Summary of implementation status at 30 September 2026

Review: Tax identity fraud: an own-initiative investigation			
Recommendation	**ATO Response**	**Status**	**Planned implementation date**
Recommendation 1a The IGTO recommends the ATO systems monitor for suspicious devices and bank accounts (that is, 'Known and Unknown Devices' to allow it to verify that changes made in the ATO systems are authorised by the actual taxpayer and to detect devices and bank accounts associated with TaxID fraud). The ATO should: 1. identity unknown or suspicious devises and bank accounts for further investigation and verification; and 2. monitor devices and bank accounts known to be associated with fraud.	**Agree** In reference to the monitoring of known and unknown devices we currently collect combinations of identifiers that provide a proxy digital fingerprint that is used for this purpose. Under the Counter Fraud Program we will enhance the collection, storage, and monitoring of these identifiers to further strengthen our effectiveness. The ATO agrees to undertake monitoring of known suspicious bank accounts and became a member of the Australian Financial Crimes Exchange (AFCX) on 30 May 2024.	In progress and on track	Q2 FY27
Recommendation 1b The IGTO recommends that ATO that the ATO lodgement and processing controls should be enhanced as part of the self-assessment system so that it does not process	**Agree** The ATO already suspends a range of suspicious filings whilst we undertake verification activities and utilise a risk-based approach in accordance with the PGPA Act.	Completed	Original: Q1 FY26 Completed: Q2 FY26

suspicious lodgements that may be linked to TaxID fraud without verification.	We will review our existing controls to identify any improvements that can be made.		
Recommendation 1c The IGTO recommends that ATO systems delay High Risk refunds unless and until there has been adequate authentication and verification of the bank account details.	**Agree** We will leverage Treasury's Strategic Plan for Australia's Payments System, which is being developed by the banking industry, to address this recommendation. This plan references an intention by industry to decommission the Bulk Electronic Clearing Service (BECS), requiring financial institutions to move to the New Payments Platform. One of the features of the New Payments Platform is Confirmation of Payee which will enable verification. We are working with industry and government to understand the risks, impacts and opportunities. We will implement Confirmation of Payee to enable verification of bank account details at the time of refund. In the interim, the ATO will review our current approach to high-risk refunds to identify shorter term improvements that can be made.	Completed	Q2 FY26
Recommendation 1d The IGTO recommends that, in the long term, the ATO bring its payment systems up to financial industry standards and develop a dedicated application for trusted devices to allow safe and trusted real time communications between the ATO and taxpayer for verification purposes.	**Agree** We intend to leverage the Treasury Strategic Plan for Australia's Payments System, which is being developed by the banking industry.	Completed	Q4 FY26

	Under the Counter Fraud Program, the ATO will introduce trusted and secure real time communications between the ATO and taxpayers using the ATO app.		
Recommendation 1e The IGTO recommends the ATO improve its governance and risk management of the TaxID fraud risk, especially with respect to 'displacement' evolutions in TaxID fraud, including by ensuring that: i. business units incorporate into their annual planning and budgeting cycle, provision for resources that are needed to give effect to 'rapid response' changes in risk controls which address 'displacement' evolutions in TaxID fraud, and ii. a holistic governance and risk management approach is implemented whereby competing priorities of business units are quickly reconciled in light of the risks to the integrity of the tax system overall.	**Disagree** Recommendation 1(e)(i) - Disagree We acknowledge and understand the thinking behind this recommendation but consider the outcome can be achieved through different mechanisms. The ATO's resource planning process involves prioritisation across risks. While there is an annual planning process, there are other opportunities throughout the year for changes to be made within line and group budgets, and for investment to be allocated to initiatives and priorities. Rather than provision resources at the start of the year for unknown expenditure, re-prioritisation will occur as and when needed, supported by the recently introduced ability to call a fraud surge event with the supporting framework for decision making to mobilise resources as necessary. Recommendation 1(e)(ii) - Disagree We acknowledge and understand the thinking behind this recommendation but consider the outcome can be achieved through different mechanisms. The ATO has a holistic governance and risk management approach to the TaxID fraud risk.	Not applicable	Not applicable

	On an ongoing basis the External Fraud Committees oversee the management of fraud mitigations in the ATO, including residual risks arising from new fraud typologies. There is a Fraud Event Management Framework that brings together senior representatives from across the ATO to manage high risk fraud incidents, including the redirection of resources to manage the incident (as appropriate) and consequential reprioritisation of other work and outcomes.		
Recommendation 2a The IGTO recommends that ATO actively engage with trusted participants in the financial system to combat TaxID fraud and join the AFCX and actively participate in the FRX on case specific issues.	**Agree** The ATO is actively engaging with trusted participants in the financial system to combat TaxID fraud. To that end, the ATO became a full member of the AFCX on 30 May 2024. AFCX data sets are currently being assessed with a view to integrate them with ATO systems to enhance our fraud prevention and detection capabilities. The ATO will review the extent to which it can participate in the FRX on case-specific issues taking into account the appropriate legal frameworks.	Completed	Original: Q2 FY26 Completed: Q4 FY26
Recommendation 2b The IGTO recommends that the ATO verify taxpayers' bank details with banks and determine whether the process to open those bank accounts creates additional risk factors.	**Agree** The ATO notes our response to recommendation 1c and our intent to leverage Treasury's Strategic Plan for Australia's Payments System and Confirmation of Payee to address part of this recommendation relating to verifying taxpayers' bank details with banks.	In progress and on track	Q4 FY29

	With respect to the processes banks use to open accounts and whether they create additional risk factors, the ATO requests this information from banks on a risk-based approach. Otherwise, financial institutions are required to comply with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* under which they must apply customer identification procedures (know-your-client controls) to all customers. The ATO is reliant on these controls, as administered by AUSTRAC under that legislation. The ATO works closely with AUSTRAC to share intelligence on identity fraud issues across Financial Institutions, and we also engage directly with relevant banks or financial institutions to discuss emergent issues and will continue to do so.		
Recommendation 2c The IGTO recommends that the ATO systems provide banks with real-time verification of Tax File Numbers (TFNs).	**Disagree** Although acknowledging the intent behind this recommendation, the ATO does not believe there is sufficient counter fraud benefit to the real-time verification of TFNs with banks, including that a fraudster who has sufficient information to open a bank account in another's name is likely to have also obtained their TFN. To make this measure effective would require law change impacting the banking industry.	Not applicable	Not applicable
Recommendation 3a The IGTO recommends that the ATO authenticate change of taxpayer or tax agent contact details which are high risk, which necessarily includes changes of: • Bank account details;	**Agree** The ATOs intends to implement this recommendation via secure messaging capability in the ATO app. The ATO will, under the Counter Fraud Program, deliver a secure messaging capability in the ATO app to enable the	Completed	Q4 FY26

• Mobile or other telephone contact details; and • Contact email addresses.	authentication of high-risk transactions and account updates.		
Recommendation 3b The IGTO recommends that the ATO implement systems which allow for multi-factor authentication. The ATO should: a) implement a real-time multi-factor authentication and confirmation system within the tax system for taxpayers; and b) use that system to require taxpayers' confirmation before making any changes to a taxpayer's contact and bank account details; and c) use a dedicated app on the taxpayer's trusted device, pre-existing contact number or email address to alert the taxpayer to any new or overriding myGov linking event to their ATO Online account.	**Agree** The ATO has undertaken significant work in encouraging taxpayers to use a strong Digital ID to access ATO online services. The ATO notes that some of the methods described are already in place, however there are limitations with using pre-existing contact number or email address as they may be incomplete or unreliable. The ATO will introduce secure real-time communication between the ATO and individual taxpayers (also known as secure messaging) utilising our existing ATO app, as part of the ongoing Counter Fraud Program. Secure messages will provide individuals with better visibility of their ATO record (e.g. new myGov account links) and enable them to authorise high-risk transactions before they can be submitted.	Completed	Q4 FY26
Recommendation 3c The IGTO recommends the ATO notify Tax Practitioners in a timely manner if a client has been removed from their tax agent's client listing. Where the ATO considers it is effectively prohibited from advising tax agents that taxpayers have been de-linked from their agent account or removed from their client list, the ATO should:	**Disagree** We acknowledge and understand the thinking behind this recommendation but consider there are countervailing considerations. While there is some merit in notifying a tax agent when a client is removed from their client list, this must be balanced with the individual's right to choose a different agent and the privacy laws that prevent discussing their	Not applicable	Not applicable

a) actively and collaboratively consult with the tax profession to explore how relevant and timely communications could be implemented; b) actively and collaboratively consult with the tax profession to ensure that the triggers, method and timeliness of such communications are appropriate and practicable for the tax profession; and c) if necessary, advocate for legislative change to ensure this important measure of protection against TaxID fraud is introduced.	affairs with someone who may no longer be authorised to act on their behalf. Furthermore, notifying an agent every time a client moves to another agent may be counterproductive, as it could dilute the agent's ability to detect suspicious activity. a. Noting the above, the ATO will alternatively explore options to improve how we educate and consult with the tax profession where we are prohibited from advising tax agents that taxpayers have been de-linked from their agent account or removed from their client list. b. Noting the above, the ATO will review whether there is a need for additional communication measures with the tax profession given the recent changes requiring non-individual taxpayers to independently nominate their agents. We will also explore if this mitigation can be extended to cover individual taxpayers. c. The ATO currently engages with the profession through our external forums and with other stakeholders to discuss potential legislative changes that could further protect against such fraud. For the reasons outlined in the first paragraph the ATO does not believe pursuing law change in this matter is the best use of available resources.		
Recommendation 3d The IGTO recommends the ATO implement controls which better empower taxpayers to protect their own accounts (24/7), by implementing ATO online functionality which allows taxpayers to immediately block online access to their accounts, and which can only be unlocked with their consent.	**Agree** Under the Counter Fraud Program, the ATO will introduce the ability for individuals to restrict access to their record via the ATO app.	Completed	Original: Q4 FY26 Completed: Q2 FY26

Recommendation 3e The IGTO recommends that the ATO provide a clearly identifiable and easily accessible online reporting page or contact centre where bank account details associated with TaxID fraud can be reported.	**Agree** The ATO currently has several channels available for the reporting of identity fraud, including fraudulent bank account details, available to victims of identity fraud. This includes the ATO's online tip-off form and the ATO Client Identity Support Centre. The ATO will further strengthen existing online guidance by including details of how to report fraudulent bank details.	Completed	Q1 FY26