



recipient notifies the fund that a nil condition of release under the *Superannuation Industry (Supervision) Regulations 1994* (SIS Regs) has been satisfied.

### **CGT relief for TRIS assets**

The period in which an asset supporting a TRIS can cease to be a segregated current pension asset of a fund and still qualify for CGT relief will be extended to include the start of 1 July 2017.

### **Pension balance credit for LRBA repayments**

The Act provides that an additional pension transfer balance credit will arise for certain repayments of a limited recourse borrowing arrangement (LRBA) by a self-managed superannuation fund (SMSF) that shifts value between an accumulation phase interest to a retirement phase superannuation income stream interest in the fund: new s 294-55 of ITAA 1997.

### **Pension transfer balance cap**

The Act also makes the following changes to the \$1.6 million pension transfer balance cap provisions.

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## **SMSF annual return: key changes for 2016–2017**

The ATO has released the 2017 self-managed superannuation fund (SMSF) annual return and instructions. Key changes for 2017 include the transitional CGT relief for super funds as part of the 1 July 2017 reforms, reporting on limited recourse borrowing arrangements (LRBAs) and early stage investor tax incentives.

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## **Single Touch Payroll operative for early adopters**

Single Touch Payroll (STP) is here. It had a “soft” or voluntary start on 1 July 2017. From that date, employers may choose to report under STP. For those who qualify (ie employers with 20 or more employees), STP will be mandatory from 1 July 2018.

For employers with 19 or fewer employees on 1 April 2018, their reporting obligations will not change. They will not need to start reporting through STP from 1 July 2018, but may choose to start using a payroll solution to take advantage of the benefits of STP reporting.

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## **“Netflix” tax: who is an Australian consumer?**

From 1 July 2017, the supply of services, digital products or rights are connected with Australia (and so potentially liable to GST) if made to an Australian consumer by an overseas-based supplier. This is referred to as the digital import or “Netflix tax” rules.

GST Ruling GSTR 2017/1 explains how overseas suppliers can decide whether a recipient of a supply is an Australian consumer. It explains what evidence suppliers should have, or what steps they should take to collect evidence, in establishing whether or not the supply is made to an Australian consumer.

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## **New draft GST guidelines issued**

### **Supplies through electronic distribution platforms**

Draft Law Companion Guideline LCG 2017/D4 (the Draft) deals with how the ATO intends to apply the Netflix and low-value imported goods measures to supplies made through electronic distribution platforms (EDPs).

The draft guidance sets out a four-step approach for determining whether an EDP operator is responsible for GST.

### **Redeliverers and supplies of low-value imported goods**

Draft Law Companion Guideline LCG 2017/D5 explains the measures in the *Treasury Laws Amendment (GST Low Value Goods) Bill 2017* (awaiting assent) that will make redeliverers responsible for GST on offshore supplies of low-value goods from 1 July 2018.

The Bill imposes GST on supplies of imported low-value goods, ie those worth less than A\$1,000. Under the reforms, a redeliverer will be treated as the supplier if low-value goods are delivered outside Australia as part of the supply and the redeliverer assists with their delivery into Australia as part of, broadly, a shopping or mailbox service that it provides under an arrangement with the consumer.

**Important:** Clients should not act solely on the basis of the material contained in Client Alert. Items herein are general comments only and do not constitute or convey advice per se. Also changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting in any of the areas. Client Alert is issued as a helpful guide to clients and for their private information. Therefore it should be regarded as confidential and not be made available to any person without our prior approval.