Closed groups

Access information from meetings of our consultation groups that have closed.

Australian Banking Association Steering Group key messages 22 May 2024

Key topics discussed at the Australian Banking Association Steering Group meeting 22 May 2024.

Australian Financial Markets Association Liaison Group key messages 23 November 2023

Key topics discussed at the Australian Financial Markets Association Liaison Group meeting 23 November 2023.

Fringe Benefits Tax Stakeholder Group key messages 27 November 2024

Key topics discussed at the Fringe Benefits Tax Stakeholder Group meeting 27 November 2024.

Government Entities Working Group key messages 11 April 2022

Key topics discussed at the Government Entities Working Group meeting on 11 April 2022.

Lodge and Pay Working Group key messages 25 July 2024

Key topics discussed at the Lodge and Pay Working Group meeting 25 July 2024.

Lodgment Program Review Working Group key messages 14 June 2022

A summary of key topics discussed at the Lodgment Program Review Working Group meeting 14 June 2022.

Modernising Business Registers Business Advisory Group key messages 19 June 2023

Key messages from the Modernising Business Registers Business Advisory Group meeting 19 June 2023.

Retirement Villages Working Group key messages 4 April 2022

Summary of key topics discussed at the Retirement Villages Working Group meeting 4 April 2022.

Single Touch Payroll Employer Transition Working Group key messages 18 April 2023

Key topics discussed at the Single Touch Payroll Employer Transition Working Group 18 April 2023.

Single Touch Payroll Phase 2 Advisory Group key messages 11 April 2023

Key topics discussed at the Single Touch Payroll Phase 2 Advisory Group meeting 11 April 2023.

SMSF Rollovers and Release Authorities v3 Co-design Group key messages 1 February 2022

Summary of the key topics discussed at the SMSF Rollovers Authorities v3 Co-design Group meeting 1 February 2022.

QC 43959

Australian Banking Association Steering Group key messages 22 May 2024

Key topics discussed at the Australian Banking Association Steering Group meeting 22 May 2024.

Published 17 July 2024

On this page

[Welcome and introductions]

[Deputy Commissioner's intro and background]

[Plans and focus areas]

[Banking and economics]

[Budget, new policies and impacts]

[Pillar Two]

[Data rectification strategy]

[Advice and guidance]

Welcome and introductions

The purpose of the forum is focused on industry wide issues that are strategic in nature and not necessarily covering specific tax issues which is covered in the quarterly working group meeting.

Deputy Commissioner Fiona Knight was welcomed to the group.

Deputy Commissioner's intro and background

The Australian Taxation Office (ATO) have 2 Deputy Commissioners (DC) leading Public Groups (PG). DC Fiona Knight in Engagement and Assurance, which Australian Banking Association (ABA) members will engage with more on an individual case basis and DC Rebecca Saint in the strategy of PG. Generally, the ABA as an industry group will engage with Rebecca Saint on wider matters.

Fiona Knight provided a brief background of her experience prior to joining 6 months ago. Some specific observations she noted since joining are:

- the breadth and amount of work was surprising
- engagement has shifted from risk / audit to a more forward planning engagement, with a focus on the relationship with taxpayers and large corporates (corporate partnership)
- an increase in the types of work in relation to Justified Trust (JT).

ATO and PG changes

Commissioner of Taxation Rob Heferen commenced in March 2024. He prides himself being a career public servant and is committed to delivering on government policy. He is constantly observing, learning and listening. The Commissioner has visited various ATO sites around the country and held meetings with his SES to understand the work portfolio.

The Commissioner has been impressed by the various presentations regarding Client Engagement and PG. He supports the JT program and is mindful of the funding for Client Engagement by the Tax Avoidance Taskforce (TAT). He anticipates no big changes for the ATO at this stage.

He has commenced engagement with various stewardship groups such as the Large Business Stewardship Group (LBSG) and aims to attend meetings in person where possible. He is interested in hearing people's thoughts on how the ATO is performing, and where he can make a difference. He has held different roles around law reform, new measures and values deep industry and technical knowledge to ensure interactions with the ATO are meaningful.

The ABA noted their ongoing positive relationship with the ATO and acknowledged our expertise. Whilst not every issue is agreed upon, the industry finds comfort that the people they interact with understand the commercial aspect of transactions.

Plans and focus areas

Justified Trust

The JT program makes up a large part of work in PG. Assistant Commissioner Megan Croaker attended the ABA Working Group meeting in March to discuss changes to the Top 1,000 program, in particular the new differentiated approach, now published on ato.gov.au

Consultation has commenced on changes to the Top 100 program, noting that many taxpayers have obtained a high assurance rating. Consultation has primarily occurred with members of the LBSG and feedback received that the changes are moving in the right direction.

The ATO is seeking to improve the Top 100 program, focusing on Monitor and Maintenance years, as well as adopting light touch approaches where appropriate.

An emphasis is on continual real-time disclosures on transactions and catching up on prior year reviews to bring it in line with real-time engagement. It was noted that for the banks in particular, disclosures are already being managed in real time. The focus therefore regarding the Banking and Finance (B&F) taxpayers is to get real time of the returns, that is Taxpayer Assurance Reports, and completing the post lodgment review within a reasonable time.

Program level changes the Top 100 program is looking at will provide the B&F strategy area capacity to work with ABA members to tailor the approach with individual taxpayers.

At a previous ABA meeting the topic of how taxpayers could achieve high assurance was discussed. The ABA brought attention to the beneficial nature in co-designing and partaking in an industry-specific consultation on this issue to ensure the ATO obtains sufficient information for assurance whilst ensuring the resource burden on the banks is reasonable.

Action item	Top 100 consultation
Due date	As soon as possible
Responsibility	ATO
Action item details	Reach out to Top 100 Program team to consider specific consultation with the ABA and industry on changes to the Top 100 program.

Audit program

Topics and risk areas being seen within the audit program include:

- transfer pricing (approximately 70% of audits have some transfer pricing element)
- disposals
- restructures
- capital gains tax (CGT)
- Part IVA.

The ATO continue to see good real-time interactions with individual banks in this regard. The ABA noted the relationship with the ATO has worked well over the last 5 years where members have experienced real-time engagement on several important issues.

Advice and guidance

The ATO is cognisant that banks often use Advice and Guidance products and recognise the appetite for certainty in the industry.

Specific tax issues

The hybrid mismatch rules are an ATO focus, and we acknowledge that the hybrid mismatch rules are challenging, as the banks depend heavily on the ability to obtain information from overseas operations, while keeping up to date on tax rules in those countries and understanding how industries are impacted differently. The ATO presently has no specific areas of concern; however, balance is required in finding comfort in the level of evidence required to provide assurance. The ATO noted additional challenges for inbound banks, in particular foreign banks around Part IIIB of the *Income Tax Assessment Act* (ITAA) *1936*, and how branch structures and transactions are dealt with under the hybrid mismatch rules.

Intellectual property migration and embedded royalties take up resources in review activity; however, risks associated with these issues are not often seen in the banking industry.

The changes to thin capitalisation and debt deduction creation rules are topical in the organisation. We are currently consulting on Public Advice and Guidance (PAG) priorities around the types of acceptable restructures upon the application of these rules. It is anticipated to be one of the biggest changes to corporate taxpayers since consolidation. The rules have some carve outs for authorised deposit-taking institution but there are issues in the broader B&F industry for financial institutions that do not have a banking licence.

Advanced pricing arrangements and MAP

Recently banking Advanced Pricing Arrangements (APAs) have increased significantly, especially bilateral and multilateral APAs. This contrasts with other industries, where the number of APAs has decreased. Australia is committed under the Organisation for Economic Co-operation and Development (OECD) to offer solutions to provide certainty and to resolve or avoid double taxation. Practically, the ATO must manage and prioritise where several applications come in simultaneously.

There are various issues that arise regarding APAs with banks, such as: allocation keys and mark-ups on head office and regional charges, increased interest in the residual profit split methodology for global businesses, and inbound banks and their use of methodologies using risk weighted assets as an allocation method. Regarding the latter issue, the ATO is in the early days of understanding and determining principles in accepting such approaches.

Another common issue relates to regional hubs. There are examples of banks with increasing operations in India requiring greater consideration in relation to what is reasonable pricing for all parties. India is viewed as a jurisdiction for which APAs may be more appropriate as a formal process leads to a better result for all parties. It was noted that the ATO has had different experiences with different jurisdictions.

Various early engagement enquiries have been received from advisers. The ATO continues to encourage members of the ABA to engage with the ATO and discuss issues up front, where they are considering if an APA is appropriate.

Banking and economics

The ABA presented an analysis on economic outlook of Australia focusing on the Australian economy now and where it is forecast to be in 12 to 18 months.

At a high level, the economy significantly slowed down during the December 2023 quarter, primarily due to increasing pressure on the consumer sector resulting in hugely reduced purchasing power and spending. During this time the business and government sectors grew.

Current observations are that labour income is strong, however this has been offset by the effects of inflation. Prices have been slow to fall, and mortgage and interest rates risen. These factors have resulted in a reduction in real purchasing power. There have been increases in immigration during this time, which is observed to have mitigated the onset of a recession.

Tax cuts from 1 July are expected to relieve cost of living pressures for consumers. Budget measures have been announced, and it is anticipated that the Reserve Bank of Australia will cut the cash rate at least once in 2024 and 2025. These will further support household incomes.

Inflation is trending downwards and consumer purchasing power is set to increase, which is likely to result in better economic performance towards the end of the year and into early 2025.

Budget, new policies and impacts

The Labor government has recently delivered its third budget since being elected with the stated purpose of addressing costs of living pressures, tackling fraud and scams, strengthening tax compliance, investing in 'Future Made in Australia' and a desire to strengthen the Government’s fiscal position.

The Budget included the extension of the TAT and funding the ATO to strengthen the system and combat challenges with cyber fraud.

It was noted that for the measures impacting the large market, government has outlined a legislative timeframe that includes consultation to inform the final design.

Two tax related measures were announced as part of the 'Future Made in Australia' renewable energy superpower range of measures to support investment in developing green metals, critical minerals, sustainable fuels and green hydrogen industries. Noting that some features for the tax incentive support for hydrogen and critical minerals have not been announced. The government will further consult on these issues.

Changes to the CGT regime in Division 855 of the *ITAA 1997* was announced with the intent of clarifying and broadening the types of assets that are subject to CGT for foreign residents, to improve integrity and certainty for investors. These changes will be managed by the Private Wealth business line and was announced to commence 1 July 2025. Consultation will be held on the implementation details.

The ABA asked if any further details on the foreign investment changes were announced in the Budget. The ATO noted that the Budget announcement referenced changes to be made to reform and renew the foreign investment framework and will be led by Treasury working with the states and territories.

Pillar Two

ATO – Status of implementation

The Global Anti-Base Erosion (GloBE) and Domestic Minimum Tax (DMT) measure was announced as part of the May 2023 Federal Budget and was effective from 1 January 2024 for both the Income Inclusion Rule (IIR) and DMT. The May Federal Budget estimates that revenue generated by the measure will be $160 million in 2025–26 and $210 million in 2026–27.

The ATO has established a dedicated project team to oversee the administrative implementation of Pillar Two.

The ATO has worked closely with Treasury and the Office of Parliamentary Council (OPC) throughout the draft law design process and will continue to support them through to the laws being introduced into parliament. The ATO will continue to progress with the implementation of this measure, including developing the systems required to administer the measure in advance of the first lodgments which are due earliest on 30 June 2026. The ATO are focusing on the systems needed to facilitate the global exchange of the GloBE information return (GIR).

ATO consultation

To date a total of 25 consultations have been undertaken in relation to the administrative aspects of the implementation of global minimum tax and domestic minimum tax with multinational enterprises (MNEs), industry groups, advisors and digital service providers (DSPs). We will be undertaking future consultations in relation to the administration of the GloBE rules and DMT. Information on how to participate will be provided.

Feedback from the market has indicated that there is a wide spectrum of preparedness for MNEs in different markets. Many were waiting for release of Australian legislation before committing any significant resources into preparation. Additionally, MNEs noted that there will be potential technical difficulties in capturing necessary data points, with many requiring system changes to facilitate reporting.

Early consultation sought advice as to what PAG products taxpayers may require for various topics and issues to support them meeting their obligations. Whilst several consultees indicated they were still waiting for legislation, high-level themes around eligibility, safe harbour, definition questions around excluded entities and potential Australian income tax regime interactions with potential application of penalties emerged. The ATO will look to reengage on PAG once the law design process has progressed further.

OECD

Over the last 2 years, the OECD and base erosion and profit sharing (BEPs) Inclusive Framework has released several documents further to the GloBE Rules and commentary including 3 volumes of administrative guidance, a safe harbour and transitional penalty document and the GloBE Information Return.

Additional work is being conducted by the OECD, including the release of administrative guidance dealing with different technical issues, settling on the approach and framework to the peer review process, and finalising important practical aspects such as the GIR EOI framework and XML schema. The XML schema is particularly important to administrator system builds and system solutions for taxpayers.

Status of implementation – Law

The Exposure Draft Legislation package includes the Primary legislation, Subordinate legislation, Explanatory materials and a discussion paper.

The Primary Legislation comprised 3 Bills. The main Bill is the Assessment Bill which contains the liability rules for the IIR, undertaxed profits rule and DMT and rules for determining who is in scope. The primary legislation is expected to be introduced into parliament during the 2024 winter parliamentary sitting. With a winter introduction, you would expect the Bill to be passed later this year. We expect that the subordinate legislation will be tabled in Parliament following enactment of the primary legislation. Of course, this timeline depends on other Government priorities and depends on the Parliament.

The Subordinate Legislation covers the operative parts of the GloBE Rules, being the detailed computation rules.

Treasury also released a consultation paper covering various income tax interactions issues.

In response to the consultation, some issues were raised as potential PAG priority items and the ATO continues to work closely with Treasury during the law design process. It was noted that guidance may be required to address some of the issues raised in consultation.

New Administrative Obligations

The exposure draft indicates that in scope MNEs will need to lodge a GIR, being the standardised document developed by the OECD. In line with the GloBE Rules, the exposure draft allows annual lodgment of the GIR by the Ultimate Parent Entity of the MNE Group (or a Designated Filing Entity) with their local tax administration where there is a qualified competent authority agreement in place. This GIR is then exchanged with other tax authorities based on an agreed dissemination approach. The deadline for filing the GIR is 15 months after the year end (extended to 18 months for the first year). The first GIR will generally need to be filed by 30 June 2026 for 31 December balancers. The ATO will determine system requirements to receive and process the form.

The Exposure Draft also provided that there will be new tax return obligations. This is needed as the GIR is only an informational form and local tax returns in jurisdictions are needed to trigger assessment and collection. The ATO is currently developing domestic tax returns for:

- GloBE, the Australian GloBE Tax Return (AGTR)
- DMT, the Domestic Minimum Tax Return (DMTR).

The deadline for filing the AGTR and DMTR will be aligned with the deadline for filing the GIR – that is, 15 months after year end extended to 18 months for first year in scope. Payment of any GloBE or DMT top-up tax is also aligned to this deadline. Centralised lodgment for domestic returns is allowed based on the exposure draft, such that one filing entity (the Designated Local Entity) can file for all in-scope Australian entities in the MNE Group.

Client Engagement

We are developing our client engagement strategy considering feedback from consultations. We understand the significant compliance burden for in-scope taxpayers and will be seeking to apply transitional relief (including in respect of penalties) in accordance with OECD administrative guidance. There will be a focus on education and awareness initiatives such as targeted communications will be communicated in the lead up to the first lodgment due date.

Targeted GloBE reviews are anticipated on a risk-based approach basis following the receipt of the first lodgments. There are no plans to undertake a JT or assurance approach in this phase of reviews, at least in the initial years.

Next steps

The ATO will continue to work with Treasury and the OPC to finalise the primary and subordinate legislation and continue progressing domestic form design and consultation with DSPs. The ATO is preparing to undertake future consultation on the administration of the proposed measure, likely to be conducted in a focus-group format.

Data rectification strategy

There has been greater reliance on third party data for individuals to streamline the income tax return (ITR) process. Initially, third party data was used to pre-fill Annual Investment Income Report (AIIR) data. The ATO is now utilising third party data to pre-fill ITRs from a range of other sources of data, for example Managed Investment Trusts (MITs) data received from the financial sector.

Occasionally, upon review, third party data providers identify that data reported to the ATO was incorrect and requires adjustments. The historic approach often used often was through a global settlement where the data provider settles an amount to compensate for the loss to the Commonwealth without rectifying the data at the individual tax return level. The ATO has concerns with this approach as it has potential impacts for other obligations across government such as Services Australia child support payments.

The preferred approach is to have the correct data resubmitted so the ATO can amend returns so the individual's tax position is accurate, and the correct information flows through to other government agencies.

The ATO is looking to review the process and will develop guidance to ensure governance processes for rectifying data reporting errors are robust, and that appropriate information is communicated to customers by the third party. Other aspects will revolve around understanding steps taken to ensure the integrity of the data reported in future.

In terms of next steps, the ATO is looking to test the processes, the content that can be used for communications and setting up points of contact around questions. Generally, the ABA members in attendance will have a relationship manager which they can notify in the interim.

The ATO advised that historically there weren't any penalties for incorrect reporting in these cases, and generally it is not anticipated. However, if a pattern of behaviour is observed, questions around the third-party reporter's governance processes will be raised. Emphasis is placed on ensuring the data is correct for individuals. Additionally, while the ATO would prefer to rectify the data to produce better outcomes, they are not completely closed to a global settlement in limited circumstances.

Advice and guidance

In the ABA working group meeting in August 2023, we spoke about a key driver for class rulings and private rulings being the Additional Tier 1 (AT1) capital note issuances and how we had started to identify options to make more efficient to obtain certainty over tax issues associated with these issuances.

We see the tax treatment is now well established, mature and there is consistency on the terms and features among financial institutions in how they raise AT1 capital. We recognise the importance of legally binding certainty to issuers and investors. However, one-to-one guidance can be time consuming and costly for all parties involved.

The option the ATO is most interested in exploring further with the ABA is in the form of one-to-many guidance via a public taxation ruling that describes the essential features of AT1 issuances and the key tax issues upon which certainty is desired. If progressed, the aim would be to remove the need for the one-to-one rulings for each AT1 note issuances. This is an important pre-condition before a business case for a taxation ruling can be prioritised and committed to.

The ATO is proposing consultation where a draft paper will be shared. The ATO will seek feedback on the draft scheme that the ruling could be based on, the tax issues that should be covered in the ruling, as well exploring any practical issues the ABA foresees with implementation, for example in disclosure documents and communication on the transition.

It is anticipated a consultation paper will be shared in the next month and the ATO will arrange a meeting to discuss feedback.

The ABA stated while it sounds like a sensible idea to consider, they are cautious about ensuring the broad range of internal and external stakeholders agree and all necessary issues are covered. Where the public ruling is caveated, members are still likely to request one-to-one rulings as there is no appetite for risk where investor tax issues are involved. However, if the public ruling is sufficiently comprehensive, the ABA is open to further discussions.

The ATO agreed that this path will only be pursued if it provides value for all parties and the ABA commit the resources to be involved to ensure it is fit for purpose if it is ultimately prioritised.

QC 102780

Australian Financial Markets Association Liaison Group key messages 23 November 2023

Key topics discussed at the Australian Financial Markets Association Liaison Group meeting 23 November 2023.

Published 18 December 2024

On this page

Welcome and introductions

Banking and Finance strategy 2023-24

Justified Trust / Combined Assurance Review Update (including GST led reviews)

Pillar Two – latest developments

Thin cap – proposed debt deduction creation rules

Technical issues

Other business

Welcome and introductions

Fiona Knight has joined Public Groups (PG) as Deputy Commissioner, taking over from Faith Harako. Rebecca Saint will continue to lead client experience and manage the PG strategy whilst Fiona Knight will be responsible for the Engagement and Assurance interactions, and the Banking and Finance (B&F) strategy.

The new Australian Taxation Office (ATO) Commissioner is expected to be announced shortly. An initial increase in external engagements is anticipated, along with potential organisational changes.

Banking and Finance strategy 2023-24

Discussion was had the B&F strategy slide deck for 2023–24 which was released in August 2023, prior to the last Australian Financial Markets Association (AFMA) Liaison Group meeting. The strategy has since been presented and discussed via an extensive roadshow with advisory firms and discussed with several individual taxpayers.

Formal industry 'strategies' are typically implemented for certain industries, for example, B&F, Investment Income (insurance and super) and the Energy and Resources due to population size, materiality and coverage of the top 20 taxpayer groups. These strategies are supported by risk clusters such as IP migration, and inbound supply chain which focus more on tax issues related to a specific type of transaction or arrangement. Some issues are also addressed through a compliance program which may run for a finite period. AFMA members noted that the expertise of the Common Reporting Standard risk cluster has been particularly valuable.

Top 100 population and low risk sign-off letter

The focus for Top 100 B&F taxpayers this calendar year has been a transition from annual compliance arrangements (ACA) and into pre-lodgment compliance reviews (PCR). In the B&F space, the ATO has developed a PCR product tailored to the B&F industry. Under the PCR framework, pre-lodgment low risk signoff may be requested from the ATO for transactions with uncertain tax outcomes. Where a low-risk rating is provided, this rating will generally translate to a high assurance rating post ITR lodgment, subject to the relevant position being adopted. It was confirmed that lodgment of the return constitutes evidence that relevant position has been adopted.

AFMA expressed that its members would be interested in the possibility and pathway for a low-risk signoff for the Top 1,000 population, for material/complex transactions. The ATO advised that resourcing constraints meant this offering would not be feasible for Top 1,000 taxpayers. Relevantly, the ATO's ability to provide this offering is based on a continual engagement with Top 100 taxpayers which has facilitated a deep understanding of their business operations. Another mechanism certainty could be obtained by Top 1,000 taxpayers is via advice and guidance's early engagement process, which may assist taxpayers to determine whether the issues presented are appropriate for a ruling.

Islamic finance

The ATO acknowledged while this is not a new product offering, the ATO has seen increased activity in Islamic finance, triggered by several new entrants to the market. This has led to some desire for potential law reform, and/or guidance from the ATO to confirm tax treatment both from a bank and client's perspective. The ATO may issue web-based guidance on the issue in the next year.

Franked distributions funded by capital raisings

In relation to recent legislative measures to address franked distributions funded by capital raisings, the ATO is undertaking external consultation to ascertain if ATO public advice and guidance is required in relation to the measure. For B&F, clarification may be required around recent amendments to include specific wording to exempt equity interests issued as a direct response to meet a requirement, direction or recommendation from Australian Prudential Regulation Authority (APRA) or Australian Securities and Investments Commission (ASIC).

Justified Trust / Combined Assurance Review Update (including GST led reviews)

The ATO has recently released annual **Top 100** and **Top 1,000** findings reports, which outlines key observations and findings at a program level. The Top 100 report includes some commentary on various industry subgroups. B&F has been included as part of 'banking, finance and investment, superfunds and insurance'.

Top 100

Within the Top 100 population, 52% have obtained an overall high assurance rating. For B&F, 6 of the 7 major banks are at high assurance, with the 7th on track to attain high assurance by 30 June 2024.

The report also outlines the consequences of high assurance for taxpayers, and the expectations for the Monitoring & Maintenance

(M&M) and refresh year engagements. The ATO noted that several taxpayers are moving into refresh years. For these taxpayers, many tax topic issues are at high assurance.

The ATO's approach to refresh years will be to apply a lighter touch, more risk-based approach. This means that where the ATO can reasonably rely on the assurance attained previously, for example, there is a thorough understanding of particular tax topics and comfort around relevant governance, arrangements and tax outcomes that the ATO will not review these topics fresh but instead focus on identifying and verifying any significant new transactions or events, changes in the economic activity, and new tax positions undertaken.

The onus will be on the taxpayer to advise of any changes to the business and fact patterns, and how the business is dealing with changes in law, where applicable. Where the ATO has issued new guidance such as tax determinations, tax rulings and practical compliance guidelines (PCG), the ATO wants to understand how the taxpayer has understood, self-assessed and applied the guidance.

Top 1,000

Only 24% of the Top 1,000 population have obtained overall high assurance. Many taxpayers have achieved medium assurance. Given the diversity of the overall Top 1,000 population, it is difficult to draw conclusions because the findings of the Top 1,000 findings report is at a whole of market level.

The B&F Top 1,000 population is broad comprising of a number of regional banks, foreign retail and institutional banks, credit unions and mutuals, fintech and non-bank financial institutions. Approximately 25% have obtained high assurance which is consistent with the overall Top 1,000 population.

B&F Top 1,000 taxpayers should refer to the letter dated 1 April 2021 regarding 'Justified Trust Top 1,000 Program, Banking and Finance: Key Observations – Income Tax' which provided detail on technical issues which are relevant to AFMA members and our intended compliance approach. The issues and approaches discussed in this letter remain relevant. The letter represents a feasible pathway for taxpayers who wish to obtain an overall high level of assurance. The ATO hopes that with the messaging in the letter, half of the foreign banks population reviewed in the next round can obtain high assurance. Additionally, taxpayers should focus on any identified concerns and recommendations in the tax assurance report on how to obtain a higher level of assurance. If an issue has been flagged by the ATO previously and recommendations provided, there is an expectation that taxpayers action and adopt the recommendations. If there is a situation where changes haven't been adopted, the ATO encourages taxpayers to reach out to discuss their circumstances before the next review commences.

Discussion was had around any blockers that the ATO is seeing to achieving high assurance. The ATO noted that transfer pricing (TP) and branch attribution remain key issues in which taxpayers struggle to achieve overall high assurance. This is due to the globally integrated nature of banking businesses which present challenges under the shorter timeframes in the Top 1,000 review product. There is less opportunity for the ATO to work with the taxpayer to obtain documentation and conduct functional interviews for the purposes of obtaining high assurance. Given these practical challenges, we are adopting an approach which does not require the ATO to evidence and review every individual cross border related party dealing and internal dealing. Instead, the ATO will seek to establish a comprehensive factual understanding of all categories of cross border related party/internal dealings (for example, loans, trading and hedging, head office service charges), and undertake a targeted functional analysis and sampling of transactions to assess and validate the methodologies adopted by the taxpayer. The findings from undertaking this approach will dictate the overall assurance rating for transfer pricing and branch attribution. AFMA agreed that the TP requirement early on with Justified Trust was time consuming and difficult to satisfy in a timely manner.

GST

It was noted that GST has been subsumed into the PCR framework, and thus is included in the Top 100 point in time and annual disclosures and approach to M&M year reviews. The main difference is the M&M for GST which is 3 years instead of the 2 years for income tax, with a Refresh occurring in the 4th year.

The ATO acknowledged the challenges posed by the joint Combined Assurance Review process particularly for smaller businesses who may only have one or two staff in Australia. The ATO is open to feedback on how to improve the program to assist with the evolution of the Top 1,000 approach.

Medium and emerging population – tax performance programs

Page 2 of the Strategy slide deck outlines the medium and emerging (M&E) population. The current threshold for this population is annual turnover of less than $250 million. In the B&F space there are approximately 1,500 taxpayers. The population is diverse with foreign bank branches (no ADI licence), non-bank lenders, investment groups, fintech, technology service providers and Buy Now Pay Later providers.

A central team in the ATO leads the strategy for the M&E market, who may seek advice from specialist teams such as B&F strategy where required.

The team is developing a letter campaign focusing on foreign banks, credit unions, and mutuals which will address the tax requirements around selected issues like Part IIIB, TP, branch attribution, and standard issues like capital allowances, blackhole expenses, thin capitalisation and taxation of financial arrangements (TOFA).

The focus of the campaign is on ensuring that taxpayers have a basic understanding of fundamental tax issues and their obligations, rather than obtaining assurance. As such:

- The ATO may not require taxpayers to respond but may merely advise of issues we have identified so that if the taxpayer is selected for a review, they should ensure that these issues are addressed.
- The campaign itself will be tailored to the market, and depending on the nature of the risk there may be different types of approaches taken. The exact product used will likely depend on the type of engagement that occurs. For example, it may be a PAG (information sheet) with no formal review product which simply draws attention to key risks around particular arrangements, tax topics, or conversely there may be a project where certain key risks have been identified and there will be a review. It is expected that this campaign will commence in the first half of 2024.

AFMA advised that while credit unions and mutuals typically engage through customer owned banking associations, some are AFMA members, and AFMA also does operate an outreach program aimed at smaller members.

Pillar Two – latest developments

Pillar Two will be an ongoing agenda item going forward. Internally, the ATO has been doing work in terms of system design, process mapping, administrative lodgment and compliance, data processing and information exchange with other jurisdictions. The B&F strategy team attends some of the discussions as a stakeholder.

In terms of the extent of potential compliance work coming out of Pillar Two:

- AFMA noted Australia has a headline tax rate of 30% while the Pillar Two minimum effective tax rate is 15%.
- The ATO advised that Pillar Two is primarily an information collection regime, so whilst there is scope for income inclusion and top-up tax, the success of regime should mean that this is an exception rather than the rule.

The ATO has emailed entities that will be subject to Pillar Two reporting requirements. There is an emphasis to commence preparations around systems and capability, for smaller corporate entities where there may be lower levels of sophistication. For example, M&E taxpayers which may have a significant global presence but a small Australian presence. A webpage for Pillar Two has also been set up on ato.gov.au.

The timing of the Pillar Two legislative framework is currently unclear. The ATO is operating on the basis that finalisation will occur in early 2024.

Thin cap – proposed debt deduction creation rules

The following discussion was had around the proposed debt deduction creation rules and repeal of section 25-90:

- AFMA noted its engagement throughout the consultation process on the proposed repeal of section 25-90, raising concerns in relation to the higher compliance burden that would eventuate from the repeal, especially in relation to taxpayers who operate a pool of funds, with a minimal benefit to revenue. It was noted that the proposed repeal of section 25-90 had been deferred and not abandoned. The ATO noted that section 25-90 was listed on the strategy document as it had been finalised prior to the announcement that the repeal would be deferred.

- AFMA has been heavily involved in providing feedback on the proposed debt deduction creation rules. Pleasingly, in the latest amendment to the bill there is a carveout aimed at ADIs and securitisation arrangements from the debt deduction creation rules. It has also made further submissions regarding extending the carveout to 'financial entities', and an extension of grandfathering rules as the rules may not become law until next year. AFMA expressed that a PCG would be useful in providing guidance to taxpayers once the law is enacted.
- AFMA noted the expanded definition of 'debt deduction' based on the Organisation for Economic Co-operation and Development (OECD) guidance, appears to capture costs that are considered to be economically equivalent to interest, for example, payments on interest rate swaps. This creates a risk that any interest on derivatives could be brought into scope of the thin cap rules, even if not linked to a debt interest. This could potentially require the market to bifurcate arrangements, resulting in substantial compliance costs.

In terms of the policy intent behind the debt deduction rules, the ATO stated that it had not identified any arrangements in the B&F space, and it was likely that the identified schemes this measure was targeting were outside of the B&F market.

Discussion was then had around amendments relating to the tax treatment of off-market share buybacks to align with the tax treatment of on-market share buybacks. The ATO noted that it has seen a shift from off-market share buybacks to on-market share buybacks. It was flagged that there may be more focus from the ATO on the application of section 45B, in the context of any significant and/or unusual transactions which impact the balance sheet or are out of ordinary course of capital management / dividend policy.

Technical issues

Bail-in

The ATO has made a further submission to advocate for law change with Treasury. There has been no traction on the issue to date. The ATO re-confirmed that it is not currently pursuing any compliance action on bail-in arrangements. AFMA agreed that they are aligned with the ATO on this issue. The ATO encouraged AFMA to continue to advocate on this issue with Treasury so that it is seen as higher priority.

Head Office Expense Allocation and MAPs/PEs

ATO confirmed that there is no pathway through the Mutual Agreement Procedure (MAP) program for relief from double taxation on mark-ups on expenses for general management and administrative expenses attributable to branch operations. The only relief from double taxation would be alignment as to the calculation of profits under the business profits article, which would require Australia to move towards the authorised OECD approach.

Discussion was had around the framework/approach of the ATO to penalties and interest in relation to marks-ups on head office expense allocation. The ATO noted that penalty and interest will be considered on a case-by-case basis, however the following general considerations are relevant:

- There has been no change in ATO view. The ATO had a clear view for many years on how the relevant business approach applies under the TP rules or treaties. Relevantly, approach does not allow the cost base of expenses attributable to branch operations to be inflated with a margin. This approach applies to both domestic and foreign entities.
- It will be relevant if the taxpayer has previously been subject to review, and recommendations have been provided on this issue. Where this is the case, it is likely remission of any applicable penalties and interest will prove difficult.
- The extent to which it is reasonably arguable that higher value functions are being rewarded is also relevant. Where the ATO considers it clear that routine low value functions are being rewarded, there will likely be a strong recommendation to amend tax returns. If it is unclear, the recommendation may ask the taxpayer to conduct further analysis to justify the basis for adopting a mark-up on other expenses as a method for attributing income offshore. AFMA noted that whether a function is perceived as routine or ‘value add’ can often be a grey area. The ATO advised that the key observations letter clearly acknowledges that a mark-

up may be appropriate in some circumstances, but taxpayers must be able to evidence this.

AFMA members were encouraged to contact the B&F team if they are not currently under review and want to discuss their circumstances in relation to this matter.

Thin capitalisation risk-weighted assets

This issue originated from a few Justified Trust reviews where it became apparent banks were applying different approaches in deciding when a particular asset should be booked in an Australian branch or an offshore branch. In some cases, taxpayers could not explain what their decision-making process was when deciding where to book an asset for thin capitalisation purposes.

To establish some consistency in this area, the ATO is working on a technical discussion paper outlining the ATO's current thinking in relation to an acceptable approach in attributing risk-weighted assets to Australian branches. The paper will be in the form of a consultation paper which will be circulated to industry for comment.

The proposed approach will be based on OECD principles on asset attribution, focusing on the location of where the significant people functions are performed.

The ATO is aware that APRA has guidelines in respect of when foreign banks should book assets in Australia and we expect that in most cases, our proposed approach should not be inconsistent with APRA's expectations.

The paper will also contain some illustrative examples and address other tax issues that may be impacted by where assets are booked, for example, interest withholding tax arising on funding costs associated with funding those assets that should have been booked in Australia.

The paper is currently undergoing internal review with our Tax Counsel Network.

Where a taxpayer has a current review underway and information is sought on thin capitalisation, any information provided in relation to their tax decision making process will not disadvantage the taxpayer. The ATO acknowledged that there has not historically been a published view or guidance on risk-weighted assets attribution.

Hybrid mismatch

The ATO has received enquiries around what constitutes a 'payment' under the hybrid mismatch rules.

For taxpayers that have elected out of Part IIIB, the technical view is that internal payments made on notional dealings are not payments for purposes of the hybrid mismatch rules. That is, the hybrid mismatch rules are not triggered by notional internal dealings.

However, it was noted that where internal dealings are observed, the ATO may view this as an indication of risk that the hybrid mismatch rules may apply, and seek to further understand the relevant arrangement globally, including payments to external parties.

In respect of Assurance Reviews:

- The ATO noted that a few banks have now undergone first time reviews on their application of the hybrid mismatch rules. A general observation from these reviews across the entire market, including B&F, has been an insufficient level of enquiry to self-assessment whether the rules apply, and inadequate evidence of processes to ensure compliance with the imported hybrid mismatch rules. Relevantly, in relation to the approach set out in PCG 2021/5, a key blocker to obtaining high assurance has been insufficient documentation and processes to evidence substantial effort made by taxpayers to comply with the imported hybrid mismatch rules.
- The ATO acknowledged that the current level of enquiry may have been adopted because the hybrid rules are relatively new, and uncertainties still exist. However, in the next round of reviews, it is expected that the taxpayers provide more detailed analysis on the hybrid mismatch rules and detail reasons the rules should or should not apply, including any neutralisation methods used where applicable.
- Issuing questionnaires from counterparties in other jurisdictions and requesting responses would meet the expected level of enquiry expected to be undertaken by taxpayers per PCG 2021/5.

The ATO agreed that the introduction of Pillar Two is expected to alleviate some concerns around the application of the hybrid mismatch rules given the increased transparency that will occur, however noted a baseline level of due diligence will still be required from taxpayers in terms of documentation and evidence.

Offshore banking unit transition

The ATO issued guidance in December 2022 regarding offshore banking unit (OBU) transitional issues. The application of the guidance will differ depending on the type of OB activities conducted by the taxpayer. The key issue around transitioning is the viability for taxpayers to continue OB activities at a 30% tax rate, or whether they will need to shut down the OBU entirely by selling contracts and moving offshore.

This year most taxpayers should have moved to the 30% tax treatment, depending on when their year-end is. The OBU interest withholding tax exemption will cease from 1 January 2024. Review on OBU activity however will continue as reviews are generally backward looking. There will be a focus on the issues outlined in our OBU letter in respect of the transition years.

The ATO noted there have been some large OBU claims in the years approaching the cessation of the regime, with respect to FX trading. Other taxpayers have continued trading at 30%, due to the complexity of shutting down operations and the potential for further announcements from movement. The ATO has not seen a significant deregistration of OBUs.

Calculation of PAYG(I) Commissioners rate – TOFA label fields

The calculation of The Commissioner of Taxations PAYG instalment rate relies on some of the labels of the income tax return, including some labels in Section 8 which are statistical and do not feed into the calculation of taxable income.

The ATO has identified an issue where some taxpayers have reported incorrectly resulting in TOFA gains disclosed in Label 8T being higher than the total income as disclosed in Label 6S, and PAYG withholding instalment rate is then incorrectly calculated even if the taxpayer has a tax payable in their most recent lodged income tax return. In some cases, a nil PAG(I) rate can occur, which raises concerns about an inappropriate deferral of payment of tax.

Where taxpayers are reporting certain TOFA gains and losses on a net basis, they need to do this in all the relevant label fields. Label 8T should just be summing up these amounts from the other TOFA label fields in the tax return. This is because:

- Issues can arise when reporting certain TOFA items on a gross basis, as it can produce some very large turnover figures which can become problematic as the data then feeds into the corporate tax transparency report. It was noted that there was no consultation period for the 2022–23 Corporate Tax Transparency report.

- Amending the tax return itself (either by Commissioner initiated or taxpayer submission to the ATO) does not result in immediate amendment of corporate tax transparency data. It requires a discretion to be exercised by the Commissioner.

AFMA members noted that for many taxpayers, it was not possible to report the figures as suggested using existing software.

Action item	Web guidance – TOFA tax return labels and PAYG instalment rate
Status	Incomplete
Responsibility	ATO
Description	ATO to provide AFMA with ATO web guidance on how TOFA gains and TOFA losses should be reported in the relevant labels of income tax returns on a gross or net basis.

Other business

The structure and frequency of ATO/AFMA meetings going forward was discussed. In the new year, the ATO is proposing to hold a meeting for foreign banking representatives and AFMA which coincides with the launch of the B&F Strategy document for 2024–25. Representatives from other areas of the office, for example, the Pillar Two team would be invited to directly engage.

QC 103596

Fringe Benefits Tax Stakeholder Group key messages 27 November 2024

Key topics discussed at the Fringe Benefits Tax Stakeholder Group meeting 27 November 2024.

Published 14 January 2025

On this page

Unpaid leave impacts on salary packaging arrangements

Program of work

Plug-in hybrid electric vehicles exemption

Closure of the Fringe Benefits Tax Stakeholder Group

Unpaid leave impacts on salary packaging arrangements

A member observed there seems to be limited understanding amongst taxpayers and salary packaging providers regarding the fringe benefits tax (FBT) implications for the different ways novated leases can be dealt with when an employee takes unpaid leave.

The ATO has a limited role when providing non-technical advice and advised novated lease agreements need to be considered on a case-by-case basis. Salary packaging providers are generally responsible for providing advice, not the ATO. This issue is addressed in recently published web guidance on **FBT on plug-in hybrid electric vehicles**.

Program of work

Car parking

The ATO intends to consult on updates to the draft employers' guide in early 2025 and will reach out directly to members who have previously nominated to be involved.

Plug-in hybrid electric vehicles – valuing fuel

Consultation on **Plug-in hybrid electric vehicles – valuing fuel** is now closed. The ATO is progressing public advice and guidance updates, with a draft document expected to be ready early in the new year.

Charging private electric vehicles at work

The ATO thanked members for their feedback on this topic. One member queried whether section 156 of the *Fringe Benefits Tax Assessment Act 1986,* which relates to the supply of electricity or gas through reticulation system, might apply, which would deem the provision of electricity as a residual benefit, rather than a property benefit. The ATO's preliminary view is that the provision does not apply, due to the electric vehicle disconnecting from the power source at the time the consumption of the electricity occurs. The concepts of supply and application or consumption were discussed in the context of section 156 and the ATO undertook to consider the issue further, based on the discussion.

Plug-in hybrid electric vehicles exemption

Web guidance on **FBT on plug-in hybrid electric vehicles** content was published in October 2024. The ATO thanked members for their feedback and responded to some of the specific points raised:

What is viewed as a commitment?

What constitutes a financially binding commitment comprises two limbs, the commitment and the provision of a car benefit in respect of the car. Plug-in hybrid electric vehicles (PHEVs) that are owned outright do not satisfy the requirements of a financially binding commitment.

Does the PHEV have to be allocated to a particular employee before 1 April 2025 for the exemption to continue to apply beyond 1 April 2025?

Yes.

PHEV exemption after 31 March 2025: pooled car example in web content

Pooled cars do not satisfy the requirements for grandfathering of the exemption as there is not an ongoing commitment after 31 March 2025 for provision of a car benefit in respect of the car to the employee.

FBT exemptions ending partway through the year and calculation using the operating cost method

This happens infrequently and is not specific to the PHEV issue. For further information, refer to **Chapter 7.9** of the *Fringe benefits tax - a* *guide for employers*.

Closure of the Fringe Benefits Tax Stakeholder Group

The ATO acknowledged feedback received but confirmed a decision has been made to proceed to close the group.

Members were thanked for their valuable contributions to the group and were advised of the relevant channels to raise future issues, including:

- ATO consultation groups for administration or application issues concerning the FBT law
- Tailored technical assistance, including binding advice for specific client advice, see ATO advice products – rulings.

QC 103686

Government Entities Working Group key messages 11 April 2022

Key topics discussed at the Government Entities Working Group meeting on 11 April 2022.

Last updated 26 May 2022

On this page

Welcome

Update on government plan and priorities

Idea validation from the government tax managers conference 2021

Collaboration update

Round table discussion

Welcome

Co-chairs Jennifer Moltisanti and Nella Di Benedetto welcomed members to the third Government Entities Working Group (GEWG) meeting.

Members were advised they are required to disclose any conflict, whether real, perceived, or potential, that arises in relation to their role as a member of the group.

No conflicts of interest were raised.

The secretariat confirmed one permanent membership change to the group, with Michael Buckland replacing Lisa Davidson as the government representative from the Future Fund.

Nella Di Benedetto introduced two meeting observers to the group, Jacqueline Hardwick and Langdon Patrick from KPMG.

Update on government plan and priorities

Nella Di Benedetto took the group through the working with government presentation, providing an overview of the government client population and highlighting the government relations team's 2021–22 priorities.

Progressing the government assurance program

- focusing on the principles that underpin justified trust
- leveraging existing governance frameworks, guides, and tools
- implementing a self-review program to provide transparency and an increased level of assurance
- what attracts our attention
- what you can do to achieve higher assurance.

eInvoicing

- what it is and how it works
- what the benefits are
- requirements, raising awareness and increasing adoption for government entities.

Co-design workshop

- Four key clusters, Pathway, Concierge Service, Communication and Collaboration were identified from interviews conducted with GEWG members
- members then participated in a collaborative design workshop on 21 July 2021 to address a question related to each cluster
- the workshop was held to ideate – identify as many solutions addressing the question as possible for each key cluster
- members were separated into four groups with each group allocated a key cluster
- each group selected an idea which would have the most impact on them and developed a concept poster to explore the idea.

Idea validation from the government tax managers conference 2021

Nella Di Benedetto discussed the polling of attendees at the government tax managers conference 2021, held in November. Attendees were asked to select an idea which they felt was most impactful and important for tax managers, for each of the four key clusters from the co-design workshop.

Collaboration update

Jennifer Moltisanti and Nella Di Benedetto discussed the next steps for the GEWG following the co-design workshop:

- There is an understanding that government entities try to do the right thing, however, they can and do make mistakes.
- The government relations team will support the development of appropriate governance for government entities.
- The working group is an important network, and member feedback and collaboration are leveraged to understand key issues for government entities and to provide tailored support.
- Given finite resources, the ATO cannot commit to providing individual client managers, however, other channels are currently being considered, such as, access to the not-for-profit premium advice service which may provide a potential pathway into the ATO

for government entities, ensuring their queries are streamed to the correct area within the ATO.

- Our not-for-profit centre advice & endorsements staff are being trained to manage the PWGovernment@ato.gov.au mailbox. This ties in with the ‘dedicated area’ idea developed for the ‘concierge service’ key cluster at the co-design workshop.

Round table discussion

Jennifer Moltisanti and Nella Di Benedetto asked members to share what they are currently hearing and seeing and what issues they are facing.

Member comments:

- When issues are identified by government clients, they would prefer to speak to a dedicated ATO contact; as the current service received from the ATO call centre is to have ato.gov.au information repeated to them, which does not resolve their issue.
- Currently working on annual obligations, in particular fringe benefits tax (FBT) and the changing ATO view in relation to car parking.
- Assistant Treasurer Michael Sukkar announced in a media release dated 29 March 2022 that the Morrison Government will consult on restoring the previously-understood application of FBT to car parking benefits. Is there a program for this consultation?
  - Jennifer responded that we don’t usually consult during the caretaker period and that this is likely to be paused until after the election.

Action item	Consultation on car parking fringe benefits
Due date	31 May 2022
Responsibility	Nella Di Benedetto
Action item details	Provide members with an update on the consultation process.

- It would be helpful to have an electronic lodgment option for FBT returns for clients who don't have standard business reporting or a tax agent.
- Being able to obtain clearer guidance is a key concern. Requirements for government clients can often differ to those for small business or individuals and depending on the situation can sometimes be contradictory.
  - Jennifer noted that implications for government clients are not always identified and to send through any such issues.

Action item	Provide examples of unclear guidance
Due date	Ongoing
Responsibility	GEWG members
Action item details	Members to provide the government relations team with examples of ATO guidance or requirements that are unclear for government clients and/or contradictory to guidance or requirements for small business or individuals.

- The GEWG has resulted in good ideas being raised about how the government client experience can be improved. What is the shortlist of things the ATO considers are most important?
  - Jennifer responded that key priorities for the government relations team include
    - continuing the GEWG – we want to maintain the network and communication with members
    - understanding and addressing the drivers for a 'concierge service'
    - exploring opportunities for dedicated government content on ato.gov.au. While this request is unlikely to be supported, we are considering what's driving the need and how we might deliver the service required, for example, whether a newsletter would be a suitable solution.

- There are ongoing issues in the government grants space, especially for government clients that deal with a large volume of grant recipients.
  - Jennifer advised that the ATO is currently updating GSTR 2012/2. Feedback received highlighted that examples in the ruling do not easily assist in understanding the application of the law. We have canvassed for contemporary examples we can use.

Action item	Provide examples of issues regarding grants
Due date	30 June 2022
Responsibility	GEWG members
Action item details	Members to provide the government relations team with examples of issues relating to grant payments.

- Intermediaries are receiving queries from their government clients, in particular state government, with regards to the proposed ATO government assurance program, and are keen to learn more about this proposed assurance program.
  - Jennifer explained that the government relations team was currently reviewing governance frameworks in place for other client groups so we can leverage best practice. Jennifer further emphasised that the ATO is not proposing the implementation of justified trust reviews for government clients, but it did make sense to ensure the principles underpinning justified trust are incorporated into the assurance program and relevant frameworks.

- Greater collaboration with regards to issues facing government clients would be appreciated. There is often a timeliness issue where information received from the GEWG is good, but not always timely.
- There are often capacity issues within government tax teams, however, tax governance is seen as a risk and has been elevated in

importance.

- Working with an external provider to automate parts of the FBT return. There is a mandate for telematics and we are working to ensure the right data will be provided.
- Some government entities are requesting deferrals to implement their solution for Single Touch Payroll Phase 2. They are working through what the timeline looks like regarding their solution.

QC 69694

Lodge and Pay Working Group key messages 25 July 2024

Key topics discussed at the Lodge and Pay Working Group meeting 25 July 2024.

Published 15 August 2024

On this page

Future of Lodge and Pay Working Group

Lodge and Pay reset

Service Delivery restructure

Payment habits action item update

General interest charge remission form

Future of Lodge and Pay Working Group

The Lodge and Pay Working Group (LAPWG) is an Australian Taxation Office (ATO) special purpose working group. The LAPWG was established to assist with the design and delivery of the ATO's positive payment culture reset. As reset activities have transitioned into business as usual, the group’s purpose has been realised. Therefore, the group is closing.

Members expressed interest in the LAPWG remaining open to allow for continued lodge and pay focused conversation and suggested quarterly meetings. Members noted the quarterly Tax Practitioners Stewardship Group and BAS Agents Association Group meeting agendas don't provide as much time for detailed conversation on lodge and pay issues.

The ATO will use existing channels, groups and processes, and will arrange consultation with relevant audiences as required. Members' feedback will be considered.

Lodge and Pay reset

Work is progressing on the ATO's payment strategy, which is built upon the segmentation strategy. The ATO anticipates communications will be shared through relevant consultation groups soon.

Service Delivery restructure

The ATO Service Delivery Group has been restructured to better align expertise, rather than by product. The Lodge and Pay business line no longer exists.

The new group's name is Frontline Operations. It is comprised of 5 business areas – Risk and Strategy, Business Improvement, Resource Management, Compliance, and Services. For more information, see ATO organisational structure (PDF, 278KB). Currently existing contacts remain the same.

Payment habits action item update

A payment habits update was provided to close existing action items.

LAP 08 – Finalise and share streamlined view of capacity to pay conversation

A streamlined capacity to pay (CTP) process took effect 6 May 2024. Changes include clearer guidelines to support staff to discuss taxpayers' ability to pay and understand the right time for those discussions.

Updated procedures allow staff to consider the work undertaken by tax and financial professionals involved in preparing a client's payment proposal, query what has been done and reduce questions. This is on a case-by-case basis.

LAP 09 – Investigate way to share a capacity to pay tool with agents and the community

A CTP tool is a long-term goal. Updated ato.gov.au content on **payment plans** includes a list of the information required to prepare a taxpayer's request. The updated content includes a link to a budget planner available on Moneysmart.gov.au. Members were invited to review the updated content.

Member comments

- There continues to be inconsistencies between decisions via online and phone channels and it remains difficult to work with the ATO.
- Members highlighted the need for knowledgeable phone staff who understand the issues and can facilitate the process of establishing a payment plan. There has been an increase in positive experiences over the past few weeks.

General interest charge remission form

During the COVID-19 pandemic, the ATO was more lenient with taxpayers' requests to remit General interest charge (GIC). This has led to an expectation that remissions will be granted, which the ATO is looking to reset.

A GIC remission application (XLSX, 68.7KB) was made available on ato.gov.au on 5 May 2024. Whilst not mandatory to complete, the form will assist applicants to make an informed decision. It ensures consistency, transparency and reduces delays requesting additional information.

Scripting has been updated to support ATO staff to complete an internal version of the form containing the same questions. This will provide consistency and ensure decisions can be made on first contact. If remission is not granted, ATO staff will provide clear reasons in a streamlined remission response letter.

Member comments

Members provided the following feedback on the GIC remission request form:

- when lodged online 'Insufficient information' is a common reason remission applications are rejected
- the ATO needs to share examples of circumstances that warrant remission.

The ATO emphasised that taxpayers need to explain how an event or circumstance has impacted their ability to pay. As every circumstance is different, there will never be a black and white approach.

An updated version of the GIC remission form is due to be published on ato.gov.au mid-August.

QC 102894

Lodgment Program Review Working Group key messages 14 June 2022

A summary of key topics discussed at the Lodgment Program Review Working Group meeting 14 June 2022.

Last updated 15 July 2022

On this page

Introduction

Meeting summary

Introduction

Tina Ford has taken over the facilitator role and is the current Project Lead for the Lodgment Program Review.

Meeting summary

An update was provided to the Working Group, on the progress and issues discussed of the 3 primary focus groups:

- Focus group 1 –Lodgment and payment pressure points
- Focus group 2 – Exceptions (deferrals)
- Focus group 3 – Access to the program, performance and management.

Position papers have been drafted providing background and issues as provided by agents to support the discussions. The papers are being updated regularly to expand on the captured issues, add additional considerations and any readily identifiable constraints.

Focus group 1 – 7 papers

- Many suggestions and considerations have been raised so far from the pressure points discussed. These are well considered viewpoints which are being researched internally to assess impacts, risk, system impacts.

Focus group 2 – one paper

- The exceptions focus group consider when the ATO should provide additional support, that is, what constitutes 'exceptional and what the support should be. In doing so, the group is also considering changes to the current deferrals processes.

Focus group 3 – one paper

- Is reviewing the overall management of the program, how we measure performance and how we support agents who are not meeting performance expectations.

Focus group meetings will continue throughout July. Papers will continue to be updated to provide further data and information as identified.

Lodgment Program Review Working Group meetings will be scheduled to provide updates and ensure transparency of each focus group with all registered members.

Modernising Business Registers Business Advisory Group key messages 19 June 2023

Key messages from the Modernising Business Registers Business Advisory Group meeting 19 June 2023.

Last updated 12 September 2023

On this page

[Welcome and Introductions](#)

[Program update](#)

[ABRS Law and Policy](#)

[Australian Securities Investment Commission (ASIC) Update](#)

[Companies register – data migration](#)

[Future register – grandfathered business names with no Australian business number (ABN)](#)

Welcome and Introductions

Deputy Commissioner Narda Phillips opened the Business Advisory Group (BAG) meeting and welcomed attendees.

No conflicts were declared.

Program update

Independent review

The independent review of the Modernising Business Registers (MBR) program is due to be concluded by end of June 2023 with a final report delivered to government. Currently, we are well into the review with over 400-500 documents provided to the Independent Review team, with a number of workshops and deep dive sessions held.

Action item updates

Assistant Commissioner, Karen Redhead provided an action item updates.

BAG – 78 (ABRS agents' compliance model)

In progress. An update will be provided following the outcome of the independent review.

BAG – 85 (Tiered access model – 2022 consultation)

In progress.

A summary of feedback from consultation sessions and how that has informed the tiered access model will be distributed to members for review ahead of an agenda item at the August BAG meeting.

BAG – 86 (Tiered access model – authorised representative access)

In progress.

A presentation is being developed to illustrate what data Australian Business Registry Services (ABRS) agents and authorised representatives can access. The pack will be presented at an upcoming BAG meeting.

ABRS Law and Policy

Registration data standards

Assistant Commissioner, Trent Jakubowski provided an update on draft Companies and ABN registration data standard. The *Commonwealth Registers Act 2020* provides the Registrar the ability to create data standards through a legislative instrument on matters relating to the performance of the Registrar's functions and powers. For example, data standards provide for what information can be collected, the manner and the form in which information is given, and how information, is collected, verified and stored. Objectives of data standards include:

- replace prescriptive legislation and rules contained in various registry acts

- enliven the ‘tell us once’ approach in relation to the collection of information
- can be more readily amended over time.

Draft registration data standard is expected to be shared for an ‘in-confidence’ BAG consultation in late July/early August 2023, prior to public consultation commencing. Noting that the outcomes of the independent review may also impact the timeframe.

Regarding the data standards and the collection of personal information, Trent advised that the Registrar is bound by the *Privacy Act 1988* (Privacy Act), which provides for the collection of only the personal information that is necessary for the performance of the Registrar’s function.

Australian Securities Investment Commission (ASIC) Update

Forms modernisation – release targeting July 2023

Robin Hayes provided an update on the continuing development of ASIC’s Regulatory portal which primarily caters for regulatory functions and powers that will not transition to the ABRS as part of the MBR program. Four new transactions are expected to be made available in the Regulatory portal on 31 July 2023 (replacing equivalent legacy forms):

- Submit notification to rely on *ASIC Corporations (Business Introduction Services) Instrument 2022-805* (legacy form code 7102) – to allow a relevant entity to notify ASIC that it is seeking to rely on relief available under certain class or orders of legislative instruments.
- Apply for ASIC consent to resign as an auditor of a public company (legacy form code 342) – to allow auditors to use this transaction to apply for ASIC’s consent to resign as an auditor of a public company.
- Apply for early destruction of books (legacy form code 574) – to allow liquidators to apply for ASIC consent for early destruction of books.

- Notify ASIC or apply to ASIC about company auditor appointments (legacy form code 339, 341) – to allow:
  - a company to notify ASIC of the failure to appoint a replacement auditor. ASIC will review the notification and may appoint an auditor
  - a member of a proprietary company with more than one crowd source funding shareholder, or a member a public company, to apply to ASIC to appoint an auditor.

These transactions are low lodgment volume and relate specifically to auditors and liquidators.

The introduction of these new services is being communicated through a range of ASIC communication channels.

BAG members are encouraged to share key messages (contained in InFocus June 2023 - Volume 32 Issue 4 | ASIC).

Companies register – data migration

An update was provided on the data migration component of the companies program. Data migration is the process of copying historical and current records across from ASIC and ABR into the new ABRS companies register.

The update covered the scope and volume of data being migrated, and the schedule of the data migration project and its current status. Some key aspects of the treatment of records were discussed.

Members asked about the user experience and how will they interact with the migrated data. It is expected that users will be able to interpret the data without significant difficulty given the changes to the records and their presentation are relatively minor.

Members asked about what agents and digital service providers can do now to support the data migration, including in relation to the linking of director ID holders to their company directorships. The best preparation for migration is for companies and their officeholders to meet their obligations to register and keep details up to date. Before the companies release ABRS will be developing communications encourage companies to check that key registry data up to date.

Future register – grandfathered business names with no Australian business number (ABN)

An update was provided on recent feedback request to understand a specific cohort of registrants known as the grandfathered business names with no ABN attached to their business name registration.

Generally, all business names are required to have an ABN to obtain and maintain their business name registration. This notion is captured in the fundamental purpose of a business name, as an (ABN) entity identifier. In 2012, names transferred from their respective state and territory registers, to create the national register, were allowed to remain registered without providing their ABN (as captured in the *Business Names Registration (Transitional and Consequential Provisions) ACT 2011* (BNR Transitional Act).

A small amount of feedback was received, however feedback was not comprehensive which still leaves this cohort a relative unknown in terms of the types of businesses they undertake and why many still don't have an ABN?

Members were thanked for their feedback. This information will be considered and support the design process going forward.

QC 72946

Retirement Villages Working Group key messages 4 April 2022

Summary of key topics discussed at the Retirement Villages Working Group meeting 4 April 2022.

Last updated 16 June 2023

On this page

[Sales villages by charities](#)

[GSTR 2011/1 transitional concessions](#)

> [Apportionment safe harbour – Practical compliance guide]
>
> [Intention to sell/dual intention]
>
> [Leasehold issues]
>
> [Meals in serviced apartments]

Sales villages by charities

Agreement and confirmation that this issue is closed for the purposes of this Consultation. Retirement Living Council will pursue this matter separately.

GSTR 2011/1 transitional concessions

Confirmation that the scope of the Consultation does not extend to reviewing the ATO view or softening the transitional concessions in Goods and Services Tax Ruling GSTR 2011/1 *Goods and services tax: development, lease and disposal of a retirement village tenanted under a 'loan-lease' arrangement*.

ATO has considered the options proposed by industry but found limitations within the scope of this Consultation to identify additional factors (to those outlined in the Ruling) and draw general principles from scenarios that are factually dependent.

Industry accepts the ATO's proposal to follow the Private Binding Ruling process that would allow the ATO to consider specific circumstances on a case-by-case basis and to provide more tailored advice.

Apportionment safe harbour – Practical compliance guide

The consideration of an administrative 'safe harbour' is to help reduce the compliance burden related to the apportionment of input tax credits for Retirement Village owners or operators making predominately input taxed supplies.

The apportionment 'safe harbour' is a de minimis fixed rate for operators to use in calculation of their entitlement to GST credits on their acquisitions. The safe harbour, neither on its terms or by reference to its purpose, cannot be used in the calculation of GST charged to residents on supplies made to them. GST must only be applied to supplies made by a village operator to a resident to the extent that they are taxable supplies.

The extent to which supplies made to residents are taxable depends on the particular village services and facilities provided to the residents. Whilst services that relate to the lease of residential premises are input taxed, other services, such as the provision of a village bus are taxable. A proportion of 'recurring charges', or levies may be subject to GST only to the extent that those charges relate to specific supplies that are taxable.

The practical compliance guide (PCG) is not intended to replace the Greenacres model. The model will continue to be useful to calculate the extent of taxable supplies in some instances.

The draft PCG has been referred to the Public Advice and Guidance (PAG) unit and will follow the normal PAG process.

Updates are available.

Intention to sell/dual intention

Industry is seeking greater clarity regarding 'dual application' and holding an asset for the purpose of sale, supporting evidence and the application of Division 129.

A Tax Counsel Network (TCN) minute considering Industry submissions on the issue was circulated to the working group. Industry have advised that they do not agree with many aspects of the TCN minute and wish to maintain the positions put forward in their submissions. Industry advised that they do not wish to pursue further consultation on this issue.

Leasehold issues

Acknowledgment that there are multiple permutations to this complex issue around the characterisation of supplies involving leasehold interests.

Industry have withdrawn this issue and will continue to pursue this matter outside of this consultation.

Meals in serviced apartments

Following submissions from Leading Aged Services Australia (LASA), the ATO accepts in-principle that **GSTR 2012/3** *Goods and services tax: GST treatment of care services and accommodation in retirement villages and privately funded nursing homes and hostels*, regarding the operation of paragraph 38-25 Residential care etc.(3A)(b) in the A New Tax System (Good and Services) Act 1999 is expressed too narrowly and may be expanded in certain respects to deal with other situations where a resident does not take a meal. This issue was referred to the PAG unit and will follow the normal PAG process.

The ATO has confirmed that provision of daily meals under a written agreement is subject to an underlying legislative requirement of continuing need. GSTR 2012/3 describes the daily meals requirement in these terms.

QC 69593

Single Touch Payroll Employer Transition Working Group key messages 18 April 2023

Key topics discussed at the Single Touch Payroll Employer Transition Working Group 18 April 2023.

Last updated 4 May 2023

On this page

Welcome

Digital service provider update

Employer transition update

Correspondence and engagement update

Other business

Key topics discussed at the Single Touch Payroll Employer Transition Working Group 18 April 2023

Welcome

Chair, Chontelle Weyman welcomed members and attendees to the Single Touch Payroll (STP) Employer Transition Working Group (ETWG) meeting for April 2023.

Digital service provider update

Chontelle provided an update on digital service provider (DSP) readiness and testing, noting the following:

- DSPs product readiness is progressing well with over 90% of products now being whitelisted for STP Phase 2 reporting. The remaining providers are in the final stages of testing their products.
- A recent survey was conducted with providers regarding the continuation of the low cost/no cost register. The results of the survey are currently under consideration and will be shared in coming weeks.

Employer transition update

Chontelle provided the group an update on the Phase 2 employer transition and engagement activities noting we currently have over 80% employers reporting Phase 2 data for over 10.5 million individuals.

Correspondence and engagement update

Chontelle provided the group an overview of the Phase 2 employer communication activities that have occurred since the last meeting in March 2023, noting:

- Multiple ‘Get ready’ and ‘Act now’ reminders have issued to employers during February and March to ensure they are aware of their Phase 2 obligations. A similar campaign will run again in May 2023.
- We are supporting several tax time events. Our messaging will be shifting from encouraging employers transition to education on known reporting issues.

- Agent client lists will now issue in August. This will ensure better accuracy of the lists post the employer onboarding peak expected between now and in the lead up to July 2023.

Other business

Chontelle reflected on the progress made by the group and the Phase 2 project, noting:

- The ATO recognises the effort and contribution each member has made to the group by providing insights and by championing Phase 2 in the community.
- Phase 2 has renewed employers focus on payroll accuracy.
- We have invested heavily in providing substantial guidance resources to support employers in their transition to Phase 2.
- The ATO has a robust consultation model and members are encouraged to participate in other forums if they would like to continue to contribute.

Chontelle expressed her gratitude to members for their participation and contribution to the group and closed the meeting.

QC 72444

Single Touch Payroll Phase 2 Advisory Group key messages 11 April 2023

Key topics discussed at the Single Touch Payroll Phase 2 Advisory Group meeting 11 April 2023.

Last updated 19 May 2023

> ### On this page
>
> [Welcome and introductions](#)

[DPS communications](#)

[Employer transition and engagement](#)

[STP Employment Transition Working Group](#)

[Services Australia](#)

[Industry scan](#)

[STP Advisory Group closure](#)

Welcome and introductions

The chair opened the meeting with an acknowledgment of country and welcomed members.

No conflicts of interest declared.

Key messages from the 27 February 2023 were endorsed.

DPS communications

The ATO tabled a paper on Digital service provider (DSP) employer transition, engagement, and communications noting:

- DSP readiness and Go Live Support DSPs product readiness is progressing well with 279 whitelisted products (86% of 324 expected to build STP Phase 2) and 34 products currently in extended conformance testing.
- Single touch payroll (STP) Phase 2 has been a bigger change for some more than others, determined by many factors including the level of customising across some products and the level of support required for their customers.
- We have seen many products transition to retirement of legacy products which has been a signification challenge to transition to Phase 2 with some products having to rebuild functionality and displays.
- The DSP assurance program will continue for new products and new functionality, as well as to identify and engage with DPSs on conformance issues and where outliers are identified.
- The survey for DSPs on the no cost and low-cost register closed on Friday 24 March, which gave them an opportunity to provide input

into the continuation of the register, as well as the current requirements. We are reviewing the feedback, including commentary from the previous meetings, and will assess options.

- We acknowledge the price point and maintenance of the register are key points of contention and ensure that any changes are communicated.

Employer transition and engagement

- There are over 679,000 (78%) of employers reporting in Phase 2 data for 10.3 million employees.
- We are seeing a substantial number of employers onboarding daily. It is expected most employers will transition to Phase 2 reporting by 31 July 2023.
- The outbound correspondence campaign that commenced in March 2023 has finished. The campaign consisted of a variety of reminders and nudges sent to employers, with stronger wording introduced. A similar campaign will be repeated during May and June 2023.
- The final tax and BAS agent client list have been rescheduled from April to August. This change will ensure the accuracy of the lists, given the rapid rate of onboarding.
- We continue with our one-to-one engagements with Top 100 employers, focussing on those with deferrals expiring in April, May, and June 2023. Most appear to be on track, with only a minority applying for further deferrals or requiring our support.

A big thank you to the STP Advisory Group including the STP Employer Transition Working Group for all your support and partnership over the last few years making the delivery STP Phase 2 successful.

A summary of the groups achievements and contributions were highlighted including:

- comprehensive suite of guidance materials
- business implementation guide
- Thirteen topic-based videos and webinar recordings including practical advice for employers
- 108 external speaking events for over 34,400 attendees

- over 100 Newsroom articles published
- client lists sent 3 times to 32,000 tax and BAS agents.

STP Employment Transition Working Group

The STP Employer Transition Working Group will be closing. The group has helped shaped the letters, communications, and webinars. Thank you to everyone involved.

Services Australia

An update was provided on the progress of the employment separation certificates including the pathways on how Services Australia will request an employment separation certificate noting:

- Employment separation certificates may be requested for customers currently on payment or to support new claims.
- Employers are still required to provide an employment separation certificate if they receive a request from their employees or a Services Australia staff member.
- Services Australia has already reduced thousands of employment separation certificate requests for current customers. It is anticipated that this will grow as more employers transition to STP Phase 2 and process enhancements are implemented.
- Further work is underway to streamline the employment separation certificates process for more customers.
- A pilot was undertaken in December 2022, to see what scenarios and what STP data can be used, and what additional information is required, to reduce the need for employment separation certificates with new claims.
- Outcomes of the pilot showed several areas where the current STP data is not sufficient to be able to correctly pay a customer.
- Services Australia have been working with the policy owners the Department Social Services to ensure that the policy settings for Social Security supports the increased use of STP data.

- Once finalised, it will enable Services Australia to ensure that the technology built supports the Social Security policy and reduces the volumes of employment separation certificates for new claims, including what further enhancements can be made overtime.

Member comments

- Members encouraged Services Australia to engage and consult with DSPs even at the policy design stage.
- Member interest on the reasons for termination that get reported through STP Phase 2, as it is difficult to get information for people that have been terminated in prior years.
- Industry expressed the need for clear guidance around what reporting elements in STP impact different government benefits that Services Australia administer, through the lens of the employer. It was suggested this could also be published on ato.gov.au

Industry scan

Members insights on what's new and different in their environments included:

- The ATO noted (in response to a comment from member) a Legislative Instrument on Withholding Payer Numbers (WPN) holders is out for public consultation for 2 weeks which looks to extend the exemption of WPN holders. Post consultation, the ATO will communicate any changes more broadly.
- There are still some issues around allowances and assisting employers get it right.
- The ATO have introduced new content in the employer guidance and allowances which also includes a decision tree.
- Some BAS agents are reporting the client agent linking is causing some issue with getting STP reports filed.
- There are concerns in remote areas and for micro small businesses that they are going to disengage from STP.
- STP pay reports – hearing from some large clients that they may need to spend a few days on refining what they report to the ATO is accurate.

- The ATO confirmed what is paid on payday is what should be reported in STP. The Corrections Framework is there if there has been a mistake in someone's pay or an adjustment or misclassification is required.
- Group concern around where employment/employers type issues get raised and discussed across government and industry is a challenge.
- The Chair confirmed the ATO and the STPAG does not operate as a voice for whole of government engagement with payroll providers.

STP Advisory Group closure

The Chair confirmed it is the last meeting for the STP Advisory Group. It has reached a natural closure point as the STP program, project has come to an end. Members reiterated previously raised concerns about closing the group and expressed a strong view that there remains a need for a channel for employer obligations to be discussed strategically with the ATO.

The Chair noted those concerns but highlighted the current Consultation group framework that the ATO operates, with the opportunity for time limited special purpose groups as required.

The Chair thanked the group for their time, effort and valuable contribution to the group over the last few years on the successful implementation STP Phase 2.

The ATO would also like to extend our sincere thanks to your teams and your organisations.

QC 72658

SMSF Rollovers and Release Authorities v3 Co-design Group key messages 1 February 2022

Summary of the key topics discussed at the SMSF Rollovers Authorities v3 Co-design Group meeting 1

February 2022.

Last updated 1 March 2022

On this page

Welcome

Rollovers from SMSFs

Rollovers to SMSFs

Rollovers excluded from SuperStream

Rollover v3 web content

Decommissioning of Rollovers v2

Wrap up and close

Welcome

The chair welcomed attendees to the meeting.

Rollovers from SMSFs

Limits and schedule 3 restrictions

The group discussed SMSFs encountering daily transfer limits from their bank when making a rollover from the SMSF.

The ATO acknowledged that there are scenarios where the current advice is not practicable, this being for SMSFs to raise their daily limit, split a single large rollover into multiple (smaller) rollovers, or seek a different financial institution.

Some SMSFs have attempted making payments through a bank branch using the receiving fund’s BSB and account details and payment reference number (PRN), but the payment has been rejected by the Australia Prudential Regulation Authority (APRA) fund as it is not a complying payment.

Schedule 3 Payment Methods of the Data and Payment Standard specifies complying payment methods and it also states an alternative payment method can be used in agreement with the other party.

Group discussion

- The SMSFs are being treated as retail not wholesale/business clients, so are having retail rules applied to them.
- Individual banks and individual funds have different rules. Some of industry are able to receive branch transactions so long as the transactions have the PRN.
- Impact of New Payment Platform is different across institutions and can cause issues with PRNs not being correctly supplied to the recipient.
- One possible ‘alternative payment method’ would be for SMSFs to use cheques, however this was viewed by all as a huge backward step and counteracting the intent of the change.
- There are constraints impose by banks that make large transactions from SMSFs to APRA funds difficult.
- SMSF providers to investigate which institutions their clients and SMSF trustees are having problems with and banks that will allow higher transaction amounts.

Temporary support for SMSFs

The ATO advised that Australia Post are progressing their rollovers version 3 (RV3) build, and anticipate commencing testing with the ATO mid-February 2022, and are asking industry for Business 2 Business partners in early March 2022. The ATO can facilitate introductory meetings.

Some SMSFs are having difficulties obtaining an electronic service address (ESA), where they only require a single transaction. For example, a rollover out to close their SMSF, rather than a full administrative solution and have particular time sensitivities, for example, to conduct a time sensitive rollover.

ATO is exploring an avenue for SMSFs to use a paper rollover where they are unable to obtain an ESA. This would be a short-term facility until end of the 2021–22 financial year.

Industry feedback supported this short-term facility with the addition that communications are needed for APRA funds that they can accept rollovers outside of SuperStream in those limited circumstances. The

ATO undertook to make those communications to APRA funds, SMSFs, and scripting for ATO staff.

Rollovers to SMSFs

APRA representatives provided feedback on issues being encountered regarding rollovers from SMSFs.

The ATO advised that SMSF auditors would be required to lodge an Audit Contravention Report for SMSFs that fail to use SuperStream for rollovers covered by the Standard.

Rollovers excluded from SuperStream

The following rollovers are not in scope for SuperStream:

- transfer of super from an overseas superannuation fund
- applications for contribution splitting from the member's account in Fund A to their spouse's account in Fund B
- transfer of super between a member's account and their spouse's account in another fund under a family law contribution split.

Funds may choose to use SuperStream to make the payment if they have all the mandatory information.

Rollover v3 web content

The ATO has updated the Implementation and Onboarding Information document (FAQ), which will be published on the **RV3 wrapper page**.

The FAQ document will be able to remain on ato.gov but in topic groupings outside of a pdf. In its new format it will be more easily searchable, which industry welcomed.

Decommissioning of Rollovers v2

The ATO advised the group that Rollovers v2 (RV2) will be decommissioned at the end of March 2022 as there is currently very low traffic, and no-one currently registered for ROLL2.

The ATO will also update the fund validation service user guide to remove references to RV2 and backwards compatibility.

Industry asked for messaging to funds that they do not necessarily need to remove RV2 codes as a requirement, merely not send RV2 messages.

Gateway Network Governance Body advised that gateways are currently co-ordinating versioning to decommission RV2. If a version 2 message is sent, rejection responses from gateways will start in the next couple of weeks. Version 2 responses will still be processed until the end of March.

Wrap up and close

The Chair thanked the group for their attendance and participation.

QC 68048

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.