



Intelligence Bulletin

SFCT electronic sales suppression tools



We are targeting the production, supply, possession, use and promotion of electronic sales suppression tools in the hospitality and retail industry.

Overview

The Serious Financial Crime Taskforce (SFCT) is aware of businesses using electronic sales suppression tools (ESSTs) to under report their taxable income.

Description

With an increased use of digital technologies and online interactions, we are seeing:

- businesses supplying and using ESSTs or software to avoid paying tax
- businesses connecting ESSTs to point-of-sale systems to:
 - permanently delete, re-sequence or misrepresent transactions
 - reduce sales values
 - produce fake tax records
- ESSTs taking the form of cloud-based software and linking to domestic and offshore payment platforms.

It has been illegal to produce, supply, possess, use or promote ESSTs in Australia since October 2018.

Taskforce action

The SFCT is providing a strong warning to businesses about ESSTs.

We understand there are sophisticated networks of operators actively developing and marketing these tools to small business owners. They often package them as an 'all-in-one complete business solution' with low commissions, website presence and an online ordering tool.

To identify these businesses, we use intelligence and data on lifestyle indicators, bank information, small business benchmarks and tip-offs from the community. These businesses will be dealt with the full force of the law.

What should you do?

If you are a business using ESSTs, we strongly encourage you to come forward and make a voluntarily disclosure rather than wait for us to contact you. We may be able to reduce your penalties.

We also encourage you to exercise reasonable care when choosing a point-of-sale and other business systems to ensure they meet your business needs and comply with the law.

Concerned members of the community who suspect a person or business is involved in producing, supplying, possessing, using or promoting ESSTs or software can make a tip-off online at ato.gov.au/tipoff or by phoning the hotline on **1800 060 062**.

If you prefer to speak with us in a language other than English, you can call the Translating and Interpreting Service (TIS National) on **13 14 50** for help with your call.

This is a general summary only.

For more information on:

- the SFCT in English go to ato.gov.au/SFCT
- ESSTs in English go to ato.gov.au/ESST
- the ban on ESSTs in Traditional Chinese, Simplified Chinese and Vietnamese go to ato.gov.au/esstfacts