



Advice Revolution Pty Ltd
C/- Accru Felters Pty Ltd
Attention: Mr William Merdy
Level 6, 1 Chifley Square
SYDNEY NSW 2000

Our reference: 1051953657918
Contact Officer: Gabi Mitchell
Phone: (08) 742 22374
Client ID: 13 623 443 443

22 February 2022

We are notifying you of your private ruling

Dear William,

Authorisation Number: 1051953657918

Authorising Officer: Erc Pepicelli

We received your application for a private ruling on 14 January 2022.

Our response includes:

- › your *Notice of private ruling* and the reasons for our decision
- › fact sheets giving information about private rulings including how to have the decision reviewed, and
- › an edited version of your private ruling that we will publish on our website.
You have 28 days to comment on the edited version of this private ruling.

If you disagree with this private ruling, you have 60 days from the date the decision was given to you to object to it (this is longer in some cases).

However, if this private ruling relates to an assessment, you will need to object to the assessment, not the private ruling.

No guarantee

The ruling is only about how the tax law applies based upon the facts and information that you have provided. The ruling should not be used in promotional materials to imply that we guarantee or endorse investment in your company. Potential investors must form their own view about the commercial and financial viability of the company. The Commissioner recommends a financial (or other) adviser be consulted for such information.

Notice of private ruling

This private ruling applies to:

Client name	ABN
Advice Revolution Pty Ltd	13 623 443 443

Authorisation number: 1051953657918

NEED HELP?

If you have any questions, you can phone us on **13 28 69** between 8.00am and 5.00pm, Monday to Friday.

Ask for Gabi Mitchell on extension **22374** or call direct on **(08) 742 22374**.

Question

Does Advice Revolution Pty Ltd satisfy the criteria of an Early Stage Innovation Company (ESIC) pursuant to subsection 360-40(1) of the *Income Tax Assessment Act 1997* ('ITAA 1997') for the period 1 July 2021 to 30 June 2022?

Answer

Yes

This private ruling applies for the following period:

1 July 2021 to 30 June 2022

The scheme commences on:

1 July 2021

Relevant facts and circumstances:

This private ruling is based on the facts stated in the description of the scheme that is set out below. If your circumstances are different from these facts, this private ruling has no effect, and you cannot rely on it. The fact sheet has more information about relying on your private ruling.

1. Advice Revolution Pty Ltd ('AdviceRev') is a proprietary company incorporated in New South Wales on 15 December 2017.
2. AdviceRev's directors are Shaun Green and Adrian Peter Cassar Patty.
3. AdviceRev's registered office and principal place of business is situated at 1 Leonard Avenue, Kingsford, NSW, 2032.
4. AdviceRev has no wholly or partly owned subsidiaries. AdviceRev is not part of an income tax consolidated group.
5. For the financial year ending 30 June 2021, AdviceRev incurred and earned the following:
 - Total expenses of \$413,334
 - Total income of \$28,307
6. For the financial year ending 30 June 2020, AdviceRev incurred expenses of \$277,019.
7. For the financial year ending 30 June 2019, AdviceRev incurred expenses of \$201,214.
8. AdviceRev's equity interests are not listed for quotation in the official list of any stock exchange, either in Australia or a foreign country.
9. AdviceRev is developing three innovative products, as follows:
 - **Product 1 – Digital Fact Find:** This is a business-to-business 'Software as a Service' ('SaaS') application that is used by wealth management practitioners and their support teams. This Product entails three types of innovations:
 - Product Innovations: Digital client engagement and data management solution that replaces paper-based processes and at the client end of the advice process with seamless integration with downstream applications through our no-gap integration platform.
 - Process Innovations: Enhancements to the speed, efficiency, quality & compliance of advice delivery.

- Organisational Innovations: New functionality for support roles to take over non-core functions from the adviser; digital interaction platform with clients before and after the core human interaction – all via a single application.
- **Product 2 – Integration Hub**: An 'Integration Platform as a Service' ('IPaaS') that will provide a range of data integration and data management capability that is independent of an application. This Product is a unique plug-and-play solution, the only non-institutional level product allowing the practitioner to directly access this capability without having to migrate applications or adopt additional applications.
 - **Product 3 – Advice Board**: A powerful and flexible data visualisation solution tailored to the needs of wealth management for in-meeting client conversations. The company will leverage their integration platform capability to integrate data via an open API (Application Programming Interface), so as to visualise data for client meetings.
10. AdviceRev has conducted rapid prototyping and free beta pilot in 2019 and 2020 with approximately 40 users across the industry. Active engagement program conducted with users to provide feedback and insight on a broad range of issues including system architecture requirements, core feature demands and user interface design.
 11. AdviceRev is developing their Products to address a number of discrete markets and is continuing to develop their Products.
 12. AdviceRev have outlined a commercialisation strategy which includes significant engagement with the local industry thought leaders and associations to understand both the extreme diversity of practices across the industry and core compliance challenges experienced in the industry and have conducted extensive international research to ensure the needs of global markets were understood and product developments were configurable to international requirements.
 13. AdviceRev's Products have been identified as having an international addressable market.
 14. AdviceRev has conducted a number of activities to scale up their business through strategic partnerships & pilots and are marketing their Products through various channels such as a marketing website, integration partnerships, strategic sales capability, licensee (AFSL) engagement and approvals and promotions.
 15. These strategic partnerships and pilot provide considerable leverage to AdviceRev.
 16. AdviceRev's Products are already suitable for the entire Australian market. In addition, they are not specifically tied to the Australian market and can be successfully ported to any other attractive market.
 17. Each of AdviceRev's Products have a competitive advantage. Product 1 – Digital Fact Find Application has four key elements that gives this Product a strong competitive advantage – flexibility (solution can be configured to meet the individual needs), simplicity (solution that will be intuitive while still comprehensive), integration depth (created an 'Integration Platform as a Service') and intelligence (scoping out a range of ways that they can develop machine learning within their system). Product 2 – Integration Board - In the small and midsize business market, there is currently no "app independent" API on the market that enables the translation between various applications. Product 3 – Advice Board - there is no industry specific whiteboard application available in the Australian Wealth Management market.
 18. AdviceRev propose to issue new shares to various investors to assist in funding the continued development and commercialisation of their 'Products'.

Information provided

19. You have provided a number of documents containing detailed information in relation to AdviceRev's Products, including:

- Private Binding Ruling ('PBR') Application, dated 13 January 2022
- Response to further questions provided
- Responses to various emails

20. We have referred to the relevant information within these documents in applying the relevant tests to your circumstances.

Assumptions:

Not applicable.

Relevant legislative provisions:

<i>Income Tax Assessment Act 1997</i>	Subdivision 360-A
<i>Income Tax Assessment Act 1997</i>	section 360-15
<i>Income Tax Assessment Act 1997</i>	section 360-40
<i>Income Tax Assessment Act 1997</i>	section 360-45

Further issues for you to consider:

Not applicable.

Your rights and obligations:

For information about your rights and obligations, go to ato.gov.au/taxpayerscharter

Yours sincerely,

Louise Clarke

Deputy Commissioner of Taxation