



GMS Flash Alert

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Australia - Tax Authorities' Plans for Data Matching Program to Monitor Compliance

The Australian Taxation Office (ATO) says it will acquire visa data from the Department of Home Affairs to identify non-compliance with obligations under taxation and superannuation laws.¹

The ATO estimates it will obtain records from approximately 10 million individuals from 2020-21 through to 2022-23.²

WHY THIS MATTERS

With this latest initiative, considering the level of detail being acquired coupled with data from Single Touch Payroll (STP) and Superannuation fund reporting, the ATO is enabled to apply a very sophisticated and highly-targeted approach to foster tax and superannuation compliance of individual employees and their employers.

In light of this, all employers with employees working in Australia under a visa should review their tax, STP, and superannuation obligations in connection with these employees so that they are compliant. Compliance with such obligations can be especially challenging where employees remain paid from their home country payroll.

The penalties for non-compliance can be significant, although the Commissioner does have certain discretions to remit the penalties when a voluntary disclosure is made by the taxpayer before an ATO audit or review is initiated.

What Kind of Data to Be Acquired

The data to be acquired includes:

- address history for visa applicants and sponsors;

- contact history for visa applicants and sponsors;
 - all visa grants;
 - visa grant status by point in time;
 - migration agents (visa application preparer who assisted or facilitated the processing of the visa);
 - address history for migration agents;
 - contact history for migration agents;
 - all international travel movements undertaken by visa holders (arrivals and departures);
 - sponsor details;
 - education providers (educational institution where a student visa holder intends to undertake their study); and
 - visa subclass name.
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KPMG NOTE

Organisations with concerns about the collection of data and scrutiny by the ATO in the case of their foreign national workers and the state of their compliance should consult with their qualified tax services professionals.

FOOTNOTES:

1 See ATO, "Notice of Data Matching Program - Department of Home Affairs Visa 2020-21 to 2022-23 financial years" at: <https://www.legislation.gov.au/Details/C2020G00872> .

2 Ibid.

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