



## We're targeting: **Offshore tax evasion**

**Offshore tax evasion is a crime committed when a person deliberately evades paying tax by holding money and assets offshore.**

Australian residents (for tax purposes) are taxed in Australia on their worldwide income. Most offshore dealings comply with Australian laws, but some people try to exploit secrecy provisions in other

countries to avoid paying tax in Australia. Offshore tax evasion results in less tax revenue, which means less funding for essential services like hospitals, schools and roads.

The Serious Financial Crime Taskforce (SFCT) works with governments and organisations around the world to fight tax evasion on a global scale.



### **Criminals we are on the lookout for:**

**The Tax Fraud intentionally avoids paying tax in Australia.**

This group typically has higher income and are often self-employed, company owners/directors or senior executives. They may use a tax professional/intermediary to prepare tax returns and are more likely to be in a position to consider tax minimisation strategies.

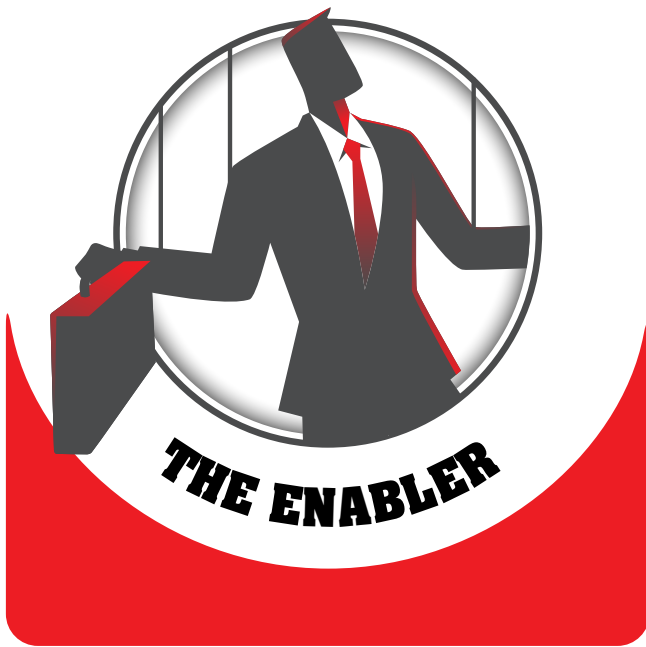
They are opportunists who take advantage of situations as they arise, work with professional 'enablers' to conduct and conceal their crimes and try to bluff their way around the system.

Some may consider evading their taxes as a result of financial or relationship difficulties. Intermediaries (such as tax and investor advisors) can play an influential role in their decision making, but this is one input into a broader decision-making process.

### **Warning signs that can help identify a Tax Fraud:**

- Keeps two sets of books or financial statements.
- Accepts large payments in cash or doesn't declare income received in cash.
- Ignores legal advice or guidance from the ATO.
- Seems to live above their means or to have had a sudden increase in wealth (boats, cars, homes, jewellery, holidays).

**Other criminals The Tax Fraud can be linked to:**



**Professionals who use their skills, structures and networks to help facilitate serious financial crime.**

Enablers can work in a wide range of professional roles such as lawyers, accountants, tax advisers, labour providers, service providers or bankers.

As enablers require advanced professional skills, as well as a network that facilitates interaction with other criminals, many may be older or more advanced in their careers.



**The Fixer profits by facilitating offshore tax evasion. They help individuals, dodgy companies and criminal syndicates conceal the source of money and how much money they have.**

They will typically provide a 'service' out of a tax haven (e.g. citizenship, ID, a set of nominal directors, bank accounts and a company creation agent) that help hide a shareholder's identity via offshore entities.

**How you can help**

- If you think you're involved in an offshore tax arrangement, you can come forward and make a **voluntary disclosure**. This may lead to reduced penalties and interest, particularly if an audit is conducted.
- Keep an eye out for some of the common 'personas' and the warning signs of serious financial crime using the Serious Financial Crime Identikit developed by the SFCT.