

# ATO legal profession project

Australia's revenue collection system generally relies on taxpayers assessing their liability under the law and paying the correct amount of tax. The Tax Office *Compliance program for 2003/04* refers to an ongoing strategy of identifying people operating outside the tax system. This includes specific projects covering a range of professional groups, including the legal, medical, accounting and architectural professions.

The *Legal profession project* commenced with barristers in New South Wales. This preliminary work uncovered several aspects of non compliant behaviour including the abuse of laws governing bankruptcy. On the basis of these findings the project has been expanded to the legal profession nationally.

The Tax Office is obtaining registration details of solicitors and barristers from the regulatory bodies governing the legal profession in each of the states and territories. The law allows the Commissioner of Taxation to obtain such information (Section 264 of the *Income Tax Assessment Act 1936*, Section 128 of the *Fringe Benefits Tax Assessment Act 1986*, Section 77 of the *Superannuation Guarantee (administration) Act 1992*, Section 65 and Section 353-10 in schedule 1 of the *Taxation administration Act 1953* applies). This information will be compared against Tax Office records to identify solicitors and barristers who are operating outside the tax system or are not meeting their taxation obligations. The exercise will include scrutiny of lodgment and payment obligations and information provided in returns and activity statements.

The Tax Office is subject to strict laws regarding the privacy of your personal details and your information will be strictly guarded and controlled. The registration details will only be accessed by staff involved in the associated business processes. The tax laws contain secrecy provisions about the use and disclosure of your information. These laws prohibit tax officers from looking at, recording, discussing or disclosing information about you, except in the performance of their duties. The law provides for

severe penalties for breaches of these secrecy provisions.

The tax system is based on taxpayers acting honestly and voluntarily complying with their taxation obligations. Voluntary disclosures can lead to reductions in penalties that may apply. If you are having difficulties meeting your obligations, or wish to discuss a matter relating to your tax affairs please phone the *Legal profession project*. A project officer can be contacted on (03) 9275 2355, or through our administration number 13 28 69, then request extension 52355, during business hours (8.30am to 5pm EST).

Tax evasion has an impact on the tax system because it results in a loss of revenue to the Australian community. Just as importantly it allows some businesses to gain an unfair advantage in a competitive market.

You can report information about tax evasion to us confidentially in the following ways:

- \* call us on 1800 060 062 between 8am and 6pm Monday to Friday (except national public holidays); or
- \* fax to 1800 804 544; or
- \* write to us, marking all written information 'in confidence', and send it to:  
Australian Taxation Office  
Tax Evasion  
Locked Bag 6050  
Dandenong, Victoria 3175.①

## Financial Services Reform cont...

is a single licence issued by ASIC intended to regulate the conduct and disclosure of issuers of financial products and providers of financial services. An Australian financial services licence is generally required if you carry on a business of:

- \* providing a financial service
- \* in relation to a financial product

However, the general requirement to hold an Australian financial services licence to carry on a financial services business is subject to a number of exemptions. The exemptions which are most relevant to lawyers are set out in the section on licence exemptions in the guide.①

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**Outback**  
BUSINESS SERVICES

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