

WELCOME

Welcome to our December 2021 edition of the StewartBrown newsletter. We are sure you will agree that like 2020, 2021 has also been quite an eventful year. Below are several important points to note as we close out the calendar year from a tax and business perspective.

STEWARTBROWN – CHRISTMAS CLOSURE

We advise that the StewartBrown offices will be closed during the holiday period as follows:

Office closes from 5.30pm Wednesday, 22 December 2021
Office reopens on Monday, 10 January 2022

The Partners and staff of StewartBrown take this opportunity to wish all our clients and business associates a very merry Christmas and a joyful New Year.

SCAMWATCH

Scamwatch is a service run by the Australian Competition and Consumer Commission (“ACCC”). It provides information to consumers and small businesses about how to recognise, avoid and report scams.

Scamwatch is urging people to be extra vigilant about scams after Australians reported a record \$211 million in losses to scams so far this year, an 89 per cent increase compared to the same period last year. “It’s very concerning to see these scams evolving and becoming more sophisticated to steal even more money from unsuspecting people,” ACCC deputy chair Delia Rickard said.

The average loss so far this year is about \$11,000 compared to \$7,000 for the same period in 2020. Many of these losses are from phone-based scams, which accounted for over \$63.6 million (31 per cent) of the losses. Additionally, of the 213,000 reports that Scamwatch received so far this year, 113,000 were about phone scams. Scammers call or text people and claim to be from well-known businesses or the government to steal people’s personal information.

“Scammers are pretending to be from companies such as Amazon or eBay and claiming large purchases have been made on the victim’s credit card. When they pretend to help you process a refund, they actually gain remote access to your computer and steal your personal and banking details,” Ms Rickard said.

“In August, the new Flubot malware scams masquerading as fake voicemail and parcel delivery scams exploded, which have resulted in more than 13,000 reports in just

eight weeks. “These scams are particularly concerning in our current climate, as many people are turning to online shopping because of the COVID-19 lockdowns.”



Scamwatch has noticed a significant increase in losses to phishing scams (261 per cent), remote access scams (144 per cent) and identity theft (234 per cent). Losses to investment scams have also risen dramatically (172 per cent) in 2021.

“The rise in identity theft-related scams is particularly concerning, as scammers can use the personal information they obtain for use in other crimes,” Ms Rickard said. “Do not click on any links in messages that come to you out of the blue, and never provide any of your personal or banking details to someone you don’t personally know and trust. “If you think something might be legitimate, call the organisation or government agency back using details you find in an independent search, rather than the details provided.”

Anyone who has provided their banking details to a scammer should contact their bank or financial institution as soon as possible. People who suspect they may be a victim of identity theft should contact IDCARE on 1800 595 160 or via www.idcare.org. IDCARE is a free, government-funded service that works with individuals to deal with issues such as identity theft.

TAX ON CHRISTMAS PARTIES/GIFTS

Income tax, FBT and GST are all relevant considerations when these types of events and benefits are provided. We have written articles concerning these matters in previous newsletters so would refer you to them for more information. Alternatively, please ask us if you would like a copy.

Entertainment and Fringe Benefits Tax is a particularly complex area, so if you have any queries about how certain expenses should be treated, please do not hesitate to contact your StewartBrown Manager or Partner.

CRYPTOCURRENCIES AND TAX

There has been a dramatic increase in cryptocurrency ownership over the past few years, with the ATO estimating that over 600,000 taxpayers have invested in cryptocurrency recently. This growth has largely been fuelled by the incredible recent rise in the values of major cryptocurrencies (e.g., the value of Bitcoin has increased approximately twofold since the start of 2021).



In light of these developments, the ATO has become increasingly concerned about taxpayers with cryptocurrency gains, particularly as they may not be aware the gains are generally taxable when they arise (regardless of whether or not the taxpayer has cashed them back into Australian dollars). To address these issues, the ATO introduced a data-matching program to collect data on cryptocurrency transactions and account information going back to the 2015 income year.

To assist our clients to further understand the tax implications of investing in cryptocurrency, it is important to consider the following issues:

- whether the disposal of cryptocurrency by a taxpayer is on capital or revenue account (including whether a taxpayer is carrying on a cryptocurrency business);
- whether cryptocurrency is a 'foreign currency' for tax purposes;
- what is the effect of applying cryptocurrency for personal use or enjoyment;
- the potential use of cryptocurrency to pay employee remuneration or as a reward for services;
- the GST treatment of cryptocurrency (noting changes made in relation to 'digital currency' from 1 July 2017); and
- record-keeping for cryptocurrency transactions.

These issues can be quite complex, and it is important for clients to properly understand the tax outcomes of all their cryptocurrency transactions. For further assistance and information concerning the taxation treatment of your cryptocurrency investments please contact your StewartBrown Manager of Partner.

DIRECTOR ID NOW AVAILABLE ONLINE

The Federal Government is reminding Australia's 2.7 million company directors that they can now apply for their new Director identification numbers (director IDs), using the Australian Business Registry Services ('ABRS') website.

This unique 15-digit identifier will stay with a director for life. To apply, directors can simply log into ABRS online using the myGovID app. It is free to apply, and available to directors within Australia and overseas. Note that applications are also available by phone and by paper, for those who need it. More information about when directors need to apply can be found on the [ABRS website](#) and reference is also made to our November 2021 newsletter for further details.



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