

WELCOME

Welcome to our October 2022 edition of the StewartBrown newsletter. We hope to keep you informed of the important tax developments and issues affecting businesses in Australia today and throughout the year ahead.

DIRECTOR ID's-NON COMPLIANCE

In last months newsletter we reminded clients of the need to register with the Australian Business Registry Services ("ABRS") for a director identification number ("Director ID") and would now like to explain what happens if you fail to do so.

As a reminder the table below summaries just when a director needs to apply for a Director ID.

Date you were appointed a director	Date you must apply for a director ID
On or before 31 October 2021	By 30 November 2022
Between 1 November 2021 and 4 April 2022	Within 28 days of appointment
From 5 April 2022	Before appointment

Please note that if you were a director as at 31 October 2021 and have since resigned you are still required to obtain a Director ID. If you are acting for a Director under an Enduring Power of Attorney or as an alternate director you are also required to apply for a Director ID.

What happens if I fail to get a Director ID?

There are civil and criminal penalties that will apply where individual directors fail to apply for their Director ID within the prescribed timeframes.

The ABRS is currently identifying newly appointed directors who have not applied for their Director ID within 28 days of appointment and contacting those directors to make them aware of their obligation and to encourage them to apply for their ID.

If directors fail to act after requests from the Registrar, the ABRS will refer them to the Australian Securities and Investments Commission ("ASIC") who will commence enforcement action.

If a director fails to acquire an ID when required to do so, they can be fined up to \$13,200 under the *Corporations Act 2001* ("the Act"), or up to \$1,100,000 under civil law.

What are the Director ID offences and penalties?

ASIC's enforcement role covers four new Director ID offences under the Act.

Offence	Maximum penalties for individuals
Failure to have a Director ID when required to do so	\$13,200 (criminal); \$1,100,000 (civil)
Failure to apply for a Director ID when directed by the Registrar	\$13,200 (criminal); \$1,100,000 (civil)
Applying for multiple Director IDs	\$26,640, 1 year imprisonment or both (criminal); \$1,100,000 (civil)
Misrepresenting Director ID	\$26,640, 1 year imprisonment or both (criminal); \$1,100,000 (civil)

If you can't apply for your Director ID by the date you need to, you can complete an application form applying for an extension of time. These forms can be found at:

https://www.abrs.gov.au/sites/default/files/2021-10/Application_for_an_extension_of_time_to_apply_for_a_director_ID.pdf

As you can see from the above there are serious penalties for non-compliance. Where necessary, assistance from your StewartBrown Manager or Partner should be sought as soon as possible in order to comply with the requirements.

CRYPTOCURRENCY REPORTING

The Australian Taxation Office (“ATO”) is working with the Australian Transactions Reports and Analysis Centre (“AUSTRAC”) and ASIC to align a multi-agency effort on data collection from cryptocurrency trading sites. According to the ATO the plan is to:

- Obtain data from Australian crypto designated service providers (“DSP’s”).
- Extend the ATO’s reach to foreign DSP’s.

Data to be provided to the ATO will include:-

- Digital currency owner details
 - Name
 - Address
 - Australian Business Number
 - Date of birth
 - Contact phone numbers (land line, mobile)
 - Email
 - Social media accounts (e.g. Facebook, Twitter, Telegram, Reddit, Whirlpool).
- Account and transaction details
 - Status of account (e.g. open, closed, suspended, lost)
 - Linked bank accounts
 - Wallet address associated with the account
 - Lost or stolen crypto amounts linked to accounts
 - Unique identifier (user ID)
 - Transaction date
 - Transaction time
 - Type of crypto
 - Amount (in fiat and crypto)
 - Type of transfer
 - Transfer description
 - Total account balance.



The ATO has a number of approaches to obtaining data from crypto DSP’s on a global scale and currently has agreements for the exchange of information with 105 other countries. They have already collected close to a billion transactions, with several times that to come. Data collection reaches back as far as 2014-2015.

If you have been trading in cryptocurrencies we strongly recommend that you purchase suitable (Australian) software to track the taxation implications of that trading and that you discuss any questions you might have about the taxation of crypto transactions with your StewartBrown Manager or Partner.

LAND TAX QUEENSLAND

Fortunately the Queensland State Government has reversed its proposed land tax changes that would have taxed interstate investors from paying land tax in Queensland based on the values of all properties held Australia wide. Landowners across the country were to face a land tax bill from Queensland next year if their land holdings included property in the State even if that property’s value was below the current threshold for the tax.

Queensland would have been the only jurisdiction to introduce this type of aggregation rule to include Australia-wide holdings. The aggregated Australia wide value of property held would have been the value used to determine whether the owner had exceeded the tax-free threshold and the applicable general rate of land tax would have been applied to the Queensland proportion of the value of the Australia-wide landholdings.

Opposition from other States, The Federal Government and property groups convinced the Queensland State Government to withdraw the proposed legislation.



CONTACT US

Address:

Level 2, Tower 1, 495 Victoria Avenue
CHATSWOOD NSW 2067

Phone:

61 2 9412 3033

Fax:

61 2 9411 3242

Email:

info@stewartbrown.com.au

Web:

www.stewartbrown.com.au

Disclaimer

Copyright © 2022 StewartBrown
This communication provides information current as at the time of production. It is not intended to be used for tax and or accounting advice and no one should rely on its contents or take any action on the basis of its contents without obtaining appropriate professional advice. The authors and publishers of this communication expressly disclaim all or any liability or responsibility whatsoever whether to a direct addressee of this communication or to any other person who may use it in respect of any loss or damage flowing therefrom whether direct or consequential. Liability limited by a scheme approved under Professional Standards Legislation.