

Randall Alick & Associates Pty Ltd
CERTIFIED PRACTISING ACCOUNTANTS
ACN 160 316 834

7 Lange Street, Frenchville Qld 4701
PO Box 6067 Redhill Mail Centre North Rockhampton Qld 4701
Phone: 07 49286400
Fax: 07 49863161

NEWS letter

ISSUE 2 – November 2016

IN THIS ISSUE

- ❖ ATO – What attracts ATO attention
- ❖ Superannuation – SMSF Scammers

Key Dates 

21st – Monthly IAS/BAS due



TAX OFFICE LET THE CAT OUT OF THE BAG ON WHAT ATTRACTS ITS ATTENTION

More interested to see taxpayers get things right rather than the bother, and expense, of chasing down every misdemeanour, the ATO has spelled out the areas that most concern it — that is, the incidents or details that are more likely to raise a red flag.

Broadly, the following behaviours and characteristics may attract the ATO's attention:

- tax or economic performance is not comparable to similar businesses
- low transparency of tax affairs
- large, one-off or unusual transactions, including transfer or shifting of wealth
- a history of aggressive tax planning
- tax outcomes inconsistent with the intent of tax law
- choosing not to comply or regularly taking controversial interpretations of the law
- lifestyle not supported by after-tax income
- treating private assets as business assets
- accessing business assets for tax-free private use
- poor governance and risk-management systems.

SELF MANAGED SUPER FUNDS & INVESTMENT SCAMMERS



SMSFs are fertile ground for scammers, and it's not hard to see why. Australia's growing army of "selfies" – trustees of SMSFs – currently number more than one million. Most are mum and dad investors who, collectively, are sitting on super savings worth around A\$595 billion. Figures from the Australian Competition and Consumer Commission (ACCC) show that in 2015, reported losses to fraudulent investment schemes totalled more than A\$229 million.

While the ATO admits it has not found widespread use of unlawful arrangements by SMSFs, it is keen to ensure they don't become a problem in future. To help SMSF trustees and their advisers understand what to look out for, the ATO recently launched Project Super Scheme Smart to highlight the potential pitfalls of dodgy retirement planning schemes.

In particular, the ATO says SMSF trustees should be wary of schemes that:

- are artificially contrived and complex
- involve a lot of paper shuffling
- are designed to leave the taxpayer with minimal or zero tax, or even a tax refund, and
- aim to give a present day tax benefit if the arrangement is adopted.

Cranston sums up his advice to SMSF trustees, saying, "Make sure you are receiving ethical professional advice when undertaking retirement planning, and if in doubt, seek a second opinion from an independent, trusted and reputable expert." For more information go to <http://www.ato.gov.au/General/Tax-planning/Tax-avoidance-schemes/Super-Scheme-Smart/>



Joke of The Month

Every Scooby-Doo episode would literally be two minutes long if the gang went to the mask store first and asked a few questions.