



ATO receives cryptocurrency data to assist tax compliance

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ATO receives cryptocurrency data to assist tax compliance

The Australian Taxation Office (ATO) is collecting bulk records from Australian cryptocurrency designated service providers (DSPs) as part of a data matching program to ensure people trading in cryptocurrency are paying the right amount of tax. Data to be provided to the ATO will include cryptocurrency purchase and sale information. Deputy Commissioner Will Day said the data will make up a key element in the ATO's compliance program.

"The ATO uses third party data to improve the integrity of the tax system by identifying taxpayers who fail to disclose their income details correctly. We also use third-party data to assist taxpayers in meeting their tax obligations through pre-filling of tax returns.

"This data will be collected under notice from the DSPs on an ongoing basis," he said.

There has been significant growth in participation of crypto-assets in recent years. It is estimated that there are between 500,000 to one million Australians that have invested in crypto-assets.

Cryptocurrency and blockchain technology is seen as an enabler of existing risks for the ATO. Cryptocurrency has been used to move funds within the black economy, hide money offshore, and is sometimes linked to risks with unexplained wealth and undeclared taxable capital gains.

The ATO will be working with other regulators, in particular the Australian Transaction Reports and Analysis Centre (AUSTRAC) and the Australian Securities and Investment Commission (ASIC) to ensure that tax law requirements align with a

whole of system approach.

“The ATO is also working in a joint international effort as part of the Joint Chiefs of Global Tax Enforcement (J5), aimed at investigating cryptocurrency-related tax evasion and money laundering” Mr Day said.

Following the data matching exercise people may be contacted by the ATO and given the opportunity to verify the information collected, before any compliance action is undertaken. People will be given at least 28 days to clarify any information that has been obtained from the data provider.

“We want to help taxpayers to get it right and ensure they are paying the correct amount of tax,” Mr Day said.

“Where people find that they have made an error or omission in their tax return they should contact the ATO as soon as possible. Penalties may be significantly reduced in circumstances where we are contacted prior to an audit.”

People can correct a mistake by requesting a self-amendment or making a voluntary disclosure, and can also contact us if they need help paying their tax.

Details of the ATO’s data matching strategies are published at ato.gov.au/datamatching

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