



45 Poplar Road  
Parkville VIC 3052

CSL.com  
CSLBehring.com  
CSLSeqirus.com  
CSLVifor.com

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Ms Kathryn Davy  
Assistant Secretary, International Tax Branch  
The Treasury  
Langton Crescent  
PARKES ACT 2600  
By email: [contact.internationaltax@treasury.gov.au](mailto:contact.internationaltax@treasury.gov.au)

Dear Ms Davy

**Consultation on the global agreement on corporate taxation –  
addressing the tax challenges arising from the digitisation of the  
economy**

Thank you for the opportunity to contribute to the above consultation.

While CSL's roots are proudly Australian, CSL is a truly global company, with more than 90% of our revenues and profits derived outside of Australia. Our specialised manufacturing operations span Australia, China, Germany, Switzerland, the United Kingdom, and the United States. With commercial enterprises in over 35 countries, we serve customers and patients in more than 100 countries.

As articulated in our annual voluntary Tax Transparency Reports CSL's approach to tax is underpinned by our value of integrity. We have a low appetite for tax risk and do not engage in aggressive tax planning.

Our tax payment profile aligns with our profit generation profile – we pay taxes in the jurisdictions where we make profits. We are subject to the different tax regimes that apply in each of those countries and comply with applicable taxation laws in all the jurisdictions in which we operate, including the OECD Country-by-Country reporting measures.

CSL supports efforts to promote prevention of tax avoidance and to improve tax transparency in order to support a fairer economy and ensure there is confidence in the robustness of country tax regimes. We believe it is imperative that governments work closely together to ensure tax requirements balance compliance administration with a globally consistent approach to implementing OECD recommendations.

To this end, given the current status and timeline for international implementation of both BEPS pillars CSL makes the following points in relation to the consultation paper:

1. Compliance costs will almost certainly rise for every company operating across national borders and it is critically important that Australia

implement a regime that mirrors those of peer nations. The Australian implementation of the model rules should not be overly complex, nor differentiated from the global rules. There will be areas of interaction with domestic rules that will require focus, but Australia should follow the model rules. This will help to minimise compliance costs, minimise the chance of dispute and/or double taxation. Meaningful safe harbours should also be developed in conjunction with the OECD to ensure businesses that are already highly taxed do not have an undue compliance burden.

2. There is no benefit in Australia implementing these rules earlier than peer nations, and the timeline should follow that of other key jurisdictions. Implementation should be on or after 1 January 2024 at the earliest. Part year calculations should not be required on implementation as this would cause significant complexity for corporates.

There remains significant uncertainty across a number of areas, which makes it very difficult for companies to be 'implementation ready'. Corporates will need to implement systems and processes to calculate and report on the new requirements, all of which takes time. Some of the unresolved issues are effective safe harbours; treatment of asymmetric foreign exchange differences; tax accounting treatment; tracking the unwind of non qualifying deferred tax liabilities; allocation of CFC taxes and form of the reporting requirements.

3. Implementation of BEPS will likely mean that elements of existing Australian taxation legislation are no longer required (eg. controlled foreign corporation clauses) and repeal of extraneous legislation should be part of the BEPS implementation plan, or reviewed shortly thereafter.

In conclusion, given the complexity of this proposed global regime it is imperative that Treasury maintain a frequent and ongoing direct consultative pathway for MNC taxpayers as the rules continue to evolve and are further developed globally and then locally. We look forward to engaging fulsomely in this sort of detailed consultation. Our contact is CSL Director of Public Policy, Ms Anna Schulze at [anna.schulze@csl.com.au](mailto:anna.schulze@csl.com.au) or 0438 084 045.

Yours sincerely,



**Ms Aoife Deane**  
**Global Head of Taxation**