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What's New

The ATO is cleaning up

The Australian Taxation Office (ATO) is warning taxpayers to not engage in transactions that artificially increase their losses and reduce gains or create a loss that is a form of tax avoidance that the ATO is

concerned about, such as the disposal of assets such as crypto and other assets at the end of the financial year, where after a short period of time the taxpayer acquires the same or substantially similar assets. This is done to create a loss to offset against a gain that is expected to be derived, in certain circumstances, in a

transaction that is not a normal buying and selling of assets because it is done for the sole purpose of generating a tax benefit for the taxpayer. When the taxpayer disposes of and reacquires the asset for the purpose of realising a capital gains loss and obtaining an

ATO data analytics can identify wash sales through the use of the ATO's registries and crypto asset exchanges. When the ATO identifies a wash sale, the capital loss is rejected, resulting in an adverse tax outcome for the taxpayer.

ATO Commissioner Loh urges taxpayers not to engage in this

practice. “We want you to be aware of the risk of being caught and having your loss removed by the ATO.”

ATO is warning taxpayers that those who may be engaging in wash sales are at risk of being caught and facing action and additional tax, interest and penalties. Taxpayers are urged to ignore any advice encouraging

The clear advice from the ATO is to check the ATO independent registered tax professional and not receive through media, social media, or anything seems too good to be true, it probably is.

tax advisors who may be promoting wash sales activities that they may face action from the Tax

right thing, but a small number encourage this avoidance scheme will have serious advisor and could leave their client with a large

person, business or tax advisor is not playing fair dance activities, including asset wash sales, you

[-Off Form](#). The form is also available in the [ATO app](#)

0 060 062

to the [Tax Practitioners Board](#) [↗](#).

[Taxation Ruling TR 2008/1](#) *Income tax: the Income Tax Assessment Act 1936 to 'wash*

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