

## Australia - Public Consultation on Public CbCR Draft Bill

No.	Reference - Document	Reference - paragraph	Comments
1	Taxation Administration (Country by Country Reporting Jurisdictions) Determination 2024 - Part 2	5	<p>What is the exact criteria used to determine if a tax jurisdiction would be on the list? This is not made clear.</p> <p>We note other countries that offer different types of tax incentives but did not make the list.</p> <p>Would the list be updated from time-to-time? Under what circumstances could a jurisdiction be removed from the list, and how?</p>
2	Treasury Laws Amendment Bill 2024: Multinational tax transparency—country by country reporting	3DA(1)(e)(ii)	<p>What is the intention of setting a low A\$10m revenue threshold? Under Australia domestic tax laws, the revenue threshold for determining small/ medium entities is A\$50m.</p> <p>The de minimis threshold is also rather low as compared to EU's public CbCR - applicable only to "medium-sized" or "large" subsidiaries for non-EU-headquartered MNEs.</p> <p>To ease compliance efforts for tax payers, propose for the de minimis rules to align to EU's public CbCR</p>
3	Treasury Laws Amendment Bill 2024: Multinational tax transparency—country by country reporting	3DA(3)(e)	<p>"Revenue from related parties <b>that are not tax residents of the jurisdiction</b>", as a disclosure item, is a <b>departure</b> from the OECD CbCR norm which is "Revenue from related parties", regardless of whether it is from parties that are tax resident or non-tax resident in that jurisdiction.</p> <p>This departure requires substantial additional compliance efforts as it is not aligned to how data is captured for the existing OECD CbCR report.</p>

			We strongly propose for the disclosure field to be "Revenue from related parties" instead, to align to OECD.
4	Treasury Laws Amendment Bill 2024: Multinational tax transparency—country by country reporting	3DA(3)(e)	What is the intent of requesting for Revenue from related parties that are <b>not tax residents of the jurisdiction?</b>
5	Treasury Laws Amendment Bill 2024: Multinational tax transparency—country by country reporting	3DA(1)(c)	It is noted "a description of the country-by-country reporting group's approach to tax" is required. Please clarify if a short paragraph (comprising a few sentences) suffices.
6	Treasury Laws Amendment Bill 2024: Multinational tax transparency—country by country reporting	3DA(3)(j)	It is noted that an explanation for differences between current tax accrued and "net profit before tax x tax rate" is required.  Please be specific on the type of information required (e.g. incentive name/type, income exempt under tax incentive).
7	Treasury Laws Amendment Bill 2024: Multinational tax transparency—country by country reporting	3DB(4),(5),(6)	Please provide additional guidance on the conditions for exemption.  Is it possible to apply for a ruling with ATO to be exempt from the requirements to file this CBCR?  Is it possible to provide for exclusion of dormant entities, Hold Co (which only has dividend income) from requirements to disclose or file the CBCR?
8	Exposure Draft Explanatory materials	1.46 & 1.47	Notification of Material Error must be done within 28 days of first becoming aware of such error. What is considered 'Material' should be defined. How would this be enforced since it is hard to pinpoint when the entity would first become aware of the error.

			For other errors, it appears there is no time limit imposed to correct such errors. This appears to be voluntary and not compulsory.
9	Exposure Draft Explanatory materials	1.49	Disclosure of protected information under certain circumstances would not be an offence. These circumstances should be clearly explained to the taxpayers/ filing entities so that all are aware of the legal parameters around how information would be shared or disclosed.
10	Exposure Draft Explanatory materials	1.54	What are penalty units? Is this referring to a financial penalty or a scoring system?