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AUSTRAC Information Circular No. 86

Australian Taxation Office initiative - Project DO IT: disclose offshore income today

26 June 2014

AUSTRAC wishes to advise reporting entities of a new voluntary tax compliance initiative by the Australian Taxation Office (ATO). Project DO IT commenced on 27 March 2014 and allows taxpayers to voluntarily disclose previously unreported foreign income and assets before 19 December 2014.

The ATO is urging taxpayers with offshore assets to declare their interests ahead of a global crackdown on people using international tax havens.

The initiative covers amounts not reported or incorrectly reported in tax returns, including:

- foreign income or a transaction with an offshore structure
- deductions relating to foreign income that have been claimed incorrectly
- capital gains in respect of foreign assets or Australian assets transferred offshore
- income from an offshore entity that is taxable in a taxpayer's hands.

Reporting entities must be aware that there are a number of conditions under Project DO IT which include eligibility, amounts covered and benefits from correct declaration.

Reporting entities must be aware that Project DO IT does not provide any exemptions from the *Financial Transaction Reports Act 1988* (FTR Act), *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act), *Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1)* or *Anti-Money Laundering and Counter-Terrorism Financing Regulations 2008*.

Reporting entities must continue to apply appropriate customer identification, customer due diligence, reporting and record keeping obligations under the AML/CTF Act in relation to customer transactions related to the disclosure of offshore income under Project DO IT.

AUSTRAC expects reporting entities to be alert to suspicious transactions or behaviour and report such occurrences within the appropriate time frames.

Where a transaction is reportable under the FTR Act as a significant cash transaction and/or an international funds transfer instruction, or under the AML/CTF Act as a threshold transaction and/or an international funds transfer instruction, reporting entities should remember that a suspect transaction or suspicious matter report may be required in addition to the other report type(s), where grounds for suspicion exist.

How to report

Reports should be made via AUSTRAC Online. Paper reports will only be accepted from reporting entities that submit less than 50 reports (all types aggregated) per year, or do not have the technical means to report electronically.

For urgent reporting, AUSTRAC Online logon information, or to order paper reporting forms, contact the AUSTRAC Help Desk (details below).

Further information

Further information about Project DO IT is available on the [ATO website](#).

AUSTRAC officers are able to provide general information relating to the FTR Act and the AML/CTF Act. Enquiries can be directed to the AUSTRAC Help Desk by:

- email to help_desk@austrac.gov.au
- 1300 021 037 (a local call within Australia).

The information contained in this information circular is intended only to provide a summary and general overview

on these matters. It is not intended to be comprehensive. It does not constitute, nor should it be treated as, legal advice or opinions. This information circular may contain statements of policy which reflect AUSTRAC's administration of the legislation in carrying out its statutory functions. The Commonwealth accepts no liability for any loss suffered as a result of reliance on this publication. AUSTRAC recommends that independent professional advice be sought.

Reporting entities should note that in relation to activities they undertake to comply with the AML/CTF Act, they will have obligations under the *Privacy Act 1988*, including the requirement to comply with the Australian Privacy Principles, even if they would otherwise be exempt from the Privacy Act. For further information about these obligations, please refer to the [Office of Australian Information Commissioner website](#) or call 1300 363 992.

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