

**EXECUTIVE'S DESK**



**FY18**

**Welcome FY18**

As we usher in the new financial year, the Horwood team would like to wish everyone an exciting, rewarding and fruitful FY18. There will be lots of activity on our end and we would love to keep everyone abreast of our milestones during the year.

**Hello Melbourne!**



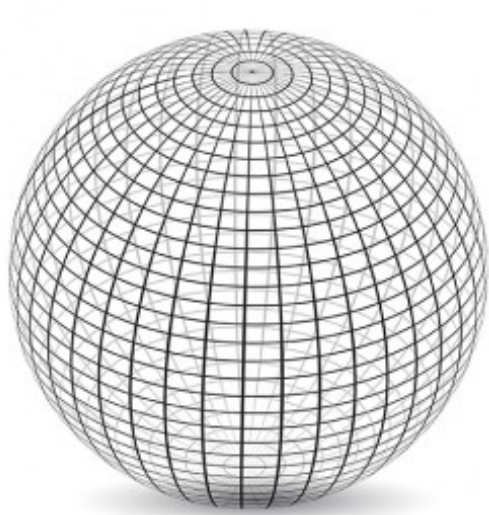
The new financial year also brings exciting news! We warmly welcome our Victorian team and clients to the Horwood Group. Located in Richmond, 10 minutes from Melbourne CBD we are excited to offer our services on the ground in Victoria.

**Equity in our Network**



As some of you may be aware, we have been raising investment with a view for growth and expansion of the Horwood Group both nationally and internationally. The Melbourne expansion above has been a result of our efforts here. If you are interested in finding out more, please visit [www.networkequity.com.au](http://www.networkequity.com.au)

**The Next Generation Bank - by Horwood**



We are building the bank of the future now. SEPAC will not only be the first Australasian Bank, but will integrate your financial world into one place. Transactions, taxation, investment, lending, insurance, advice, payroll, invoicing, collections, super, forex, saving, budgeting. One Bank. One App. Imagine a financial butler for you and your business. Coming in 2019. [www.sepac.com.au](http://www.sepac.com.au)

**Horwood News and Updates**



As we grow our team and resources, communication from the Horwood Team will extend to social media and this newsletter. With highlights from within Horwood, important information from our managers as well as a pulse on National and International News, we will deliver quick, concise and informative snippets to you, our client. If you haven't yet, head over to our [Facebook Page](#), follow and like us!



**MANAGERS' BRIEF**



Fair Work Commission **increases minimum wage by 3.3%** starting July 1, 2017.

Fair Work Commission increases **threshold for high income employees** from \$138,900 to **\$142,000** per annum. Employees above threshold are award free.

**Division 293 tax threshold will be \$250,000.** Division 293 tax reduces the tax concession on superannuation contributions for individuals with income greater than \$250,000 a year. The tax is charged at 15% of an individual's taxable concessional contributions above this threshold.

Under the Foreign Resident Capital Gains Withholding (**FRCGW**) regime, a resident **selling property over the \$750,000** threshold needs to provide the purchaser with a **clearance certificate** otherwise the purchaser will be required to withhold 12.5% of the purchase price.

The **ATO** has signalled it will **crack down on work uniform tax claims**, saying a 20% increase in laundry and clothing deduction claims over the past five years is giving the tax office reason to "pay attention".

The ALP's latest policy proposal is to **impose on discretionary trusts, a minimum 30% tax** on distributions to adult beneficiaries from 1 July 2019.

The Government intends to **amend the superannuation guarantee legislation** to ensure an employee's salary sacrifice contributions do not reduce their employer's superannuation guarantee obligations.



## EYE ON THE WORLD



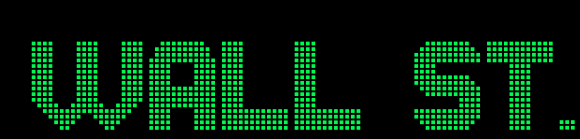
The **world economy will expand by 3.5%** this year, up from 3.2% in 2016. According to IMF the world is relying less than expected on the US and UK and more on China, Japan, the euro zone and Canada for sustained global recovery.



**Dow closes above 22,000** for the first time after Apple surges 4.73% following posting quarterly results.



**Tesla launches the Model 3**, its first mass-market electric car with a starting price of US\$35,000. Aims for 500,000 total vehicle production in 2018.



**Artificial Intelligence On Wall Street:** AI Labs Has Edge On Robo-Advice With deep learning.



**bitcoin**

SEC investigators ruled that **blockchain tokens are securities** and **so subject to federal securities laws**. The ruling will have a cascading effect on all Initial Coin Offerings (ICOs) or token sales within the US or involving US-based investors.

**Bitcoin splits in 2:** bitcoin and bitcoin cash, as a result of power brokers being unable to come behind a single solution that would have preserved a unified crypto currency.



UK-based payment processing giant **Worldpay, valued at \$10Bil**, confirms JPMorgan and Vantiv are trying to buy it.

UK global banking alternative **Revolut raises \$66Mil(USD)**.

Accountancy software start up **Receipt Bank secures \$50Mil(USD)** in funding.

## AUSTRALIAN SPOTLIGHT



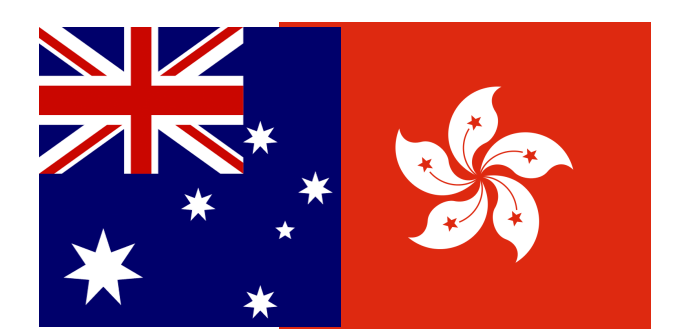
RESERVE BANK OF AUSTRALIA

Reserve Bank keeps **cash rate on hold** at a record low of **1.5%** for the 11th consecutive month and has provided little indication of when it will allow rates to rise.

**Aussie dollar hits a 2-year high** going above 80c for the first time since May 2015.



CBA signs memorandum of understanding with **Austrade** to **facilitate collaboration between Australian and HK fintech companies**.



NSW government provides **\$35Mil towards massive startup hub** the size of the Sydney Cricket Ground in downtown Sydney.



**Sydney's exploding fintech** industry houses **60% of Australia's fintech** companies.

Sydney fintech **Prospera secures \$20Mil(AUD)** debt facility from Partners for Growth.



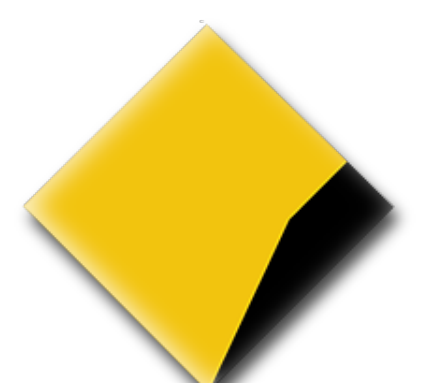
Australian Bankers' Association CEO Anna Bligh singles out the **open data regime** as the **biggest disruption on the horizon for banks**.



**Amazon** confirms **first Australian fulfilment centre** in Victoria to support its retail push into the country.



**CBA** accused of **breaching money laundering act**, failing to report roughly 53,000 suspicious transactions.



Hardware giant **Bunnings Warehouse** has unwittingly become the centre of a **massive tradie tax fraud**, the chair of Treasury's Black Economy Taskforce says.



HORWOOD

REVIEW