



## Australian Government

### The Treasury

## ADMINISTRATIVE DIRECTIONS AND PENALTIES FOR TRUSTEES OF SMSFS

### SUMMARY OF CONSULTATION PROCESS

The Government announced on 14 December 2013 that it would introduce administrative directions and penalties for contraventions relating to self managed superannuation funds.

This measure was included in Tax and Superannuation Laws Amendment (2014 Measures No.1) Bill 2014, which was introduced into Parliament on 26 February 2014.

This measure was previously introduced into Parliament on 29 November 2012 as Schedule 3 to the Superannuation Legislation Amendment (Reducing Illegal Early Release and Other Measures) Bill 2012.

#### Consultation process

On 6 November 2013, the Government announced a consultation process to deal with 92 unlegislated tax and superannuation measures that had been announced by the former government. The Assistant Treasurer Senator the Hon Arthur Sinodinos AO, with assistance from the Board of Taxation, undertook consultation with tax experts on whether or not to proceed with the measures, which included the measure to introduce administrative directions and penalties. The outcome of the consultation process, which recommended this measure proceed, was announced 14 December 2013.

Consultation on the draft 2012 legislation was conducted between 20 August and 14 September 2012. Seven submissions were received.

Submissions can be viewed on the [Treasury website](#).

#### Summary of key issues

Submissions received during consultation on the draft legislation in 2012 strongly supported the introduction of administrative directions and penalties for trustees of self managed superannuation funds.

Some stakeholders sought clarification of the application of administrative penalties to individual trustees, corporate trustees and directors of corporate trustees in the explanatory memorandum and some stakeholders expressed concern about the time period for compliance with a direction in cases where the regulator is deemed to have refused a request to vary the direction. The legislation and explanatory memorandum were amended to address these issues raised in the submissions.