Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

TREASURY

Australian Taxation Office

(Additional Estimates 15 February 2006)

Topic:	**Bribery provisions**
AT77	**Hansard Page: E51**

Senator Murray asked:

…………The question is—and you might want to take it on notice, because I am not sure you would have it readily to hand—in a general sweep of tax returns to you have you had cause to exercise and use that bribery provision so that you overturn a previous self-assessment and impose a penalty because what somebody has claimed was a fee was in fact a bribe?

> *Ms Martin—I can talk in general terms about how we would approach an issue like this. The legislation is relatively recent.*

Senator MURRAY—My question is quite specific. I want to know if the provision in the law has been used and, if it has been used, how often, if it is possible to tell me. It might not be possible to tell me that.

> *Mr D'Ascenzo—I do not know if it is possible. We will certainly take that and see whether or not we can work out whether adjustments have been made under that provision, but I probably forewarn the committee that I do not think our systems are sufficiently flexible to do that. Talking about the wide sweep of things, just from my own knowledge of our operations I cannot recall that provision being used over the last few years. What happens is that you do not often see in the return a facilitation payment, and it is often done through a range of more complex offshore arrangements and hidden under more difficult processes. When we look at these activities, it is a question of what we see on the face of the information that is available to us and whatever intelligence we have from other sources and other activities as to what seems to be amiss or worth inquiry in relation to particular matters, and we do what follow-up we can in those cases.*

Answer:

Within the limits of the information held on our systems, the ATO is not aware of any deductions for bribery having been disallowed under the provision.