

PDV Offset Rules Amendment 2014 (No. 1)

I, GEORGE HENRY BRANDIS QC, Minister for the Arts, pursuant to subsection 376‑260(2) of the *Income Tax Assessment Act 1997* and subsection 33(3) of the *Acts Interpretation Act 1901*, hereby amend the *PDV Offset Rules 2008* made under subsections 376-260(2) and (3) of the *Income Tax Assessment Act 1997*.

Dated: 14 August 2014

George Brandis QC

Minister for the Arts

1. **Title**

This instrument is the *PDV Offset Rules Amendment 2014 (No. 1).*

1. **Commencement**

This instrument commences on the day after the day of its registration on the Federal Register of Legislative Instruments.

1. **Amendments**

Schedule 1 amends the *PDV Offset Rules 2008*.

**Schedule 1 Amendments**

1. **Subrule 23(3) (note)**

 Repeal the note, substitute

Note: The estimated qualifying Australian production expenditure on the film, to the extent that it relates to post, digital and visual effects production for the film, must be at least A$500,000 for PDV work commenced on or after 1 July 2010, and A$5 million for PDV work commenced on or after 1 July 2007 but prior to 1 July 2010 (see paragraph 376-45(5)(a) of the Act).

1. **Subrule 24(3) (note)**

Repeal the note, substitute

Note: The estimated qualifying Australian production expenditure on the film, to the extent that it relates to post, digital and visual effects production for the film, must be at least A$500,000 for PDV work commenced on or after 1 July 2010, and A$5 million for PDV work commenced on or after 1 July 2007 but prior to 1 July 2010 (see paragraph 376-45(5)(a) of the Act).

1. **Schedule 3 (from “Basis of opinion”)**

Omit:

Basis of opinion: We conducted our audit in accordance with the Australian Auditing Standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement.

We have received all the information and documents necessary to enable us to ascertain the amount of estimated qualifying Australian production expenditure (as defined in rule 4 of the *PDV Offset Rules 2008*), to the extent that it relates to post, digital and visual effects production for the film.

Our work included examining, on a test basis, evidence supporting the amounts and disclosures in the expenditure statement, and the presentation of that statement.

On the basis of such examination, we report that in our opinion the total of the company’s estimated qualifying Australian production expenditure on the film, to the extent that it relates to post, digital and visual effects production for the film, is Aus$\_\_\_\_\_\_\_\_\_\_.

Substitute:

Auditor’s Responsibility

We conducted our audit in accordance with the Australian Auditing Standards. The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements, and plan and perform the audit to obtain reasonable assurance as to whether the Statement of Production Expenditure is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement of Production Expenditure. The procedures selected depend on the auditor’s judgement, including assessment of the risks of material misstatement of the Statement of Production Expenditure, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Applicant’s preparation and fair presentation of the Statement of Production Expenditure, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Applicant’s internal controls.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Applicant, as well as evaluating the overall presentation of the Statement of Production Expenditure.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional accounting bodies.