



*cutting through complexity™*

# The ATO focus on Wealthy Australians

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# Background

significant extra funding to focus on wealthy Australians	what does this mean?
and expansion of high wealth individual task force (net assets \$m+)	system enhancements to identify and risk assess
extra funding to look at all entities with a turnover \$ to \$ million turnover	more reviews and audits
expansion into wealthy Australians (net assets \$ to \$ million)	greater focus on tax issues specific to wealthy Australians

# How do they pick people to audit

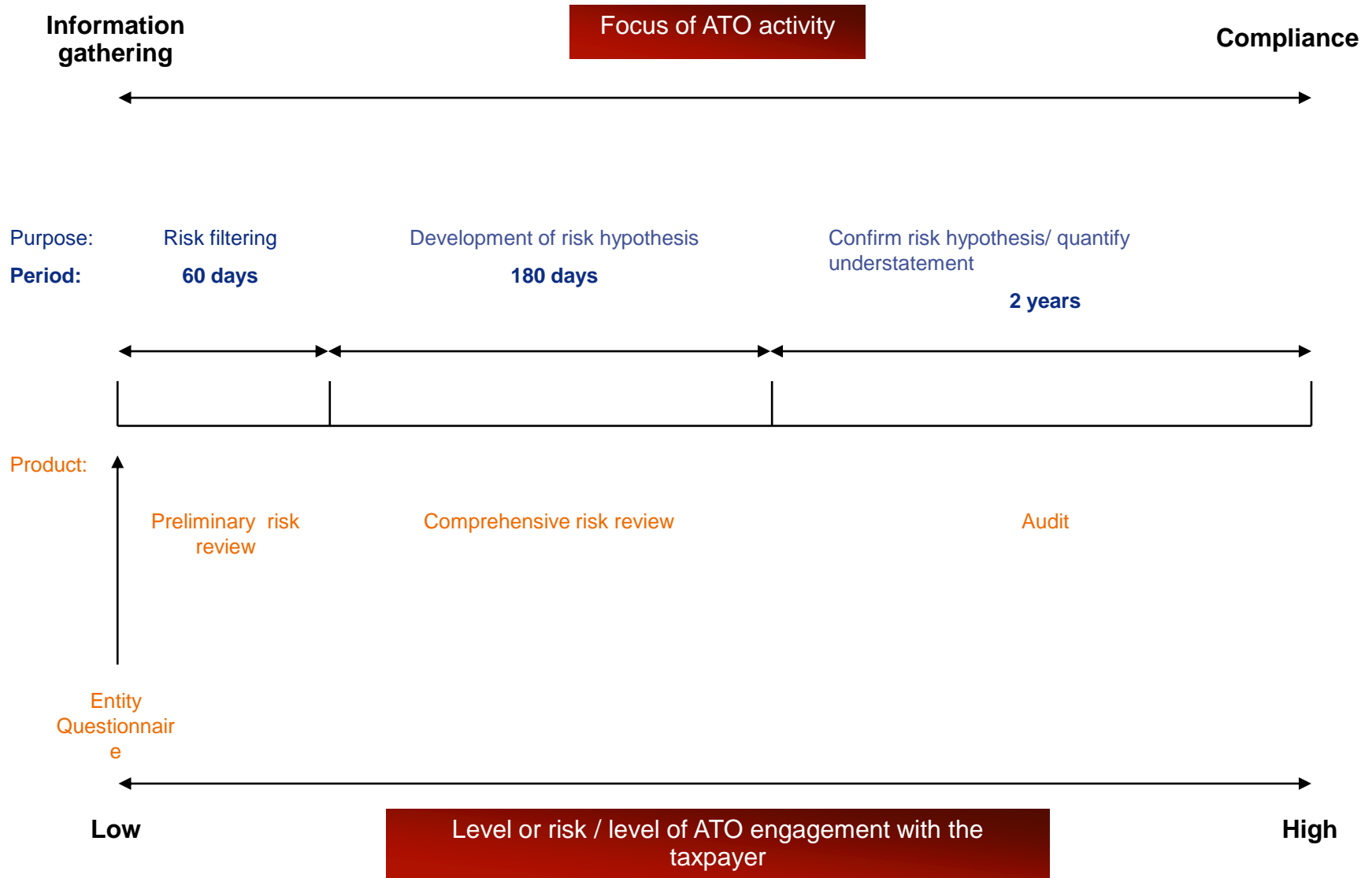


# The nuts & bolts of it

- **Resource limitation**
- **Commitments to government**
- **Coverage of the market**



# Overview of ATO review/audit processes



# Areas where ATO achieves greatest results

- Capital gains tax
- Deductions/losses
- International
- Trusts
- Division 7A i.e. deemed dividend provisions



# What should taxpayers do if selected for review

- Don't wait
- Be perceived as a low risk
- Be prepared to make voluntary disclosures as appropriate



# When to bring the experts in

- From the outset
- Only minor percentage go through to audits
- Approach/ involvement will change



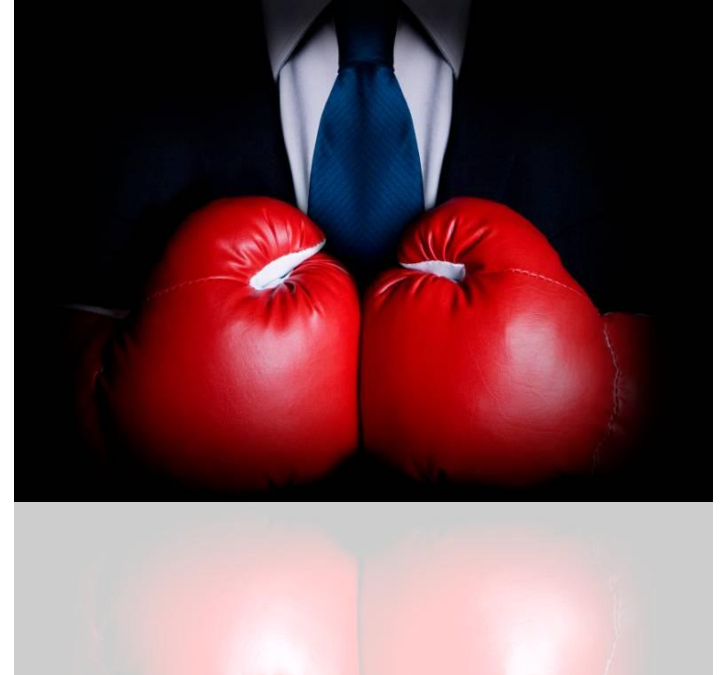


# Hints on dealing with the tax office

- **Clear understanding of where in process**
- **Clear communication lines**
- **Constructive relationship**
- **Documentation in order**
- **Pro-actively manage the review/audit**
- **Legal professional privilege/ accounting privilege**
- **ATO guidelines/policies**
- **Respond to all documentation i.e. facts paper, position papers etc.**

# When to fight versus when to pay

- Timings important given penalty mitigation
- No argument – disclose
- Clear argument - pursue
- Code of settlement



# Examples of taxpayer success stories

- **Voluntary disclosure**
- **Clearly documented position**
- **Successfully negotiated settlements**



# Thank you

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