Australian Government
Australian Taxation Office

# Future GST engagement after initial GST assurance review

Top 100 justified trust program
20 November 2025

We acknowledge the Traditional Owners and Custodians of Country throughout Australia and their continuing connection to land, waters and community.
We pay our respects to them, their cultures, and Elders past and present.

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**Our commitment to you**

*If you rely on this document, you have the protections that apply to guidance – see* How our advice and guidance protects you. *To the extent that this document outlines a compliance approach, and you apply that approach in good faith to your own circumstances, the Commissioner will act in accordance with that approach.*

# Purpose of this guidance

The purpose of this guidance is to outline our approach to the top 100 GST assurance process once an initial GST assurance review has been completed.

# Section 1: Future engagement approach

## Background and overview

The top 100 GST assurance program seeks to provide assurance, through the justified trust methodology, that the top 100 population is reporting and paying the right amount of GST in Australia. Under the program, we gain assurance, or identify areas of GST risk, by engaging with a top 100 GST reporter (reporter) through a GST assurance review (initial review).

Once the initial review is concluded, we will provide each reporter with a tailored assurance approach that seeks to build upon and leverage as far as possible from previous assurance activities.

Our future engagement approach will be based on whether the reporter attains overall high, medium or low assurance.

Overall high or medium assurance reporters will be reviewed on a periodic basis at least once every 4 financial years, either via a refresh review or an assurance check-in, taking a monitoring and maintenance (M&M) stance during the intervening 3 years.

Our expectation is that the Supplementary annual GST return (SAGR) together with real-time disclosures will enhance our ability to monitor GST compliance and provide us with comprehensive and meaningful levels of detail to maintain assurance. Where this is not the case, our engagement is likely to be more intensive.

Overall low assurance reporters will be subject to annual top 100 GST assurance reviews until overall high or medium assurance is attained.

## Future engagement approach based on assurance level

Our engagement with eligible high assurance reporters[1] will be via an assurance check-in every 4 financial years, with an M&M stance taken during the intervening 3 years.

High assurance reporters that are ineligible for an assurance check-in and medium assurance reporters will be subject to a tailored GST assurance refresh review at least once every 4 financial years with a monitoring stance taken in the intervening 3 years.

We will comprehensively and intensively review overall low assurance reporters through an annual top 100 GST assurance review. A comprehensive assurance review will involve a whole-of-business approach and apply the 4 focus areas of justified trust.

## Monitoring and maintenance period

The 3-year period between GST assurance reviews for medium and high assurance reporters is known as the M&M period. During the M&M period, we will actively monitor top 100 reporters and may also conduct targeted assurance activities.

The M&M period covers the 3 financial years after the financial year in which the reporter achieved overall high or medium assurance. For example, and assuming a 30 June year end, if the period covered by the initial review ended on 30 June 2024, the M&M period will be 1 July 2024 to 30 June 2027.

We will monitor a reporter's GST disclosures and outcomes during the M&M period. We will use our data and analytics capability to safeguard against non-disclosure or non-compliance. This can include profiling, and analysis of disclosures including the SAGR and information collected through the income tax pre-lodgment compliance review (PCR).

During the M&M period, we expect reporters to:

- address any future assurance plan action items and advise us using the SAGR when this has been completed
- advise us using the SAGR or via top 100 disclosure what actions have been taken to address tax governance framework design gaps or provisional ratings
- provide us with the outcomes of operational effectiveness testing as testing is completed (we will review independent tax control testing results on a real-time basis as received)
- provide disclosures as outlined below.

As a result of our monitoring approach, we may conduct targeted assurance activities during the M&M period. The nature of these targeted assurance activities may involve asking GST questions in the income tax PCR, the commencement of a review or an audit to address specific GST risks.

[1] High assurance includes provisional high assurance for the purpose of this guidance.

We do not provide GST assurance reports or change overall assurance ratings during the M&M period. We may, however, provide written confirmation on any upgraded tax governance ratings during the M&M period.

## Disclosures

Reporters are expected to proactively engage with us and make disclosures of material business changes, changes in GST positions taken, and any significant new transactions. We expect the following to be disclosed on a real-time basis (as relevant):

- significant new transactions
- material business changes including changes to various streams of economic activity and how they are treated for GST purposes
- changes that may impact correct recording, collating and reporting GST-impacted transactions (including changes to business systems and material changes to the design of the tax governance framework)
- outcomes of independent operational effectiveness testing of the tax governance framework
- change of GST treatments or positions that have previously been assured
- details of any new tax risks flagged to market impacting the reporter
- information in relation to industry-specific disclosures (for example, for financial suppliers, GST (or input tax credit) recovery across the entity and other relevant disclosures), and
- disclosure issues or errors relating to information reported in the business activity statement (BAS) that should be corrected.

Further information on what pre-lodgment disclosures we expect from reporters and how we will action these is available at Top 100 Pre-lodgment disclosure framework.

If a reporter discloses something in real time that also needs to be included in its SAGR, the reporter can provide a brief explanation in the SAGR and refer to the date of the prior disclosure for further context.

# Section 2: Assurance check-in

## Background and overview

From the 2024–25 income year onwards, in lieu of a full refresh review, for eligible high assurance reporters, we will limit our engagement to an assurance check-in every fourth year and will predominantly rely on independent tax control testing results (that is, Board-level control 4 (BLC 4) testing) and the alignment between accounting and tax to evidence and maintain assurance, supported by annual profiling.

The assurance check-in is premised on the reporter having already obtained an overall high level of assurance for GST, including:

- We have assessed that the reporter has an effectively designed (Stage 2) or effectively operating (Stage 3) tax governance framework for GST.
- We have high assurance over correct reporting including via comprehensive data testing and transaction testing.
- No tax risks flagged to market of immediate concern or necessitating further action have been identified.
- The reporter has completed the GST analytical tool (GAT), which has not highlighted any areas of concern, and has attained a minimum Stage 2 rating.

The primary objective of the assurance check-in is to confirm that the reporter continues to maintain good GST governance and that there have been no material changes which would undermine the high levels of assurance obtained in our prior reviews such that we can continue to maintain a light touch approach.

We expect high assurance reporters to continually review GST control frameworks and undertake independent controls testing to ensure that business systems are creating, capturing and correctly reporting GST on an ongoing basis.

## The assurance check-in period

The assurance check-in will generally cover the fourth financial year after the financial year in which the reporter achieved overall high assurance. For example, and assuming a 30 June year end, if the period covered by the review resulting in high assurance ended on 30 June 2024, the assurance check-in will cover the period 1 July 2027 to 30 June 2028.

Subject to nothing disturbing the high assurance rating, and the reporter continuing to meet eligibility requirements, after the assurance check-in we expect that another 3-year M&M period will be followed by an assurance check-in.

## Eligibility

From the 2024–25 income year, following the introduction of the SAGR, a high assurance reporter may be eligible for an assurance check-in in lieu of a refresh review every 4 years.

To be eligible for an assurance check-in, the reporter must have:

- attained overall high assurance[2] in a comprehensive top 100 GST assurance review (that is, not a streamlined or Top 1000 review) that met the coverage requirements of the economic group as per the GST Governance, Data Testing and Transaction Testing Guide (GST Guide)[3]

[2] The basis for high assurance is explained in our Findings report – top 100 income tax and GST program.

[3] In a small number of cases completed early during the program, the scope of the assurance review may have been limited as the review had commenced prior to the finalisation of the GST Guide, did not include a rating for Focus Area 4, or both.

- undertaken the GST Analytical Tool (GAT)or a similar reconciliation (if previously reviewed and assured by the ATO) for the relevant period, prior to lodgment of the SAGR
- resolved any provisional high assurance ratings prior to lodgment of the SAGR
- completed the SAGR comprehensively with high-quality responses.

In addition, we must not have identified any material business changes, or changes in positions previously assured which would mean that we cannot rely on prior assurances, existing information, evidence and knowledge.

After lodgment of the SAGR for the relevant year we will inform the reporter whether it is eligible for an assurance check-in in lieu of a refresh review.

The assurance check-in will not apply to predominantly input taxed reporters who are exempt from the GAT or reporters who do not conduct the GAT prior to SAGR lodgment.

Where a high assurance taxpayer is ineligible for an assurance check-in we will conduct a tailored refresh review.

## Factors impacting our ability to leverage prior assurance

In determining the extent to which we can leverage prior assurance, we will have regard to a range of factors including:

- the impact of any significant business changes (for example, a takeover or merger or change in company structure or GST group)
- whether any systems changes (for example, accounting systems or enterprise resource planning (ERP)) impact our prior assurances or existing information, evidence, and knowledge
- the impact of any legislative change
- whether any significant changes in GST reported are not explained.

## Scope of the assurance check-in

We will predominantly rely on the results of independent tax control testing and the GAT to maintain and evidence assurance for high assurance reporters that are eligible for the assurance check-in approach.

During the assurance check-in, we will review:

- independent tax control testing results (to the extent these have not been reviewed previously)
- the GAT and workbook.

We may also seek to assure significant new transactions or new tax risks flagged to market that have not previously been assured, leveraging to the extent possible prior assurances.

We will not perform the below activities in an assurance check-in:

- data testing (nor expect third-party data testing to be performed)
- transaction testing
- systems walk-throughs

- review of BAS and working papers
- review of GST tax governance framework to check for design effectiveness
- request information in relation to previously assured tax risks flagged to market, significant on-going transactions and specific risks.

Our expectations for an assurance check-in across each of the 4 focus areas are outlined in our Top 100 program - Tailored approach to attaining, maintaining and refreshing GST assurance.

## Outcomes from an assurance check-in and next steps

At the conclusion of the assurance check-in, we will not issue an assurance report. Instead, the reporter will be issued with a letter which will include, to the extent relevant:

- a summary of any information provided as part of the assurance check-in
- our findings, including whether we have maintained or increased our ratings for GST governance and the alignment between accounting and GST
- acknowledgment of any actions taken to address our recommendations from previous reviews
- any outstanding recommendations or reviews
- our proposed future assurance plan.

Where we obtain evidence in the form of independent tax control testing results and the GAT that demonstrate a high level of assurance has been maintained, we will revert to an M&M stance for the next 3 years.

# Section 3: Refresh review

## Background and overview

The primary objective of the refresh review is to refresh our understanding and evidence base to enable us to reaffirm our confidence that the reporter continues to report and pay the right amount of GST.

Our refresh review will be tailored based on a comprehensive understanding of the reporter's business across the 4 focus areas.

The scope of this review will be informed by our profiling and have regard to the SAGR and disclosures made by the reporter.

The refresh review experience will be tailored for each reporter. In ordinary circumstances, it is expected that the refresh review will require less resource investment by both reporters and the ATO as existing information, evidence and knowledge are able to be leveraged.

## The refresh review period

The refresh review will generally cover the fourth financial year after the financial year that was subject to the initial review. For example, and assuming a 30 June year end, if the period covered by the initial review ended on 30 June 2024, the refresh review will cover the period 1 July 2027 to 30 June 2028.

We may conduct a refresh review earlier if:

- there are changes that may significantly impact correct recording, collating and reporting of GST impacted transactions (including significant changes to business or governance systems)
- there is a risk of significant incorrect GST reporting or payment or both
- there is a significant transaction (such as a merger or acquisition) involving significant GST risks
- we have reason to consider that our trust should no longer be maintained, or
- there are efficiencies to conduct the refresh review together with the income tax PCR (we will work with reporters to understand the impact of such alignment on their resourcing).

## Scope of the refresh review

The refresh review entails positively confirming the extent to which the knowledge and information acquired during previous reviews remains relevant such that over time we can continue to support our assurance rating and, where necessary, obtain contemporaneous documentation and workpapers.

At the commencement of the review, we will scope the refresh review based on our understanding of the reporter across the 4 focus areas and consider what has been assured in our previous engagements. We will ascertain the extent to which we can leverage from prior assurances, existing information, evidence, and knowledge and, also, whether we need to review and assure new focus areas or GST issues that are relevant to the refresh review, but were not in scope for the initial review.

The scope of this review will be informed by our profiling during the M&M, SAGRs lodged over the prior years, disclosures made by the reporter and information (for example, Australian Securities Exchange announcements or media articles) in the public domain.

The intensity applied to a refresh review will have regard to the relevant facts and circumstances of the reporter, including the following[4]:

- the overall assurance rating attained in the initial review
- the reporter's Action Differentiation Framework rating
- the extent to which the reporter's circumstances have remained constant since the initial review
- changes in GST approaches that may impact our prior level of assurance, particularly where those changes do not align with our existing understanding of the reporter (for example, changes to the reporter's business, governance, or reporting systems since the initial review)
- unaddressed future assurance plan items
- whether any provisional ratings were issued in the initial review and if the underlying causes of the provisional ratings have been addressed

[4] This is a non-exhaustive list.

- the number of tax risks flagged to market identified
- the activities of the reporter and disclosures made during the M&M period, including the SAGR
- whether the initial review met the coverage requirements in the GST Guide.

Our expectations for a refresh review for each of the 4 focus areas are outlined in our Top 100 program - Tailored approach to attaining, maintaining and refreshing GST assurance.

### Data and transaction testing

We will tailor any data or transaction testing as part of a refresh review having regard to the following:

- GST risks inherent to specific industries or reporters, including tax risks flagged to market
- the extent of data and transaction testing undertaken in the initial review
- the assurance ratings provided in the initial review
- changes in the reporter circumstances or GST approaches that may impact our prior level of assurance (for example, changes to the reporter's business, governance, or reporting systems such as the ERP system since the initial review)
- whether the reporter has performed a reconciliation of the financial statements to the BAS and the results of the reconciliation
- using the GAT prepared by the reporter in the refresh review to target data and verification testing
- the results of any independent tax control testing.

As for an initial review, a reporter can use an independent third party for data testing. Our Guide to Independent Data Testing by Third Party Advisors sets out our expectations and conditions where a third party conducts data testing.

## Factors impacting our ability to leverage prior assurance

In determining the extent to which we can leverage prior assurance, we will have regard to a range of factors including:

- the impact of any significant business changes (for example, a takeover or merger or change in company structure or GST group)
- whether any systems changes (for example, accounting systems or ERP) impact our prior assurances or existing information, evidence, and knowledge
- the impact of any legislative change
- whether any significant changes in GST reported are not explained.

## Outcomes from a refresh review and next steps

At the conclusion of the refresh review, the reporter will be issued with a GST assurance report (TAR).

If a reporter remains at overall high or medium assurance after the refresh review, a new M&M period will commence, followed by a subsequent refresh review. It will only be in exceptional circumstances that we will apply compliance resources to review any of the relevant issues in the period reviewed other than

issues listed in the future assurance plan of the refresh review TAR. A reporter cannot generally receive a provisional rating on the same issue across multiple assurance reviews.

If a reporter receives an overall low level of assurance in the refresh review, an M&M period cannot commence, and the next actions will be discussed with the reporter.

# Section 4: Examples

The examples provided in this Section are for illustrative purposes and are intended to demonstrate key principles of assurance check-ins and refresh reviews. They should not be relied upon as definitive guidance or advice and do not carry precedential value.

## Example 1: Eligibility for an assurance check-in

*Melsmac Co attains overall high assurance in its initial GST assurance review for the 2019–20 calendar year (1 January – 31 December 2020) including the following:*

- *tax governance framework rated Stage 2 for GST*
- *comprehensive correct reporting rated high*
- *alignment between accounting and GST rated Stage 2.*

*During the review period (1 January – 31 December 2024), Melsmac Co discloses under the top 100 disclosure framework that it had acquired the business Sagittarius Co. In reviewing the disclosure, we ask some high-level questions and determine that the acquisition was conducted in the same manner as acquisitions that we comprehensively reviewed in the initial assurance review. We also conclude that the acquisition did not materially impact Melsmac Co's GST throughput.*

### Scenario 1: GAT performed in review period and previously assured transaction

*Melsmac Co completes the SAGR comprehensively with high-quality responses. In its SAGR lodged for the review period, Melsmac Co advises:*

- *there were no material changes to its business that would impact its high assurance (this is supported by our internal profiling)*
- *it considers it met the criteria to maintain its Stage 2 tax governance framework rating for GST*
- *no BLC 4 independent controls testing of its GST governance controls have been undertaken*
- *it has performed the GAT (and provides the GAT workpapers with its SAGR lodgment).*

*We do not identify any material business changes, or changes in positions previously assured which would mean that we cannot rely on prior assurances, existing information, evidence and knowledge.*

*Melsmac Co is eligible for an assurance check-in.*

*The scope of the assurance check-in will include reviewing the GAT workbook and workpapers – where we are able to understand the adjustments performed and the method was the same as followed in the initial review, we will not ask for further information.*

*We may request contemporaneous governance documents.*

*We determine it will not be necessary to review the acquisition of Sagittarius Co as we are able to leverage from the initial review and rely on our prior assurance for a similar transaction and Melsmac Co's Stage 2 tax governance framework rating.*

*We determine that the lack of operational effectiveness testing does not raise a concern as it is good practice to conduct this every 3–5 years, and the testing plan provided in the initial review stated testing would occur in the 2024-25 financial year.*

### Scenario 2: GAT not performed for review period prior to lodgment of SAGR

*If Melsmac Co advises in the SAGR it did not undertake the GAT for the review period, it is not eligible for an assurance check-in and instead, will be reviewed as a refresh review.*

*In the refresh review, Melsmac Co will be required to complete the GAT and we would review the GAT workbook, workpapers and objective evidence of adjustments made. The scope of Melsmac Co's refresh review would be in accordance with our* Tailored approach to attaining, maintaining and refreshing GST assurance.

## Example 2: Provisional ratings in the initial review

*Groove Inc attains overall provisional high assurance in its initial review, including the following ratings:*

- *provisional Stage 2 for its tax governance framework for GST resulting from a provisional Stage 2 rating for BLC 4 on the basis that it had not yet received board approval for its testing plan (importantly, we had reviewed and approved the draft testing plan)*
- *Stage 2 for the alignment between accounting and GST.*

*During the M&M period, Groove Inc does not provide:*

- *any disclosures or updates to advise that the testing plan had received board approval*
- *operational effectiveness testing results.*

*Groove Inc completes the SAGR comprehensively with high-quality responses. In the SAGR for the review period, Groove Inc advises:*

- *there were no material changes to its business that would impact its high assurance (this is supported by our internal profiling)*
- *it has resolved ATO recommendations from a prior review*
- *it considers it met the criteria to increase its GST governance rating*
- *it has completed the GAT.*

*We do not identify any material business changes, or changes in positions previously assured which would mean that we cannot rely on prior assurances, existing information, evidence and knowledge.*

*Groove Inc is eligible for an assurance check-in.*

*The scope of the assurance check-in would include:*

- *obtaining objective evidence of the board approval of the testing plan, as this allows us to confirm that the provisional aspects of the assurance rating have been resolved and Groove Inc can be assigned an overall Stage 2 rating for its tax governance framework*
- *reviewing the GAT workbook and workpapers and where we understand the adjustments performed and the method was the same as followed in a prior assurance review, we will not ask for further information.*

*If Groove Inc had provided a top 100 disclosure during the M&M period to advise that its testing plan had received board approval, and this was supported by relevant objective evidence, we would have reviewed that evidence upon receipt and confirmed an unqualified Stage 2 for BLC 4 during the M&M period. In this instance, the scope of the assurance check-in would have been limited to reviewing the GAT workbook and workpapers.*

## Example 3: Significant transaction occurs in the review period

*Felix Co attains overall high assurance in its initial review, including the following ratings:*

- *Stage 2 for its tax governance framework*
- *Stage 3 for alignment between accounting and tax.*

*During the review period, Felix Co acquired the food retailer Ruby's Sweets, which now comprises 35% of Felix Co's GST throughput for the review period. Ruby's Sweets is a new business line for Felix Co and Ruby's Sweets has not been subject to a GST assurance review prior to acquisition.*

*Felix Co discloses the transaction to us as a real-time top 100 disclosure. Felix Co completes the SAGR comprehensively with high-quality responses. Felix Co lodges a SAGR for the review period which identifies the acquisition, but states there were no other material changes to its business that would impact the high assurance rating, no changes to its governance, and that it has performed a GAT. This is supported by our internal profiling.*

*Due to the material impact of the acquisition of Ruby's Sweets on its GST throughput and business, Felix Co is not eligible for an assurance check-in.*

*The scope of the tailored refresh review would include:*

- *reviewing the impact of the acquisition on Felix Co's tax governance framework in order to determine whether Felix Co's existing documentation and ratings can apply to Ruby's Sweets, and whether further evidence is required to demonstrate design effectiveness*
- *reviewing the acquisition of Ruby's Sweets to assure it has been correctly treated for GST, as we were not able to leverage from the initial review*
- *considering the extent of data testing and transaction testing required (this will be dependent on the integration of Ruby's Sweets into Felix Co and the extent to which we can leverage prior data testing)*

- *reviewing the tax risks flagged to market relevant to Ruby's Sweets business, for example, classification*
- *reviewing specific risks solely relating to Ruby's Sweets business (we would not review risks solely relating to Felix Co's business not impacted by the acquisition that we had previously assured)*
- *reviewing the GAT workbook and workpapers and supporting objective evidence of new GAT adjustments resulting from the acquisition of Ruby's Sweets.*

### Version history

| Version | Date released | Description of change |
|---|---|---|
| 1 | 3 July 2024 | Original guidance |
| 2 | 20 November 2025 | Updated for introduction of the GST assurance check-in. |

## References

Action Differentiation Framework

Guide to Independent Data Testing by Third Party Advisors

GST Governance, Data Testing and Transaction Testing Guide

Top 100 GST assurance program

Top 100 population

Top 100 GST Program Future GST engagement after initial GST assurance review

Pre-lodgment disclosure framework

ATO references

BSL: PG

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