



# Introducing a sharing economy reporting regime - Fact sheet for exposure draft legislation

June 2021

## Background and aim of the reporting regime

The sharing economy has grown significantly over recent years and there is a risk that some sellers who use these platforms are not reporting their full income or paying the right amount of tax. This reporting regime helps ensure sharing economy sellers are meeting their tax obligations, and that these sellers do not have an unfair advantage compared to similar activity elsewhere in the economy due to poor tax compliance.

## Who will be required to report?

Operators of an electronic service, such as a website, internet portal, app, gateway, store or marketplace, (a platform) that allows buyers and sellers to transact will be required to report information on certain transactions.

## Which transactions are required to be reported?

Generally, platform operators will be required to report:

- Transactions for all services unless an exemption applies, and
- Transactions for the sharing or loaning of assets unless an exemption applies.

## Which transactions are not required to be reported?

Generally, platform operators will *not* be required to report under the following exemptions:

- Transactions where **only** the title/ownership of goods are exchanged,
- Transactions for financial supplies, such as crowdfunding and financial securities trading,
- Transactions relating to the transfer of ownership of real property,
- Transactions where the service, loaned assets, or property does not take place in Australia,
- Transactions subject to another tax reporting requirement, such as employer-employee withholding, or the Taxable Reporting Payments System (TPRS),
- Transactions arising from an online classifieds, listing, or advertising service, and
- Transactions where the seller is also the operator of the platform.

## When will a transaction need to occur for it to be reportable?

Platform operators will be required to report transactions that occur on or after:

- 1 July 2022 if it relates to a ride-sourcing or a short-term accommodation service unless an exemption applies, and
- 1 July 2023 for all other reportable transactions unless an exemption applies.

## What information will need to be reported?

The ATO will specify what information relating to the seller’s identification and the consideration/money exchanged in the transaction is to be reported. Only the aggregate (total) of transactions relating to the seller over the reporting period will need to be provided; platform operators will not be expected to provide information on a per transaction basis.

At a minimum, the following information will be required once reporting commences to provide the ATO with a reasonable level of assurance to the seller’s identity and possible tax obligations.

Seller Identification Information	Total consideration and transaction information for the reporting period
Full legal name	Total gross payments to seller
Date of birth (if an individual)	Total net payments to seller
Primary address	GST attributable to total gross payments
Bank account details	Total fees, commissions, etc. withheld
Australian Business Number (ABN) or foreign tax identification number, if supplied	GST attributable to total fees, commissions, etc.
Telephone details, if supplied	Property address if transaction relates to the rental of real property.
Email details, if supplied	Period for which property booked during reporting period if transaction relates to the rental of real property.

## When does this information need to be reported to the ATO?

The ATO will specify the frequency of reporting, and has indicated it would initially look to require reporting on a biannual basis (1 July – 31 December, 1 January – 30 June), with information to be reported by 31 January and 31 July respectively.

## How will this information be reported?

Information will need to be reported via an 'approved form' set by the ATO. The ATO has indicated that this form will include a validly generated XML file. This XML file is usually generated by most business management software using an XML schema and accommodates information systems commonly found in the market. Details on the XML schema will be available from [softwaredevelopers.ato.gov.au](https://softwaredevelopers.ato.gov.au). The ATO will provide further guidance to platform operators on lodgement options once these are finalised.

## What other obligations will apply to platform operators?

Platform operators will be required to take reasonable care to ensure the information they report is not false or misleading. Platform operators will have the flexibility to decide how to best achieve this, acknowledging that solutions will differ between platforms based on size and industry. Operators are encouraged to consider how existing onboarding and data collection systems and processes could be used to achieve an acceptable level of assurance to the accuracy of information. The ATO has indicated that it will work with platform operators over time to improve data accuracy.

## Once the regime is legislated, who can platform operators contact about the regime and obligations?

Once the regime is legislated and implemented, businesses unsure about their reporting obligations or requiring further information on the regime should first contact the ATO through the normal contact channels for businesses and tax agents, including at [ato.gov.au](https://ato.gov.au). The ATO will work with businesses to help them understand and meet any reporting obligations they may have under the regime.