



Taxation Administration (PAYG Withholding Variation for Company Directors and Certain Office Holders) Legislative Instrument 2026

I, Will Day, Deputy Commissioner of Taxation, make the following legislative instrument.

Dated 25 February 2026

Will Day
Deputy Commissioner of Taxation

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1 Name

This instrument is the *Taxation Administration (PAYG Withholding Variation for Company Directors and Certain Office Holders) Legislative Instrument 2026*.

2 Commencement

- (1) Each provision of this instrument specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this instrument	The day after this instrument is registered.	

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.

- (2) Any information in column 3 of the table is not part of this instrument. Information may be inserted in this column, or information in it may be edited, in any published version of this instrument.

3 Authority

This instrument is made under sections 15-15 and 16-180, and subsection 389-10(1) in Schedule 1 to the Act.

4 Definitions

Note: A number of expressions used in this instrument have the same meaning as in Schedule 1 to the Act. Expressions in Schedule 1 to the Act have the same meaning as in the *Income Tax Assessment Act 1997* (see section 3AA of the Act). The following expressions are relevantly defined in section 995-1 of the *Income Tax Assessment Act 1997*:

- (a) company;
- (b) entity;
- (c) partnership;
- (d) payment summary.

In this instrument:

Act means the *Taxation Administration Act 1953*.

appointed director means a person who has been officially appointed to the position of a director (within the meaning of section 12-40 in Schedule 1 to the Act) of a company that is incorporated, regardless of the name that is given to that position. It does not include a person who is performing the duties of a director but has not been officially appointed to a position.

covered payment means a payment for which the withholding amount is varied under section 6.

5 Schedules

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

6 Withholding amount varied to nil

The amount that an entity (**the first entity**) must withhold from a payment it makes to an individual under section 12-40 or paragraph 12-45(1)(b), (c) or (d) in Schedule 1 to the Act is varied to nil, if:

- (a) the payment is made to the individual as:
 - (i) an appointed director, where the first entity is a company that is incorporated;
 - (ii) a member of the committee of management of the first entity, where the first entity is a company that is not incorporated; or
 - (iii) a person covered by paragraph 12-45(1)(b), (c) or (d) in Schedule 1 to the Act;
- (b) the individual is required to pay the full amount of the payment to another entity (**the second entity**); and
- (c) the individual is:
 - (i) an employee of the second entity; or
 - (ii) an appointed director of the second entity, where the second entity is a company that is incorporated; or
 - (iii) a partner in the second entity, where the second entity is a partnership.

7 Payment summary and STP reporting exemptions

- (1) An entity is exempt from giving a payment summary required under section 16-155 in Schedule 1 to the Act or a part-year payment summary required under section 16-160 in Schedule 1 to the Act in respect of a covered payment.
- (2) An entity is exempt from notifying the Commissioner of amounts required to be notified under section 389-5 in Schedule 1 to the Act in respect of a covered payment.

Schedule 1—Repeals

PAYG Withholding Variation: Company Directors and Office Holders

1 The whole of the instrument

Repeal the instrument