



AUSTRALIAN BANKERS'  
ASSOCIATION INC.

Paul Stacey  
Acting Policy Manager

AUSTRALIAN BANKERS' ASSOCIATION INC.  
Level 3, 56 Pitt Street, Sydney NSW 2000  
p. +61 (0)2 8298 0416 f. +61 (0)2 8298 0402

[www.bankers.asn.au](http://www.bankers.asn.au)

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General Manager  
Tax System Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Email: [thirdpartyreporting@treasury.gov.au](mailto:thirdpartyreporting@treasury.gov.au)

Dear Sir/Madam,

### **Enhanced Third Party Reporting, pre-filling and data matching**

The Australian Bankers' Association (ABA) welcomes the opportunity to comment on the Discussion Paper "*Improving tax compliance – enhanced third party reporting, pre-filling and data matching*" released in February 2014, and makes the following comments with regards to section 2.3 *Sales through Merchant credit and debit services*.

#### **Issue One – Start date**

Currently the information requested via section 264 notices requires financial institutions to provide the merchant data information on an annual basis. Accordingly, the ABA requests that a start date of 1 July 2014 only be imposed for annual reporting. If the frequency of the data provision were to be increased to monthly, quarterly or real time, this would require technology changes to financial institution's systems and allocation of additional resources and additional time would be needed to make these changes.

The ABA requests that a cost benefit analysis be undertaken prior to imposing a more frequent reporting regime on financial institutions. This should weigh up the benefits to the Government agencies of obtaining this information more frequently (than annually) against the cost to financial institutions of having to implement the requisite system changes to meet a more frequent reporting requirement.

The ABA also requests that any move to more frequent reporting be done initially on a trial basis, to enable the financial institutions to test the requisite changes to their processes and systems. Consultation with financial institutions should also take place prior to any specification changes. Should reporting specification changes occur that require additional information to be reported, sufficient lead time must be provided in order to allow for system changes to be made before the year of reporting begins.

The ABA requests that the ATO consult with financial institutions if it intends to request any information from them over and above the information they have previously requested in the context of section 264 notices.

The ATO should also ensure that data transfer channels, such as Bulk Data Exchange, are capable of accepting large data files at all times in order to minimise compliance costs to third party information providers.

**Issue Two – Location of legislative framework**

The ABA agrees with the proposal to create a new legislative framework within Schedule 1 of the *Taxation Administration Act 1953* to cover all tax reporting obligations. We note that this would include the enabling legislation for the US FATCA regime.

Yours sincerely,



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Paul Stacey