

Declare offshore income now

If your clients have unreported income from offshore activities and want to come forward to set things right, now is the time for them to report it.

In many cases, taxpayers have unreported offshore income if they:

- change their country of residence, or
- are unsure how to deal with investments in offshore funds or bank accounts

Tax advisers have told us that many clients with omitted foreign income want to come forward to set things right, but are concerned about the consequences of doing so, particularly the potential for criminal investigation. This offer provides the following benefits:

- your clients can approach us anonymously
- we will indicate whether we would investigate their arrangements for any potential criminal law breaches
- reduced shortfall penalties
- concessions for the general interest charge

Our new Offshore voluntary disclosure initiative (OVDI) is available to all taxpayers until **30 June 2010**.

Reduced penalties for coming forward

If your clients' additional taxable income after coming forward is:

- \$20,000 or less in a tax year, they will not need to pay a shortfall penalty for that year, or
- more than \$20,000 we will apply the shortfall penalty at 10% for that year.

If they have difficulties meeting payment obligations, we will develop a payment plan taking their circumstances into consideration.

Audit activity

It is important for people to take early advantage of OVDI benefits as these benefits will not be available after notification of an audit.

We work closely with AUSTRAC, banks and other overseas tax jurisdictions to identify people with undeclared income, including those with highly complex and sophisticated arrangements and are constantly expanding our ability to trace fund flows around the world.

If taxpayers intentionally disregard the tax law and do not voluntarily disclose their offshore income to us, penalties can be up to 90% of the tax shortfall.

More information

For more information about making a voluntary disclosure, visit our website at www.ato.gov.au/offshorevoluntarydisclosure or call us on **1300 132 346**.

Trevor Schloss
Assistant Commissioner
Serious Non-Compliance