

Don't risk  
5 years of bad  
credit due to an  
ATO debt.

## Protect your business credit rating

The Australian Taxation Office (ATO) now has the power to disclose tax debt information of businesses to registered Credit Reporting Bureaus (CRBs).

The law received royal assent on 28 October 2019.

The ATO will only disclose tax debt information of a business to a CRB if the business meets all of the following criteria:

- it has an Australian Business Number (ABN), and is not an excluded entity (a deductible gift recipient, registered charity, a government entity and a complying superannuation entity)
- it has one or more tax debts, of which at least \$100,000 is overdue by more than 90 days
- it is not effectively engaging with the ATO to manage its tax debt, and
- the Inspector-General of Taxation is not considering an ongoing complaint about the proposed reporting of the entity's tax debt information.

**The ATO will notify a business in writing if they meet the reporting criteria and give them 28 days to engage with the ATO and take action to avoid having its tax debt information reported.**

The ATO will only provide information to CRBs if they are registered with the ATO and have entered into an agreement detailing the terms of the reporting.

**Why is it important?** Reported defaults on an entity's commercial credit file can have immediate and lasting consequences. **A credit default is a black mark that lasts for five years** and can cause financiers to withdraw their support, supplier credit to stop or create an environment in which attaining finance or credit is far more difficult.

The landscape has changed. It is even more important to engage with the ATO from the outset and be on the front foot. HW One is here to assist with any negotiations with the ATO.

**Should you wish to discuss the above in further detail, please do not hesitate to contact HW One on 07 3360 9600 or [connect@hwone.com.au](mailto:connect@hwone.com.au)**