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**Australia – ATO Ratchets
Up Data-Matching
Program**

by KPMG, Australia (a KPMG
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flash Alert

A Publication for Global Mobility and Tax Professionals by KPMG's Global Mobility Services Practice

The Australian Taxation Office (“ATO”) is targeting over 1 million individuals who have either been granted visas in the period 1 July 2013 to 30 June 2015, or who will be granted visas in the period up to 30 June 2017.¹

Why This Matters

With the proposed number of affected individuals in excess of 1 million, it is likely that many employers and migration agents will have visa holders who will be targeted under this program. It is therefore crucial that employers and visa holders be vigilant and take appropriate steps to meet their existing and future obligations. Organizations should review their processes around compliance and the compliance of their employees.

ATO's Data Matching Program

An announcement was made on 4 August 2015, by the Commissioner of Taxation that the ATO will be performing comprehensive data matching by acquiring information from the Department of Immigration and Border Protection (“DIBP”).² The purpose of this program is to establish that taxpayers are correctly meeting their taxation obligations which include registration, lodgement, reporting, and payment responsibilities.

The ATO has already been data matching visa data from DIBP and its predecessors for a number of years. In its analysis of data about visas granted between 1 July 2011 and 30 June 2014, the ATO identified an elevated level of risk relating to non-compliance and fraud, driving the announced expanded program.

It is intended that this the data will be used in ATO risk detection models to select populations for administrative action relating to tax return integrity, income tax and goods and services tax non-compliance and fraud. Targeting these populations is intended to encourage taxpayers (sponsors and visa holders) to:

- complete correct tax returns and business activity statements;
- meet registration, lodgement, reporting, and payment obligations for PAYG withholding, fringe benefits tax, and superannuation guarantee; and
- correctly manage tax obligations.

Where discrepancies are found, taxpayers will be given the opportunity to verify the accuracy of the information obtained by the ATO. Taxpayers will generally be given at least 28 days to respond before administrative action is taken.

Whilst the ATO as the matching and primary-user agency will generally be the sole user of the data, it may provide in very limited and specific circumstances as contained in Division 355 of Schedule 1 to the *Taxation Administration Act 1953*, individual records to other agencies, including state and territory revenue authorities and law enforcement agencies. Such other agencies include those responsible for:

- Administering social welfare, health, and safety programs for the purposes of determining eligibility for certain types of benefits and rebates;
- Overseeing superannuation funds, corporations, and financial market operators to foster compliance with prudential regulations;
- Determining entitlement to rehabilitation and compensation payments.

KPMG Note

If any organizations have concerns about the data matching program, they should contact their usual global mobility and/or immigration adviser. The Global Mobility Services & Immigration team in the KPMG International member firm in Australia has experience in reviewing and advising on company and individual compliance obligations.

Footnotes:

- 1 From 5.2 "Number of records" in the the ATO's: [DIBP Visa Holders Data Matching Program](#).
- 2 For the notice of the data matching program, see the ComLaw Web site (<http://www.comlaw.gov.au>) at: [Notice](#) . Further details can be obtained from the ATO: [DIBP Visa Holders Data Matching Program](#).

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** Please note the KPMG International member firm in the United States does not provide immigration services.*

The information contained in this newsletter was submitted by the KPMG International member firm in Australia. The information contained herein is of a general nature and based on authorities that are subject to change. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

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