

OWNERS IDENTITY WITHHELD

To Strata Influence,

I write with regards to The Sovereign Islands Gateway Company Ltd ('the Company').

I refer to the attached member contribution notice for the period 1/1/2026 to 30/6/2026.

I have just noticed yesterday that the words "Tax Invoice" and the ABN is missing. Also the Gst component is not declared, which is usually under the words "The Levy includes GST".

I've also attached a copy of the member contribution notice for the previous period for a comparison (which was also an invoice generated by Strata Influence, which raises the question, why has it changed?).

It is in violation of tax regulations to issue an invoice without an ABN. Since the invoice does not include the words "Tax Invoice" and there is no ABN on the invoice, this invoice is a standard Invoice, not a Tax Invoice. A document cannot legally be called a Tax Invoice unless it includes the supplier's ABN. If a company is registered for GST (which the Company is) they are legally required to provide a Tax Invoice for sales over \$82.50 (incl gst).

The consequences of issuing invoices without an ABN is -

1. The ATO may fine the Company 20 penalty units, which equates to \$6,600; and 2. The recipients of the invoices are legally required to withhold 47% of the total payment and pay that to the ATO (unless the payment is \$75 excl gst or less).

If the ATO finds out about this, they may direct all 664 members to pay the 47% to the ATO, even after the member has already paid 100% of the invoice to the Company. 47% of approx. \$1m of revenue is \$470,000, a significant amount that the ATO would be very interested in recovering. With the recent issues being raised amongst the Sovereign community, it is likely that ASIC may get involved, and in turn, the ATO will. All it takes is one disgruntled person to make a complaint to ASIC and/or the ATO, and given the turn out and result at the last AGM, this scenario is also likely.

I'm sure that the residents will not want to pay an additional 47% of the invoice to the ATO, if/when the ATO requests it, and then also incur increased levies to cover the cost of the \$6,600 fine (unless Strata Influence takes responsibility for issuing incorrect invoices and pays the fine themselves).

Can you please urgently re-issue the invoices correctly in order to comply with tax legislation, and in order to prevent any possible ATO action and then members requesting \$470,000 of refunds from the Company (which it does not have in the bank).

The "invalid" invoice has a due date of 19/1/2026, which is Monday. Given the little time you have to re-issue the invoices correctly, you will need to adjust the due date for payment, to allow reasonable time for members to attend to payment of the new Tax Invoice.

In order to prevent members accidentally paying the 1/1/2026 to 30/6/2026 levy twice, you will also need to state that the invoices previously issued in December 2025 for the 1/1/2026 to 30/6/2026 period are invalid and now cancelled, and if members have already paid that invoice, then no further payment is required (for the 1/1/2026 to 30/6/2026 levy) and the new Tax Invoice with the ABN on it is just for their records.

Finally, can you please advise the contact details for the person who is responsible for the preparation of the Invoice.