

**SOUTH AUSTRALIA**



**STATE TAXATION OFFICE**

**Financial Institutions Duty**

**Circular No. 125**

**FINANCIAL INSTITUTIONS DUTY (EXEMPT ACCOUNTS)  
AMENDMENT ACT, 1994 - NO. 69 OF 1994**

Your attention is drawn to the above Amendment which was assented to on 24 November, 1994 and came into operation on 1 December, 1994. The information set out below is of necessity brief and the precise nature and scope of the changes must be taken from the reading of the provisions as set out in full in the Amending Act in conjunction with the Financial Institutions Duty Act, 1983 (the Act).

**RATE OF DUTY**

The Government announced in the 1994-95 Financial Statement that it would continue the Local Government Disaster Fund and continue to finance it through a 0.005 percent levy on financial institutions duty. When the levy was introduced in 1990 it had an expected five-year life to October, 1995.

The Amending Act implements this decision and continues the levy on financial institutions duty with the revenue to be paid into the Local Government Disaster Fund.

The rate of duty remains at 0.065 percent (6.5 cents per \$100) with a \$1,200 maximum duty ceiling on any one receipt of \$1,846,154 or more.

**ANNUAL RETURN BY A SHORT-TERM MONEY MARKET OPERATOR**

The Act provides for a concessional rate of duty for short-term money market transactions and the provision of certain classes of exempt accounts into which non-dutiable receipts may be deposited.

The Act also provides that persons who have such exempt accounts must at the end of each financial year provide the Commissioner with a certificate confirming that all amounts deposited into the account were legitimate exempt receipts and in cases where that has not occurred pay the relevant duty to the Commissioner.

The Act did not allow the \$1,200 maximum duty ceiling to be applied to non exempt receipts under Section 37. The Amendment enables the \$1,200 maximum duty to be applied to non-exempt receipts which must be included in the annual return.

The Amendment also enables the Commissioner to make an assessment, impose penalty of up to one hundred percent and to remit the penalty, in whole or in part.

Failure to comply with the provisions of Section 37 constitutes an offence. A defence is provided where the Section 37 duty and penalty have been paid.

### **STATUTE REVISION**

The Act has also been amended to update references to other legislation that has been superseded or substituted by subsequent legislation.

January, 1995

**COMMISSIONER OF STATE TAXATION**