is made to a person or body prescribed by the regulations under section 14ZZW(2)(d). The Regulations prescribe the IGT, TPB and ACNC under section 14ZZW(2)(d) of the Act.

The Regulations also prescribe the IGT as an eligible recipient under s 14ZZV(1)(d), which offers protections to whistleblowers when they make relevant disclosures to the IGT.

The Regulations commence from 12 October 2024.

More information

- Taxation Administration Amendment (Extending Tax Whistleblower Protections) Regulations 2024