

EXPLANATORY STATEMENT

Issued by authority of the Treasurer

Taxation Administration Act 1953

Taxation Administration (Country by Country Reporting Jurisdictions) Determination 2024

Subsection 3DA(4) of the *Taxation Administration Act 1953* (the Act) provides that the Minister may, by legislative instrument, make a determination specifying jurisdictions for the purposes of subparagraph 3DA(1)(d)(ii) of the Act.

Subparagraph 3DA(1)(d)(ii) of the Act provides that certain country by country (CBC) reporting parents must publish the matters listed in subsection 3DA(3) for the reporting period in respect to a jurisdiction specified in a determination under subsection 3DA(4), if the CBC reporting group operates in that jurisdiction. The matters listed in subsection 3DA(3) is selected tax information relating to the CBC reporting group.

The purpose of the *Taxation Administration (Country by Country Reporting Jurisdictions) Determination 2024* (the Determination) is to specify the jurisdictions for which the CBC reporting parent must publish selected tax information on a CBC basis, if the CBC reporting group operates in that jurisdiction.

Under sections 3D and 3DA of the Act, certain large multinational enterprises (defined as CBC reporting parents) are required to publish selected tax information on a CBC basis for specified jurisdictions, and on either a CBC basis or an aggregated basis for the rest of the world. Requiring the publication of this information builds on global trends to help inform the public debate on the tax affairs of large multinationals. The objective is to improve information flows to help the public, including investors, compare entity tax disclosures, and to better assess whether an entity's economic presence in a jurisdiction aligns with the amount of tax they pay in that jurisdiction.

The jurisdictions specified in the Determination are those that are typically associated with tax incentives, tax secrecy and other matters likely to facilitate profit shifting activities. Requiring selected tax information to be published on a CBC basis for these jurisdictions provides greater transparency of how CBC reporting groups structure their tax affairs in these jurisdictions.

These jurisdictions align with the Commissioner of Taxation's International Dealings Schedule specified countries or jurisdictions list, excluding jurisdictions in the European Union (EU) which are Cyprus, Ireland, Luxembourg and the Netherlands. Many large multinational enterprises may be subject to tax information disclosures on a CBC basis for EU countries under the EU's public CBC reporting regime (EU Directive 2021/2101).

The Act does not specify any conditions that need to be satisfied before the power to make the Determination may be exercised.

The Determination is a legislative instrument for the purposes of the *Legislation Act 2003* and is subject to disallowance and sunseting.

The Determination commenced on the day after it was registered on the Federal Register of Legislation. The Determination applies prospectively in relation to reporting obligations that arise after the day the Determination commenced.

Details of the Determination are set out in Attachment A.

ATTACHMENT A

Details of the Taxation Administration (Country by Country Reporting Jurisdictions) Determination 2024

This attachment sets out further details of the *Taxation Administration (Country by Country Reporting Jurisdictions) Determination 2024* (the Determination).

Section 1 – Name

This section provides that the name of the Determination is the *Taxation Administration (Country by Country Reporting Jurisdictions) Determination 2024*.

Section 2 – Commencement

This section provides that the Determination commences on the day after it is registered on the Federal Register of Legislation.

Section 3 – Authority

This section provides that the Determination is made under the *Taxation Administration Act 1953* (the Act).

Section 4 – Definition

This section provides definitions for the purposes of the Determination.

Section 5 – Country by country reporting jurisdictions

This section sets out the jurisdictions for which a CBC reporting parent must publish selected tax information on a CBC basis for, if the CBC reporting group operates in that jurisdiction. The CBC reporting parent must publish the information for the specified jurisdictions for the reporting periods listed in the table.