



## Quiz

### Director Penalty Notices

1. What happens when a company has not paid its withholding tax amount by the time it is due?
  - a. The director will become liable for a penalty in quantum that exceeds the withholding tax amount as punishment
  - b. The director will become liable for a penalty in the exact same quantum as the withholding tax amount
  - c. A Director Penalty Notice cannot be issued in these circumstances
  - d. The director will become liable for a penalty in a quantum that is lower than the withholding tax amount
2. How can a withholding amount be remitted?
  - a. The amount is paid by the company
  - b. The company goes in administration
  - c. The company begins winding up
  - d. All of the above
3. Are there any time limits within which a director is required to respond to a Director Penalty Notice?
  - a. Yes – a director has 60 days from the date of the notice to achieve remission of any director penalties stated on the DPN
  - b. Yes – a director has 21 days from the date of the notice to achieve remission of any director penalties stated on the DPN

- c. Yes – but a director can easily argue that none should apply if he or she successfully refuses to be served with any such notice
  - d. No
- 4. What does the *Tax Administration Act 1953* (Cth) prescribe in relation to the giving of a notice?
  - a. That a notice is taken to be given when it is posted
  - b. That a notice is taken to be given 21 days after it is posted
  - c. That in the event of any inconsistency between the *Tax Administration Act 1953* (Cth) and the *Acts Interpretation Act 1901* (Cth), the presumption of delivery provided under s 29 of the *Acts Interpretation Act* takes precedence
  - d. That the Deputy Commissioner is exempt from having to satisfy the court that a notice has been put in an envelope with a postage stamp and sent to the relevant address because it cannot be expected to do this every single time a DPN is issued and contested
- 5. In the case of *Deputy Commissioner of Taxation v Paul Tannous* [2016] NSWSC 1654, what did Mr Tannous decide to argue after he conceded that he could not satisfy the requirements of the reasonable steps defence?
  - a. That notice had not been 'given' for the purposes of the *Tax Administration Act 1953* (Cth)
  - b. That the notice was defective
  - c. The evidentiary certificates provided by the ATO were hearsay
  - d. All of the above

Answers:

1. b 2. d 3. b 4. a 5. d