



THE INSTITUTE  
OF CERTIFIED  
BOOKKEEPERS



## Restrictions on use of cash bill in exposure draft stage

### Currency (Restrictions on the Use of Cash) Bill 2019

The community has been given opportunity to engage in conjecture and comment in regard to a very important piece of legislation. The bill addresses cash handling and payment rules, specifically whether high value payments are able to be made in cash. The new bill proposes a number of penalties for accepting payment in excess of \$10,000 in cash. While the call for consultation ended on the 12th of August you are still able to ask questions via the provided [email address](#).

#### Quick Facts

**Rationale:** The introduction of an economy-wide cash payment limit is a recommendation from the Black Economy Taskforce and sends a strong signal to the community that it is not acceptable to avoid tax and other obligations by paying with cash.

**Start date:** 1 January 2020 and for certain AUSTRAC reporting entities from 1 January 2021.

#### What transactions are covered by the cash payment limit?

The limit applies to all cash transactions equal to or in excess of \$10,000, except for those that meet the conditions specified in the draft Currency (Restrictions on the Use of Cash—Excepted Transactions) Instrument 2019.

#### What are examples of exempt transactions?

All cash deposits and withdrawals from your bank account with an authorised deposit-taking institution (ADI), exchanging foreign currency and all consumer to consumer transactions such as selling a second-hand car but excluding real property transactions.

#### Are there any new reporting requirements?

This will not impose additional reporting requirements on businesses and consumers.

## ATO Lodgement Dates

These dates are from the ATO website and do not take into account possible extensions.

You remain responsible for ensuring that the necessary information is with us in time.  
**BAS/IAS Monthly Lodgements**

Final dates for lodgements and payments:

August Activity Statement

21 September 2019

September Activity Statement

21 October 2019

#### BAS Quarterly Lodgements

Final dates for lodgements and payments:

**1st Quarter 2020 Financial Year:**

**September Quarter 2019 (incl. PAYGI)**

28 October, 2019

When a due date falls on a Saturday, Sunday or Public Holiday\*, you can lodge or pay on the next business day.

\*A day that is a public holiday for the whole of any state or territory in Australia.

Due date for super guarantee contributions:

**1st Quarter 2020 Financial Year:**

July to September 2019 – contributions must be **in the fund** by 28 October, 2019

The super guarantee charge is not a tax deduction if not paid by these dates.

Refer to the ATO for details regarding any SGC charges applicable if not paid by due date.

#### Single Touch Payroll Deadline

Have you started reporting your payroll through STP? Deadline for small employers is 30th September, 2019.

### What happens if you break the limit?

From 1 January 2020 it will be a criminal offence to make or accept a payment from businesses that includes \$10,000 or more of cash. It is also offence to make or accept a cash donation equal to or in excess of \$10,000. The maximum penalty is up to two years imprisonment and/or 120 penalty units (\$25,200).

### How does the cash payment limit apply to payment plans?

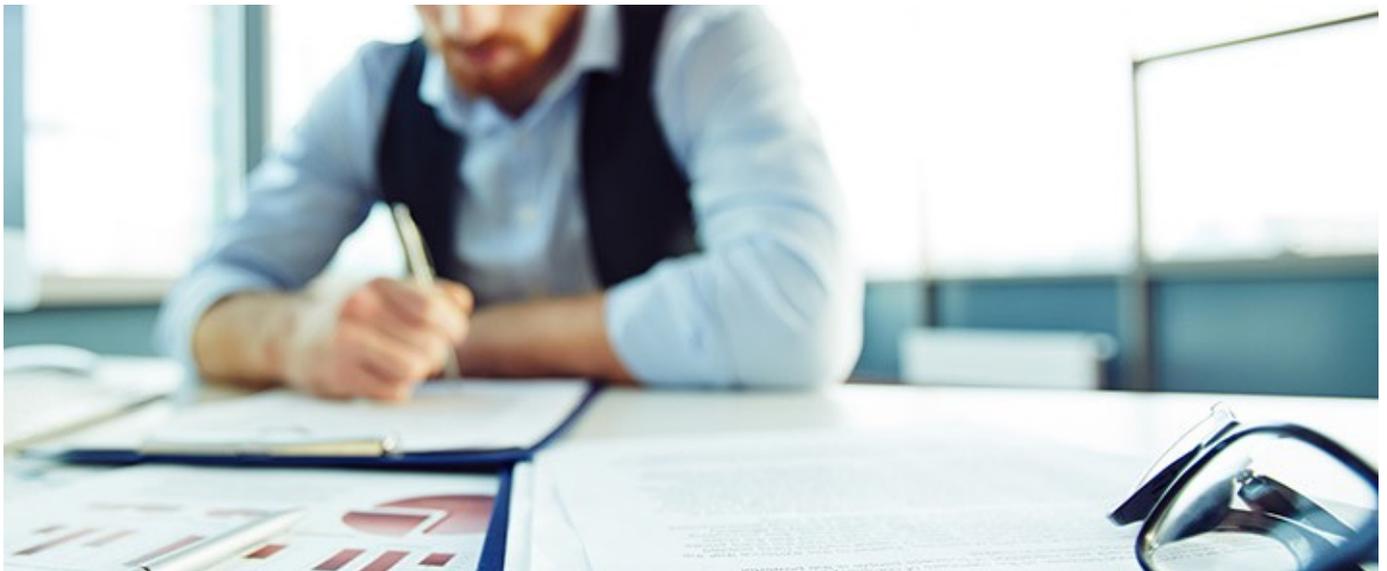
The cash payment limit will apply to the total price of a single supply of goods or services, regardless of whether the price is split into a series of payments over time.

The total cash payments made towards the final price paid must not equal to or exceed \$10,000. The remainder of the payments must be made electronically or by cheque.

Email your questions to [Blackeconomy@treasury.gov.au](mailto:Blackeconomy@treasury.gov.au)

## New Fair Work Information Statement

In line with the increase to the national minimum award rates as set from 1 July 2019, the Fair Work Information Statement has been updated. Always ensure that you're using the most up to date statement for both you and your clients.



## Single Touch Payroll Penalties

Single Touch Payroll (STP) has certainly given bookkeepers and their clients a lot to think about, and we all can appreciate that the ATO has taken a measured and considered approach to its implementation. But we all know that this approach was going to change once businesses were given sufficient time to prepare for the STP implementation phase. Going forward the expectation of the ATO will quite rightly shift to an oversight model that acknowledges the complex nature of STP implementation for small business but also assigns appropriate penalties for those who don't comply with the new reporting requirements.

The ATO have informally advised that they aren't looking to directly pursue and impose penalties for small and closely held entities for the next 12 months to allow them time to settle into the new reporting regime. However, ICB strongly recommends that all small businesses are reporting by the current 30th September 2019 deadline. Small and closely held entities not reporting by the current deadline may benefit from an exemption term upon application and thus avoid the risk of attracting penalties, noting that this term will be ending on the 30 June 2021. Concessions for larger employers no longer apply.

The ATO penalty documentation now lists that failure to lodge STP reports is a failure to lodge event. A failure to lodge penalty is calculated at a rate of \$210 dollars per 28 day interval of lateness or part thereof. This is capped at 5 penalty units. Companies with turnover between \$1-20 million will see this penalty multiplied by two (\$420). Large companies with turnover in excess of \$20 million will see their penalty multiplied by 500 (\$105,000).

These recent changes to the ATO's penalty documentation are available for your review at the link provided below. The ATO penalty documentation, per the ATO website indicates that each penalty event will result in a \$210 penalty assignment, while the cap levels were outlined by Acting Director Amanda Lehmann at a recent ATO presentation. Ms Lehmann noted that only a minute number of letters have been sent to large firms neither lodging or applying for deferral.

Clearly it's in everyone's best interests, to ensure STP compliance. If you do need to apply for STP lodgement deferrals, please contact us.

Disclaimer: All or any advice contained in this newsletter is of a general nature only and may not apply to your individual business circumstances. For specific advice relating to your specific situation, please contact your accountant or contact me for further discussion.

**Benchmark Business Works**

Tel: 9497 4110

Email: [admin@benchmarkbusinessworks.com.au](mailto:admin@benchmarkbusinessworks.com.au)

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