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Offshore merchant data–matching program protocol

Information on our Offshore Merchant Data-Matching Program for the period of 2024–25 to 2026–27.

Last updated 20 October 2025

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Offshore merchant data-matching program

How this program identifies offshore businesses supplying services to Australian consumers.

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Offshore merchant data matching program and GST

This program is designed to identify offshore businesses supplying digital services, products, or low value imported goods to Australian consumers and ensure compliance with Goods and Services Tax (GST) obligations.

The ATO will acquire aggregate transaction data from major financial institutions to identify offshore businesses required to register and pay

Australian GST on supplies of imported services, digital products and low value imported goods (supplies) made to Australian consumers.

This initiative:

- strengthens the integrity of the GST system
- promotes fair competition and,
- enhances revenue collection.

Program objectives

Our data-matching programs help us fulfil our responsibility to protect public revenue and maintain community confidence in the integrity of the tax and superannuation systems.

Program objectives are to:

- identify offshore businesses who may have Australian GST obligations
- educate offshore businesses on Australian GST registration, lodgment, and reporting obligations
- inform our risk management strategies.

Why we look at offshore merchant data

The program will help us to identify and address several tax risks, including:

- Registration risk
 - to ensure that offshore entities who are required to be registered for Australian GST are registered
- Lodgement risk
 - to ensure that registered entities are meeting their lodgment obligations
- Correct reporting risk
 - to ensure that GST is correctly charged and reported on supplies.

For more information see [How to charge GST on imported services, digital products and low value imported good](#)

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Offshore merchant data

What we do with the data we collect under our offshore merchant data-matching program.

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How we use the data

Collected data will be used for analytics, education campaigns, and compliance actions. Insights will encourage voluntary compliance and inform risk treatment strategies.

Data analytics and insights

The data helps us to:

- identify non-resident businesses who are required to be registered for Australian GST
- confirm that GST is correctly reported on supplies
- understand the composition, demographics, and geographical location of the offshore population making supplies to Australian consumers
- encourage willing compliance with Australian GST obligations
- promote fairness in the tax administration of Australian GST by establishing and maintaining a level playing field between domestic and offshore businesses making supplies to Australian consumers
- improve our understanding of the non-resident business population with Australian GST obligations
- tailor our risk treatment strategies.

Previous related programs

Data will be sourced from the 4 largest Australian banks leveraging from a pilot undertaken in 2024.

This pilot demonstrated that obtaining third party bank data of aggregate transaction amounts paid to non-resident merchants by Australian consumers could improve our understanding of the offshore business population that makes supplies of digital products and services and low value goods to Australian consumers.

Data providers

We are the matching agency and, in most cases the sole user of the data obtained during this data-matching program.

We may obtain data from the top 4 largest Australian banks:

- Australian and New Zealand Banking Group Limited
- Commonwealth Bank of Australia
- National Australia Bank
- Westpac Banking Corporation.

Eligibility as a data provider

We adopt a principles-based approach to ensure that our selection of data providers is fair and transparent.

Inclusion of a data provider is based on the following principles:

- The data owner or its subsidiary operates a business in Australia that is governed by Australian law.
- The data owner provides banking services to Australian consumers.
- The data owner provided banking services for the years in focus.

If the client base of a data provider doesn't present a risk, or the administrative or financial cost of collecting the data exceeds the benefit the data may provide, the data owner may be excluded from the program.

The data providers for this program will be reviewed annually against the eligibility principles.

Our formal information gathering powers

To ensure statutory requirements are met, we obtain data under our formal information gathering powers. These are contained in section 353-10 of Schedule 1 to the *Taxation Administration Act 1953*.

This is a coercive power, and data providers are obligated to provide the information requested.

We will use the data for tax and super compliance purposes.

Privacy Act

Data will only be used within the limits prescribed by Australian Privacy Principle 6 (APP6) contained in Schedule 1 of the Privacy Act and in particular:

- APP6.2(b) – the use of the information is required or authorised by an Australian law
- APP6.2(e) – the ATO reasonably believes that the use of the information is reasonably necessary for our enforcement-related activities.

Data elements we collect

We expect the data quality to be high, as it is sourced directly from Australian financial institutions using their natural banking systems. The transaction data is anonymised and captures only aggregated debit and credit card payments made by Australian consumers to offshore businesses.

During the pilot program, the banks successfully collated and aggregated the data to meet our specifications, demonstrating both reliability and responsiveness.

Client identification details – non-individuals

Client identification data elements for non-individuals that we collect include:

- the name of the offshore entity or other descriptors of the offshore entity and the merchant country
- merchant city
- merchant acquirer code

- merchant category code
- contact details
- mailing addresses
- phone numbers
- email addresses.

Offshore merchant transaction details

Offshore merchant transaction data elements that we collect include:

- the total aggregated value of the transactions in Australian dollars for each offshore entity for the requested period
- the count of transactions for each offshore entity
- all currencies used other than AUD.

Number of records

We expect to collect data on approximately 9,000 offshore merchants each financial year for this program.

Data retention

We collect data under this program for all financial years from 2024–25 to 2026–27. We collect this data annually following the end of each financial year.

Due to the number of data providers, we collect data periodically. We work with the data providers and aim to balance our requests against peaks and troughs of demand in a data provider's own business.

We will retain each financial year's data for 5 years from receipt of the final instalment of verified data files from all data providers. We may extend the timeframe for retention of offshore merchant data, which will be reviewed on a rolling basis at intervals of no longer than 5 years. Each review will determine whether an extension of the data retention period is required.

The data is required for this period for the protection of public revenue:

- retaining data for 5 years enables us to ensure that we register businesses from the correct date (first 12-month period where sales exceed \$75,000AUD). As per the legislation, the Commissioner can backdate the registration for 4 years due to the 4-year period of review
- the data enhances our ability to identify taxpayers who may not be complying with their tax and super obligations, which is integral to protecting the integrity of the tax and superannuation systems
- retaining data for 5 years supports our general compliance approach of reviewing an assessment within the standard period of review and aligns with the requirements for taxpayers to keep their records
- the data is also used in multiple risk models, including models that establish retrospective profiles over multiple years aligned with period of review.

While increased data retention periods may increase the risk to privacy, we have a range of safeguards to manage and minimise this. Our systems and controls are designed to ensure the privacy and security of the data we manage.

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Notifying the public of the data-matching program

How we notify the public about our offshore merchant data-matching program.

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How we notify the public

The ATO will notify the public of our intention to collect 2024–25 to 2026–27 offshore merchant data by:

- publishing a notice in the [Federal Register of Legislation](#)  gazette in the week starting 20 October 2025
- publishing this data-matching program protocol on our website at [How we use data matching](#)
- advising the data providers that they
 - can notify their clients of their participation in this program
 - should update their privacy policies to note that personal information is disclosed to the ATO for data-matching purposes.

Gazette notice

The following information about the data-matching program appears as a gazette notice in the Federal Register of Legislation.

Gazette notice: Commissioner of Taxation - Notice of an offshore merchant data-matching program 20 October 2025

- The ATO will acquire merchant data from the big 4 Australian banks; Australian and New Zealand Banking Group Limited, Commonwealth Bank of Australia, National Australia Bank and Westpac Banking Corporation for 2024–25 through to 2026–27.

The data items include:

- the name of the offshore entity or other descriptors of the offshore entity and the merchant country
- merchant city
- merchant acquirer code
- merchant category code
- contact details
- mailing addresses
- phone numbers
- email addresses
- the total aggregated value of the transactions in Australian dollars for each offshore entity for the requested period

- the count of transactions for each offshore entity
- all currencies used other than AUD.

We estimate that records relating to approximately 9,000 offshore merchants will be obtained each financial year.

This program follows the Office of the Australian Information Commissioner's *Guidelines on data matching in Australian Government administration* (2014) (the guidelines). The guidelines include standards for the use of data matching as an administrative tool in a way that:

- complies with the Australian Privacy Principles (APPs) and the *Privacy Act 1988* (Privacy Act)
- is consistent with good privacy practice.

A full copy of the ATO's privacy policy can be accessed at [your privacy](#).

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Our lawful role

Our legislative functions and the policies and procedures we follow for a data-matching program.

Last updated 20 October 2025

Our powers of administration

The ATO is the Australian Government's principal revenue collection agency. The Commissioner of Taxation has responsibility for ensuring taxpayers meet their tax and super obligations.

We follow the Office of the Australian Information Commissioner's (OAIC) *Guidelines on data matching in Australian Government administration* (2014) in our data-matching activities.

Our data-matching programs help to ensure that Australians are fulfilling their tax and super obligations.

This information forms part of all data-matching program protocols.

We take our obligations seriously. Failure to address non-compliant behaviour has the potential to undermine community confidence in the integrity of the tax and superannuation systems and our capability to administer those systems.

We carry out our legislated functions through general powers of administration contained in but not limited to:

- section 3A of the *Taxation Administration Act 1953*
- section 8 of the *Income Tax Assessment Act 1936*
- section 1-7 of the *Income Tax Assessment Act 1997*
- section 43 of the *Superannuation Guarantee (Administration) Act 1992*
- section 356-5 in Schedule 1 of the *Taxation Administration Act 1953*.

Data matching is one of the strategies used to identify and deal with non-compliant behaviour. It helps provide assurance that taxpayers are meeting their obligations.

Data-matching guidelines we follow

Our data-matching programs follow the OAIC [Guidelines on data matching in Australian Government administration](#) [↗](#) (2014).

These guidelines help us and other government agencies use data matching as an administrative tool in a way that:

- complies with the [Australian Privacy Principles](#) [↗](#) (APPs)
- complies with the [Privacy Act 1988](#) [↗](#) (Privacy Act)
- is consistent with good privacy practice.


The Privacy Act

The [Privacy Act 1988](#) [↗](#) (Privacy Act) regulates how personal information is handled by certain entities, such as companies and

government agencies.

Schedule 1 of the Privacy Act lists the 13 Australian Privacy Principles (APPs). The principles cover the collection, use, disclosure, storage, and management of personal information.

Data will only be used within the limits prescribed by the APPs and the Privacy Act.

The [Australian Government Agencies Privacy Code](#) , embeds privacy in all government agency processes and procedures. It ensures that privacy compliance is a priority in the design of our systems, practices, and culture.

We comply with the code's requirements, and we are transparent and open about what information we collect, hold and disclose. We train our staff to keep personal information safe, and all our systems and offices are protected and secure.

Our data stewardship model upholds our data governance practices and embeds 6 ethical standards that guide how we collect, manage, share and use your data:

1. Act in the public interest, be mindful of the individual.
2. Uphold privacy, security and legality.
3. Explain clearly and be transparent.
4. Engage in purposeful data activities.
5. Exercise human supervision.
6. Maintain data stewardship.



Find out more about how we protect your privacy.

How we protect your personal information

Our staff are subject to the strict confidentiality and disclosure provisions contained in Division 355 of Schedule 1 to the *Taxation Administration Act 1953*. Penalties include terms of imprisonment in cases of serious contravention of these provisions.

Keeping data safe

Data-matching programs are conducted on our secure systems that comply with the requirements of the:


- [Australian Government Information Security Manual](#)  produced by the Australian Cyber Security Centre, which governs the security of government information and communication technology (ICT) systems
- [Australian Government Protective Security Policy Framework](#) , which provides guidance on security governance, personnel security, physical security and information security.

All ATO computer systems are strictly controlled according to Australian Government security standards for government ICT systems, with features including:

- system access controls and security groupings
- login identification codes and password protection
- full audit trails of data files and system accesses.

For more information see [Online security](#).

Data destruction

All information and records are managed in accordance with the provisions of the [Archives Act 1983](#) .

The requirement to retain data is reviewed on an ongoing basis in accordance with the timeframes and requirements of the OAIC guidelines. We destroy data that is no longer required, in accordance with the *Archives Act 1983* and the records authorities issued by the National Archives of Australia, both general and ATO-specific.

Under section 24 of the Act, records can be disposed of where it is approved by the National Archives; required by another law, or a normal administrative practice that the Archives approves of.

Approval from National Archives is normally provided through records authorities, which are used in the process of sentencing to make decisions about keeping, destroying or transferring particular information and records.

General or ATO-specific records authorities issued by National Archives apply to our processes of verifying and assuring taxpayer compliance with tax, super and other laws administered by the ATO.

Our record management practices allow us to satisfy the OAIC guidelines and Australian Privacy Principle 11 (APP 11) contained in Schedule 1 of the *Privacy Act 1988* and in particular:

- APP11.1 – An APP entity must take reasonable steps to protect information from
 - misuse, interference and loss
 - unauthorised access, modification or disclosure
- APP11.2 – APP entity must take reasonable steps to destroy or de-identify information it no longer needs.

Our on-disclosure provisions

In very limited and specific circumstances, we may be permitted by law to disclose individual records to other government agencies.

Division 355 of Schedule 1 to the *Taxation Administration Act 1953* sets out the government agencies we can disclose taxpayer information to, and the circumstances in which we are permitted to make those disclosures.

These include agencies responsible for:

- state and territory revenue laws
- payments of social welfare and health and safety programs for determining eligibility for certain types of benefits and rebates
- overseeing super funds, corporations and financial market operators to ensure compliance with prudential regulations
- determining entitlement to rehabilitation and compensation payments
- law enforcement activities to assist with specific types of investigations
- domestic and international partners under tax disclosure and tax treaty arrangements
- policy analysis, costing and effectiveness measurement.

Each request for information by other agencies will be assessed on its merits and must be for an admissible purpose allowed for by tax laws.

In specific permissible circumstances, on-disclosures may include de-identified datasets for statistical analysis.

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Why we undertake data matching


Why we conduct data-matching programs and the costs and benefits of data matching.

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Meeting our accountability

To effectively administer the tax and superannuation systems, we are required in accordance with the law to collect and analyse information concerning the financial affairs of taxpayers and other participants in the Australian economy.

In addition to our administrator responsibilities, the [Public Service Act 1999](#)  (PS Act) requires each agency head to ensure their agency complies with legislative and whole-of-government requirements.

Agency heads are required to ensure proper use and management of public resources as per the [Public Governance, Performance and Accountability Act 2013](#)  (PGPA Act).

We consider and undertake a range of alternatives to data matching to ensure entities are complying with their tax and super obligations. Relying only on data that we already hold is of limited value for the following reasons:

- The tax system operates on willing participation, so our data is derived from taxpayers that are correctly registered and meeting their lodgment obligations.
- The only other way of ensuring that taxpayers are reporting their obligations correctly would be to contact every taxpayer directly.

Uses of data matching

Data matching allows us to cross-reference suitable external data to identify taxpayers who may not be in full compliance with their obligations, as well as those that may be operating outside the tax and superannuation systems. It also reduces the likelihood of unnecessarily contacting taxpayers who are complying with their tax obligations.

Data matching is an effective method of examining the records of thousands of taxpayers. We do this to ensure compliance with lodgment and reporting obligations. This would otherwise be a resource-intensive exercise.

Data matching also assists us to effectively promote voluntary compliance by notifying the public of risk areas and activities under scrutiny.

Costs and benefits analysis

The costs of our data-matching activities are more than offset by the benefits.

Costs

There are some incidental costs to us in the conduct of data-matching programs, but these are more than offset by the total revenue protected. These costs include:

- data analyst resources to identify potential instances of non-compliance
- compliance resources to manage casework and educational activities
- governance resources to ensure compliance with the guidelines and Privacy Act
- quality assurance processes to ensure the rigour of the work undertaken by analysts and compliance staff
- storage of the data.

Benefits

The use of data is increasingly common across government agencies and the private sector. Data, data usage, computer power and storage

continue to grow, which increases the benefits from data matching.

Data matching and the insights it provides help us:

- deliver tailored products and services, which underpins our culture of service
- make it easier for taxpayers and agents by providing tailored messages in our online services
- enable early intervention activities, as our goal is prevention rather than correction
- maintain community confidence in our ability to administer the tax and superannuation systems, because we can
 - make better, faster and holistically smarter decisions with measurable results to deliver a level playing field for all
 - solve problems and shape what we do for the community
 - advise government and deliver outcomes with agility
- maintain the integrity of the tax and superannuation systems by
 - providing education to assist taxpayers to do the right thing
 - deterring behaviours so taxpayers adhere to their obligations
 - detecting taxpayers who are not complying with their obligations, targeting those that continue to deliberately abuse the tax and superannuation systems
 - enabling enforcement activity and recovery of tax revenue
 - directing compliance activities to assure that wider risks to revenue don't exist.


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How we undertake data matching

Systems and processes we use in data-matching activities.

Last updated 20 October 2025

Data-matching process

When required, our data-matching process uses both mainframe-based and mid-range applications that comply with an ATO-designed software solution (technical standard). The technical standard supports all our data-matching programs and aligns with [OAIC guideline 4.7](#) .

We use over 60 sophisticated identity-matching techniques to ensure we identify the correct taxpayer when we obtain data from third parties. These techniques use multiple identifiers to obtain an identity match. The identity-matching process appends matching information to the original reported transaction to include an ATO identifier number and a 3-character outcome code that indicates to the user the level of matching confidence for the transaction. For example, where a name, address and date of birth are available, all items are used in the identity-matching process. Very high confidence matches will occur where all fields are matched.

Additional manual processes may be undertaken where high confidence identity matches don't occur, or a decision taken to destroy data no longer required. Our manual identity-matching process involves an ATO officer reviewing and comparing third-party data identity elements against ATO information on a one-on-one basis, seeking enough common indicators to allow confirmation (or not) of an individual's identity. We commonly call this process manual uplifting.

Data analysts use various models and techniques to detect potential discrepancies, such as under-reported income or over-reported deductions. Higher risk discrepancy matches will be loaded to our case management system and allocated to compliance staff for actioning. Lower risk discrepancy matches will be further analysed, and a decision made to take some form of compliance or educational activity, or to destroy the data.

To maintain integrity of the administration of the tax and superannuation systems, only staff with a direct and genuine 'need to know' can access the technical standards for our identity and discrepancy-matching solutions.

Where administrative action is proposed, additional checks will take place to ensure the correct taxpayer has been identified. The

taxpayers will be provided with the opportunity to verify the accuracy of the information before any administrative action is taken.

How we amend a return

We may use data to provide tailored messages for individual taxpayers in our online services. This will prompt taxpayers to check they are correctly meeting their reporting obligations.

In limited circumstances where we identify inadvertent mistakes, we may amend a tax return with the correct data that is available to us.

If you disagree with the decision we made about your information, you can **request a review by lodging an objection**.

After a return is lodged, where we identify a discrepancy that requires verification, we will contact the taxpayer usually by phone, letter or email. Taxpayers will have up to 28 days to verify the accuracy of the information and respond before we take administrative action.

For example, where discrepancy matching identifies that a taxpayer may not be reporting all their income, but it appears they're reporting the income in another taxpayer's return, they will be given the opportunity to clarify the situation.

The data may also be used to ensure taxpayers are complying with their other tax and super obligations, including registration requirements, lodgment obligations and payment responsibilities.

In cases where taxpayers fail to comply with these obligations, after being reminded of them, we may instigate prosecution action in appropriate circumstances.

Where a taxpayer has correctly met their obligations, the use of the data will reduce the likelihood of contact from us.

In limited circumstances we may use data from a data-matching program to correct mistakes without notifying individuals in advance. When we do so, we will seek an exemption from the Australian Information Commissioner.

Making a privacy complaint

Our [privacy policy](#) outlines how we collect, hold and disclose data and explains what you can do if you're not satisfied with the way your

information has been treated.

If you're not satisfied with how we have collected, held, used or disclosed your personal information, you can [make a formal complaint](#).

If you're not satisfied with the outcome of the privacy complaint, you can contact the [Office of the Australian Information Commissioner](#) [↗](#).

For more information, see [how we protect your privacy](#).

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Data quality

How we assure data is fit for use and quality assurance processes we undertake

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Quality assurance processes

Quality assurance is integrated into our processes and computer systems and applied throughout the data-matching cycle.

These assurance processes include:

- registering the intention to undertake a data-matching program on an internal register
- risk assessment and approval from the data steward and relevant senior executive service (SES) officers before any data-matching program being undertaken
- conducting program pilots or obtaining sample data to ensure the data-matching program will achieve its objectives prior to full datasets being obtained
- notifying the OAIC of our intention to undertake the data-matching program and seek permission to vary from the data-matching guidelines (where applicable)

- restricting access to the data to approved users and access management logs record details of who has accessed the data
- quality assurance processes embedded into compliance activities, including
 - review of risk assessments, taxpayer profiles and case plans by senior officers prior to client contact
 - ongoing reviews of cases by subject matter technical experts at key points during the life cycle of a case
 - regular independent panel reviews of samples of case work to ensure our case work is accurate and consistent.

These processes ensure data is collected and used in accordance with our data-management policies and principles and complies with the OAIC's [Guidelines on data matching in Australian Government administration](#) .

How we ensure data quality

Data quality is a measure to determine how fit-for-purpose data is for its intended use. It is valuable because it helps us to understand the data asset and what it can be used for.

Data quality management allows us to use data with greater confidence and assists in meeting data governance requirements and ensures a greater understanding of the data we hold.

The ATO Enterprise Data Quality (DQ) framework provides clarity and structure to our management of data quality and may be applied in determining how business areas can make effective and sound use of data.

This framework champions 6 primary DQ dimensions:

- Accuracy – the degree to which the data correctly represents the actual value.
- Completeness – if all expected data in a data set is present.
- Consistency – whether data values in a data set are consistent with values elsewhere within the data set or in another data set.
- Validity – data values are presented in the correct format and fall within a predefined set of values.

- Uniqueness – if duplicated files or records are in the data set.
- Timeliness – how quickly the data is available for use from the time of collection.

To assure specific data is fit for consumption and the intended use throughout our data-matching programs, the following data quality elements may also be applied.

- Currency – how recent the time period is that the data set covers.
- Precision – the level of detail of a data element.
- Privacy – access control and usage monitoring.
- Reasonableness – reasonable data is within the bounds of common sense or specific operational context.
- Referential integrity – when all intended references within a data set or with other data sets, are valid.

Data is sourced from providers' systems and may not be available in a format that can be readily processed by our own systems. We apply additional levels of scrutiny and analytics to verify the quality of these datasets.

This includes but is not limited to:

- meeting with data providers to understand their data holdings, including their data use, data currency, formats, compatibility and natural systems
- sampling data to ensure it is fit for purpose before fully engaging providers on task
- verification practices at receipt of data to check against confirming documentation; we then use algorithms and other analytical methods to refine the data
- transforming data into a standardised format and validating to ensure that it contains the required data elements prior to loading to our computer systems; our data quality practices may also be applied during this transformation process
- undertaking program evaluations to measure effectiveness before determining whether to continue to collect future years of the data or to discontinue the program.

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Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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