



RELEASE DATE:- 5 July 2011

Contact: - Schon Condon
Tel: - 02 9893 9499
Email: - sgc@condon.com.au

IMPORTANT *******DIRECTOR LIABILITY******* IMPORTANT

LEGISLATION CHANGE

Late last year we circulated information regarding changes that were then being introduced to Parliament relating to the changes to the Taxation Legislation that will significantly increase Director's Personal Liability.

This Legislation was passed by the Senate on 27 June 2012 received Royal Assent on 29 June 2012 at which time it became effective.

The impact of these changes will be retrospective in the sense that if the liability exists at the time the legislation passes then the Director concerned will immediately be personally liable for the amount outstanding.

The areas affected by these changes are:-

1. Includes a personal liability for Superannuation contributions that are more than 3 months outstanding.
2. Prevents Directors from having the liability remitted by winding up or administering the company, if they do not comply with the legislation.
3. Providing the ATO with the ability to claim the PAYG credits of Directors and their associates where amounts remain outstanding.

Directors will still have the ability to effect an appointment within the 21 day notice period as has been the case in the past but the previous practices of stringing out matters by Directors will now become increasingly dangerous.

Should anyone have any concerns or queries please do not hesitate to contact this office on 02 9893 9499 or email pr@condon.com.au.