

# FINANCIAL INSTITUTIONS DUTY

## Cessation from 1 July 2001

### *Financial Institutions Duty Act*

Issued: May 2000

Revenue Circular: FTT 002

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#### TERRITORY REVENUE MANAGEMENT

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1. The purpose of this circular is to confirm the Territory Government's commitment to abolish financial institutions duty ("FID") from **1 July 2001**. The decision to abolish FID forms part of the Territory's commitments under the national tax reform arrangements.
2. To meet the commitment, the *Financial Relations Agreement (Consequential Provisions) Bill* proposes amendments to provide that a FID liability does not apply in relation to any transaction, including short-term dealings, made on or after 1 July 2001.
3. Tax liabilities accruing up to and including 30 June 2001 will remain payable. Financial institutions are advised that for audit purposes, records of transactions up to and including 30 June 2001 **must** be retained for a period of five (5) years after the abolition date

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Reference should be made to the *Financial Relations Agreement (Consequential Provisions) Bill 2000* for precise details of the proposed amendments. For general information, please contact this office on ☎ (08) 8999 7941.

COMMISSIONER OF TAXES