



\$13.6 million in penalties handed down for false R&D claims

Mr Bakarich was ordered to pay penalties for promoting unlawful R&DTI tax schemes.

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The Federal Court of Australia has today handed down a judgment against Sydney business coach, Julian Bakarich, his company co-director and former tax agent Thi Cam Tu Nguyen, and their related entities, The Dream Consortium Pty Ltd (TDC) and The Dream Accountants Pty Ltd (TDA), ordering \$13.6 million in penalties to be paid for breaches of the promoter penalty laws by promoting unlawful Research and Development Tax Incentive (R&DTI) tax schemes.

Mr Bakarich was ordered to personally pay a pecuniary penalty of \$4.5 million, in addition to \$9 million in penalties for TDC and TDA. Ms Nguyen was also ordered to pay \$100,000 for her role in promoting the R&DTI schemes.

A joint investigation between the Australian Taxation Office (ATO) and Department of Industry, Science and Resources found that between 2014 and 2017, Mr Bakarich promoted unlawful tax schemes encouraging clients to lodge over-inflated, inaccurate or unsubstantiated R&DTI claims. The ATO took action to seek penalties under the promoter penalty laws in relation to their conduct.

Ms Nguyen was de-registered as a tax agent by the Tax Practitioners Board in April 2019.

ATO Assistant Commissioner Justin Dearness said this outcome should act as a strong warning to anyone considering promoting unlawful tax schemes and to those who knowingly lodge incorrect tax returns.

‘Mr Bakarich and Ms Nguyen took advantage of clients who trusted them and now, as a result, these individuals have had to face

significant penalties,' Mr Dearness said.

'The high penalties show not only the scale and abusive nature of their schemes but how seriously we take unlawful promoter conduct. It serves as a clear warning to anyone tempted to promote or participate in tax schemes – you will be caught and held to account.'

The ATO's investigation identified approximately 138 taxpayers associated with suspicious R&DTI claims. ATO compliance action resulted in over \$14.5 million in tax shortfalls, administrative penalties and interest charges and the identification of the promoter behaviour.

The ATO is committed to protecting the integrity of the tax and super systems against those seeking to undermine it.

'We have the technical and investigative skills to deal with those who willingly and blatantly promote non-compliance with the tax and super systems,' said Mr Dearness.

'Through the Tax Avoidance Taskforce, we're working to detect, deter and disrupt the promotion and implementation of unlawful tax schemes.'

'Promoting and participating in tax schemes are not victimless crimes – those who engage in these behaviours are attempting to obtain an unfair advantage over those who do the right thing. Before you commit to tax advice, take a moment to think if it sounds too good to be true. You can also visit our website at [Tax schemes | Australian Taxation Office](#) to help spot the red flags of a tax scheme.'

If you are claiming a research and development tax offset, you must be able to provide evidence to substantiate your claims.

If you are offered an unlawful tax scheme, you should reject it and report it to the ATO confidentially by:

- completing the **tip-off form** on the ATO website
- phoning the tip-off hotline on **1800 060 062**.

If you suspect that you have inadvertently become involved in an unlawful scheme, you should also contact the ATO immediately. If you approach the ATO, you may be eligible for a reduction in any penalties imposed.

If you are concerned about the integrity of your tax practitioner, contact the [Tax Practitioners Board](#) [↗](#).

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