



Tax Avoidance Taskforce

- <https://www.ato.gov.au/General/Tax-avoidance-taskforce/>
- Last modified: 03 Jun 2022
- QC 52477

Tax Avoidance Taskforce's role and results in ensuring multinationals and large businesses pay the right tax.

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About the Tax Avoidance Taskforce

The Tax Avoidance Taskforce ensures multinational enterprises, large public and private businesses (and associated individuals) pay the right amount of tax in Australia. Formed in 2016, it enhances and extends our existing activities to eradicate illegal and fraudulent tax arrangements. The taskforce bolsters our pre-existing efforts in tackling tax avoidance.

The taskforce aims to:

- detect tax avoidance to protect revenue and maintain the integrity of the tax system
- increase transparency about how we assess risk and administer the tax system
- develop a better understanding of commercial drivers and the industries in which taxpayers operate
- improve our data, analytics, risk, and intelligence capabilities to decide on and manage tax avoidance risk
- keep the community informed of our work in making public and private groups and wealthy individuals pay the right amount of tax in Australia.

The taskforce plays a critical role to ensure that large businesses and wealthy individuals pay the right amount of tax in Australia. We are also focused on targeting

promoters of tax avoidance who support or promote illegal behaviours and arrangements. We work with our partner agencies and other jurisdictions to protect the integrity of the tax system for all Australians.

The Australian Government funded the taskforce with \$679 million over 4 years in 2016. In the 2019–20 Federal Budget, a further \$1 billion extended the operation of the Tax Avoidance Taskforce to 2022–23. The extra funding will continue to expand our risk, assurance and compliance strategies. It will also increase our coverage across multinationals, public groups, private groups, wealthy Australians and inappropriate trust arrangements.

The taskforce has a strong focus on the Top 1000 public and multinational businesses and the Top 500 privately owned groups. These groups are responsible for generating more than two thirds of all corporate tax. The taskforce's tax assurance and compliance program has extended the private market which now covers all 5000 high wealth private groups that control net wealth of \$50 million or more.

Results

As of June 2021, the Tax Avoidance Taskforce has helped the ATO raise \$22.9 billion in tax liabilities. This revenue is used by the Government to fund essential services, which may include education, health and other community services.

Below is a breakup of total tax liabilities raised each financial year by public groups and multinationals and privately owned and wealth groups.

The taskforce helped raise the following tax liabilities from public groups and multinationals:

- 2016–17 financial year was \$4.1 billion
- 2017–18 it was \$3 billion
- 2018–19 it was \$2 billion
- 2019–20 it was \$2.5 billion
- 2020–21 it was \$3.0 billion

The taskforce helped raise the following tax liabilities from privately owned and wealth groups (including trusts and promoters):

- 2016–17 was \$1.1 billion
- 2017–18 was \$1.8 billion
- 2018–19 it was \$1.4 billion
- 2019–20 it was \$1.8 billion
- 2020–21 it was \$1.5 billion.

From 1 July 2016 to 30 June 2021, the taskforce has helped collect a total of \$12.7 billion in cash.

Recent audit cases in the public domain include Apple, BHP, Chevron, Facebook, and Google. In some cases, tax revenues from these entities in Australia have increased up to 5 times.

See highlights from previous years:

- [Tax Avoidance Taskforce highlights 2020–21](#)
- [Tax Avoidance Taskforce highlights 2019–20](#)
- [Tax Avoidance Taskforce highlights 2018–19](#)
- [Tax Avoidance Taskforce highlights 2017–18](#)
- [Tax Avoidance Taskforce highlights 2016–17](#)

The taskforce has also done substantial compliance work on the [e-commerce and digital economy industry](#).

Compliance programs

The taskforce has a focus on:

- international risk, which focuses on Base Erosion and Profit Shifting (BEPS) and international restructuring to organise profit shifting
- inappropriate arrangements that seek to extract profits or capital without the entity paying the right amount of tax
- taxpayers contributing to tax gaps in markets and influencing compliance levels
- high risk trust arrangements beyond ordinary trust arrangements or tax planning related to genuine business or family dealings
- detecting and disrupting those intermediaries that promote tax exploitation schemes across the tax and superannuation systems.

The programs led by the Tax Avoidance Taskforce include:

- [Abusive use of trusts/wealth program](#)
- Advisor Strategy
- [Base Erosion and Profit Shifting – hybrid mismatch rules](#)
- [Base Erosion and Profit Shifting – implementation](#)
- [Base Erosion and Profit Shifting – transparency initiatives](#)
- [Base Erosion and Profit Shifting – multilateral instrument](#)
- [Diverted profits tax](#)
- International Risks – Private Groups
- [International Risks – Public Groups](#)
- [Medium and Emerging Private Groups](#)
- [Next 5,000](#)
- [Promoters and Tax Exploitation Program](#)
- [Top 500 private groups tax performance program](#)
- [Top 1,000 public groups tax performance program](#)
- [Top 1,000 public groups next actions program](#)

Engagement and assurance

The taskforce is a specialised team that includes experts with tax, legal and accounting backgrounds. Our 'Tax Performance Programs' provide specialist tax performance teams who engage with clients.

We work closely with the largest companies to ensure they pay the right amount of

tax. We engage with them early and help them to ensure they are meeting their obligations.

These programs aim to:

- support willing participation, focusing on prevention rather than correction
- help taxpayers get things right
- decide on and deal with non-compliance.

We regularly update the community on what we are seeing, including detailed finding reports:

- [Top 100 Program \(income tax\) June 2021](#)
- [Reportable tax position](#)
- [Top 1,000 income tax and GST assurance programs](#)
- [Top 500 tax performance program](#)

We also engage clients affected by new legislation from the earliest possible point. We will help them understand the new legislation and support them to meet their new or changed obligations.

The taskforce is committed to transparency about how we assess risk and administer the system. Along with the transparency and accountability obligations required by Australian law, we implemented the Organisation for Economic Co-operation and Development's BEPS transparency initiatives.

To report any known or suspected illegal behaviour you can either:

- complete the [tip-off form](#) (also available in the 'Contact us' section of the [ATO app](#))
- phone our tip-off hotline on 1800 060 062.

Legislation

The taskforce implements legislation to ensure businesses pay the right amount of tax in Australia:

- [Multinational anti-avoidance law](#) (MAAL)
- [Transfer pricing rules](#)
- [Diverted profits tax](#) (DPT)
- [Country-by-country reporting](#)
- [General purpose financial statements](#) (GPFS)
- [Foreign Account Tax Compliance Act](#) (FATCA)
- [Common Reporting Standard](#) (CRS)
- [Multilateral Instrument](#) (MLI)
- [Significant global entities](#)
- [OECD Hybrid mismatch rules](#)

Media releases

2021 media releases:

- [Corporate Tax Transparency report highlights trend towards willing compliance](#)
- [ATO welcomes announcement of settlement of tax dispute](#)
- [ATO statement regarding Pandora Papers](#)
- [ATO review of top 500 largest private companies improves tax transparency](#)
- [Largest promoter penalty in R&D history handed down](#)

2020 media releases:

- [High Wealth Private Groups paid over \\$9 billion in income tax](#)
- [High Court confirms BHP Billiton Group members are 'associates' for tax purposes](#)

2019 media releases:

- [ATO nets another e-commerce victory](#)
- [Statement on ANAO performance audit: Tax Avoidance Taskforce – Meeting Budget Commitments](#)
- [Corporate Tax Transparency report shines spotlight on tax take](#)

Tax Avoidance Taskforce highlights 2020-21

- <https://www.ato.gov.au/General/Tax-avoidance-taskforce/Tax-Avoidance-Taskforce-highlights-2020-21/>
- Last modified: 08 Sep 2021
- QC 66728

The Tax Avoidance Taskforce (Taskforce) continues to investigate and challenge the most aggressive tax avoidance arrangements. Now in its fifth year since establishment, the Taskforce has intensified its efforts against promoters of tax avoidance and has successfully prosecuted them. It has also focused on obtaining assurance and justified trust that private groups and high wealth individuals have good tax governance processes in place and pay the right amount of tax.

This has been a successful year in dealing with those who deliberately entered into abusive trust arrangements and holding their advisors to account for their role in facilitating these arrangements.

The taskforce has helped the ATO raise over \$4.5 billion in liabilities and collect \$2.5 billion in cash in the 2020–21 financial year. The taskforce has surpassed its commitment to government each year since it began. Since 1 July 2016 the ATO has:

- raised \$22.9 billion in liabilities against public groups, multinationals, wealthy individuals and associated private groups (including trusts and promoters)
- collected over \$15.9 billion in cash.

As a result of taskforce assurance engagements and audit activity, multinationals,

large corporations and wealthy individuals are now more tax-compliant. This has prompted companies to commit to long-term behavioural change, including restructuring, changing their business practices, and settling long-standing disputes with us after we have engaged with them.

We continue to encourage and support private, public and multinational entities to engage with us early and to effectively manage tax risk.

Highlights for 2020–21

Highlights of the Tax Avoidance Taskforce contribution for 2020–21 include:

- Our compliance activities generated over \$3 billion in tax liabilities and \$1.25 billion in audit yield from large public groups and multinational corporations, wealthy individuals and private groups.
- We engaged with over 468 Top 500 taxpayers and their associated entities, raising \$308.1 million in liabilities and collecting \$113.6 million in cash, and tax assured over \$1 billion in tax paid. We also published our first Top 500 findings report highlighting the outcome of our engagements in relation to this important group of taxpayers whose behaviours can have broader impact across the system. You can find the report [here](#).
- We engaged with over 930 of the Top 1,000 large public groups under the tax performance program (SAR) and generated \$125.1 million voluntary disclosures and tax loss reductions of more than \$264.3 million since the program began in July 2016. This program ceased in December 2020 and was replaced with combined assurance review (CAR).
- In September 2020, we launched the Top 1000 combined assurance review (CAR). This is an integrated product covering both income tax and GST. We started around 130 CARs.
- The Next 5000 program has engaged with 910 taxpayers and their associated entities, raising \$223.6 million in liabilities and collecting \$184.2 million in cash.
- The first Diverted Profits Tax (DPT) assessment was issued in December 2020.
- The Medium and Emerging program has engaged with 1,978 taxpayers and their associated entities, raising \$229.2 million in liabilities and collecting \$142.43 million in cash.
- Our International risk program has conducted 325 activities with privately owned wealth groups and non-resident taxpayers on international related matters, raising \$266.4 million in liabilities and collecting \$232.8 million in cash.
- We continue to identify and address taxpayers deliberately entering abusive trust arrangements. The current coverage of both the [Greensill](#)[↗] and [Martin](#)[↗] matters highlights where we seek to prevent the exploitation of tax loopholes by high net wealth individuals and groups.
- Information obtained in audits resulted in de-registration of two tax agents for their role in structuring contrived trust arrangements for their clients to gain an unlawful tax advantage.
- An audit unravelling a large-scale complex tax avoidance scheme involving foreign workers for abattoirs designed to hide beneficial ownership using multi-tier companies and trusts reached the High Court. The High Court case

(Deputy Commissioner of Taxation v Shi [2021] HCA 22) concerns the ATO initiated actions for the recovery of tax debt.

- We achieved favourable promoter penalty outcomes in two Federal Court applications following investigations by Promoters and Tax Exploitation Program – Bogiatto and Rowntree. The [Bogiatto](#) penalty of \$22.68 million was the highest ever imposed under the promoter penalty legislation. The Rowntree case which involved a lawyer, accountant and financial planner were ordered to pay \$9.4 million for promoting a tax avoidance scheme.
- 88 audits covering 79 multinational corporations are underway in addition to Multinational anti-Avoidance Law and DPT.
- We have continued to publish numerous guidance materials, Taxpayer Alerts and Memorandums of Understanding to ensure taxpayers pay their fair share of tax in Australia.
- We've advanced our data & analytics (D&A) capabilities and delivered a number of technology improvements to expand our understanding of our clients, as well as create insights of potential risks to support the Taskforce.

Our focus in 2021–22

During 2021–22, our focus will continue to be specialist large market advisors who promote and run tax avoidance schemes, and engage in uncooperative, misleading and obstructive behaviour. This includes the misuse of legal professional privilege (LPP) during our reviews and audits. We are developing best practice guidance to establish best practice when making LPP claims in a tax dispute.

We will continue to engage with the Top 500 and Next 5000 taxpayers and their associated entities under our engagement and streamlined assurance programs, while using our growing data holdings to identify and treat tax avoidance behaviours.

Through our Medium and Emerging and International programs, we use our growing data holdings to identify and treat tax avoidance behaviours. We also use this data to improve our system design to ensure leveraged approaches are applied across this population, which continues to reduce risk.

The Top 1000 Combined Assurance Review program commenced in late September 2020 and builds on the Top 1000 tax performance program. Work will commence with the reviews and associated engagements with respect of those taxpayers that obtained overall low assurance.

Our continued focus on taxpayers who use complex trust structures and distribution flows designed to exploit the use of trusts will be firmly in our sights.

We are sharpening our focus on the small number of wealthy individuals (and their private groups) who continue to engage in deliberate tax avoidance behaviours, working with our partner agencies to remove and disrupt harmful practices.

We will continue to advance our D&A capabilities and use of cutting-edge technology to improve the way we analyse and use data to support the Taskforce. Further improvements to data accessibility and risk detection services will enhance our ability to target our engagement and assurance work. This program of work will

continue over the next two years, with technology and analytics enhancements that continue to manage, interrogate and provide insights from our extensive data resources.

See also:

- [Tax Avoidance Taskforce](#)
- [Tax Avoidance Taskforce highlights 2019–20](#)
- [Tax Avoidance Taskforce highlights 2018–19](#)
- [Tax Avoidance Taskforce highlights 2017–18](#)
- [Tax Avoidance Taskforce highlights 2016–17](#)

Tax Avoidance Taskforce highlights 2019–20

- <https://www.ato.gov.au/General/Tax-avoidance-taskforce/Tax-Avoidance-Taskforce-highlights-2019-20/>
- Last modified: 04 Dec 2020
- QC 64250

The Tax Avoidance Taskforce ensures tax is paid in Australia. Through our work, we audit some of the biggest taxpayers operating in Australia, including multinational enterprises, large public and large private businesses (and associated individuals).

Through the taskforce, the ATO raised \$4.3 billion in liabilities and collected nearly \$2.5 billion in cash from audits in the 2019–20 financial year. The taskforce has surpassed its commitment to government in each year since it began. Over the first four years of the taskforce, the ATO has:

- raised \$18.2 billion in liabilities against public groups, multinationals, wealthy individuals and associated private groups (including trusts and promoters)
- collected over \$10.8 billion.

The response from the large business market has been encouraging. Taxpayers are now seeking to manage and prevent tax risks in their business by adopting robust tax governance arrangements, including proactive and open engagement with the ATO.

We continue to encourage and support private, public and multinational entities to engage with us early and to effectively manage tax risk.

Highlights for 2019–20

Highlights of the Tax Avoidance Taskforce contribution for 2019–20 include:

- Our compliance activities generated \$2.7 billion in tax liabilities and \$1.6 billion

in audit yield from large public groups and multinational corporations, wealthy individuals and private groups.

- The multinational anti-avoidance law (MAAL) has been successfully implemented, with the restructures resulting in:
 - more than \$8 billion additional taxable sales being booked in Australia
 - an estimated additional \$850 million of GST paid
 - an estimated \$80 million in business-to-consumer net GST since July 2016.
- We engaged with over 600 of the largest private groups. Of these, we completed 262 engagements with taxpayers who willingly adopt robust tax governance practices to manage and prevent tax risks. There were 54 Top 500 groups with \$7.35 billion tax assured across multiple years.
- We engaged with over 900 of the Top 1,000 large public groups, with 790 reviews finalised and over 130 reviews in progress.

Our focus in 2020–21

During 2020–21, our focus is on specialist large market advisors that promote and implement tax avoidance schemes, and engage in uncooperative, misleading and obstructive behaviour, including the misuse of legal professional privilege (LPP) during our reviews and audits.

We are developing new best practice guidance for LPP claims and principles for large market advisors, supporting more robust self-governance. Where tax avoidance arrangements are identified, we will issue Taxpayer Alerts to advise taxpayers of our concerns.

We are continually improving our data, analytics, risk, and intelligence capabilities to identify and manage tax avoidance risk. The significant progress on data accessibility and risk detection services has improved our ability to target compliance work and deliver on taskforce objectives. This work will be expanded over the next three years to deliver cutting edge technology and advanced analytics capabilities to manage and interrogate our extensive data resources.

See also:

- [Tax Avoidance Taskforce](#)
- [Tax Avoidance Taskforce highlights 2018–19](#)
- [Tax Avoidance Taskforce highlights 2017–18](#)
- [Tax Avoidance Taskforce highlights 2016–17](#)

Tax Avoidance Taskforce highlights 2018–19

- <https://www.ato.gov.au/General/Tax-avoidance-taskforce/Tax-Avoidance->

[Taskforce-highlights-2018-19/](#)

- Last modified: 13 Jan 2021
- QC 60426

The taskforce has continued to perform strongly in its third year, working effectively to ensure the integrity of the tax system. The ATO's level of influence and action with large businesses and wealthy individuals has increased substantially since the creation of the Tax Avoidance Taskforce.

Since the taskforce commenced in July 2016, the ATO has raised a total of \$13.9 billion in tax liabilities and collected \$8.2 billion from large public groups and multinational corporations, wealthy individuals and private groups to June 2019.

Taskforce funding has made a real difference to protect the integrity of Australia's tax system by ensuring that money earned in Australia is also taxed here. We continue to encourage and support the development of sound tax governance arrangements by private, public and multinational groups to effectively manage tax risk.

Highlights of the Tax Avoidance Taskforce work for 2018–19 include:

- Our compliance activities generated \$3.4 billion in tax liabilities and we collected \$2 billion from large public groups and multinational corporations, wealthy individuals and private groups with the assistance of the taskforce.
- At the end of June 2019, we had 63 audits covering 59 multinational corporations in progress. There were 694 taxpayers under audit or review as part of our focus on wealthy individuals and associated groups, including trusts and aggressive tax planning.
- Following the implementation of the [multinational anti avoidance legislation \(MAAL\)](#), we expected around \$7 billion in sales to be returned to the Australian tax base. We're seeing around \$6.6 billion in sales being booked in Australia now, with another increase expected after 2018–19 company tax return lodgments in 2020.
- We engaged with over 680 public groups and multinational corporations with a total business income of \$540 billion through our assurance work as part of the [Top 1,000 public groups tax performance program](#). Over 530 of these assurances have been finalised.
- We've continued engaging with 297 large private groups as part of our [Top 320 private groups tax performance program](#). Tax assurance has been provided partially or in full for 185 private groups. This program has been extended to cover the top 500 private groups.

In the April 2019 Budget, the government expanded the focus of the taskforce and extended the program to the end of June 2023. The additional funding means we can expand our efforts to have complete coverage of all large private businesses as well as large, multinational and private businesses with turnover of more than \$250 million. We'll also expand our coverage of medium and emerging businesses in both public and private markets, as well as enhance our focus on specialist tax advisors and intermediaries that promote international and domestic tax avoidance schemes and strategies.

See also:

- [Tax Avoidance Taskforce](#)
- [Tax Avoidance Taskforce highlights 2019–20](#)
- [Tax Avoidance Taskforce highlights 2017–18](#)
- [Tax Avoidance Taskforce highlights 2016–17](#)

Tax Avoidance Taskforce highlights 2017–18

- <https://www.ato.gov.au/General/Tax-avoidance-taskforce/2017-18-Taskforce-highlights/>
- Last modified: 13 Jan 2021
- QC 56948

We continued to see impressive results during the second year of the Tax Avoidance Taskforce in 2017–18. The taskforce funding has increased our capability and focus on helping to protect the integrity of Australia's tax system by ensuring that money earned here is also taxed here.

Work being undertaken includes not just direct compliance activity but also significant effort to understand and review the tax positions of big businesses and wealthy individuals. This work helps us to ensure that organisations and individuals are not only paying tax they may not have been previously, but also provides assurance that many others are doing the right thing.

Highlights of the Tax Avoidance Taskforce work in 2017–18 include:

- Nearly \$3 billion in liabilities raised against large public groups and multinational corporations and \$1.8 billion in liabilities raised against wealthy individuals and private groups, with the assistance of the taskforce.
- 68 audits covering 63 multinational corporations in progress.
- 700 audits for wealthy individuals and associated groups in progress.
- 44 taxpayers brought or bringing their Australian sourced sales back onshore in response to the multinational anti avoidance legislation ([MAAL](#)). As a result, we expect the additional income returned to the Australian tax base to rise to \$7 billion per annum.
- We engaged with over 245 large businesses with combined revenue of approximately \$205 billion through our assurance work as part of the [Top 1,000 Tax Performance Program](#).
- We provided assurance for 94 private groups on tax payable in excess of \$1.5 billion as part of the [Top 320 private groups tax performance program](#).
- With the diverted profits tax (DTP) coming into effect 1 July 2017, we began reviewing our existing audits and advanced pricing arrangements to check taxpayers within scope.

See also:

- [Tax Avoidance Taskforce](#)
- [Tax Avoidance Taskforce highlights 2016–17](#)
- [Tax Avoidance Taskforce highlights 2018–19](#)
- [Tax Avoidance Taskforce highlights 2019–20](#)

Tax Avoidance Taskforce highlights 2016–17

- <https://www.ato.gov.au/General/Tax-avoidance-taskforce/2016-17-Taskforce-highlights/>
- Last modified: 13 Jan 2021
- QC 56947

The first year of the Tax Avoidance Taskforce in 2016–17 saw significant progress in implementing a stronger compliance framework. The funding provided by the government over four years has given us additional resources for increased scrutiny in investigating and challenging tax avoidance strategies.

Throughout the first year of the Tax Avoidance Taskforce in 2016–17:

- Our engagement and assurance work saw an increase in voluntary disclosures to correct tax positions. This was the first time we have provided the community with this level of assurance. We are continuing this work and by June 2020 we will have reviewed the [Top 1,000 public groups](#) and [Top 320 private groups](#) to ensure they are paying the right amount of tax in Australia.
- We introduced the [multinational anti-avoidance law](#) (MAAL), effective from 1 January 2016, which saw an estimated \$7 billion of additional income per annum included in the Australian tax base.
- We introduced the diverted profits tax (DPT) providing a major deterrent to profit shifting by [significant global entities](#) (SGEs). The DPT has been designed to ensure profits made in Australia remain in Australia, and around 1,600 SGEs are in its scope.
- We published a [Law Companion Guide for the DPT](#) and [Practical Compliance Guide](#) to assist taxpayers.
- Wealthy individuals and related private groups were a focus under the taskforce. Our program of work applied differentiated client approaches ranging from one-to-many education programs, 1:1 ongoing engagement, to risk and audit programs and, where appropriate, prosecution.
- We recruited people with the knowledge and expertise to make a difference. This was supplemented by the appointment of senior tax specialists to guide, mentor, train and advise our compliance officers.

In the first year of the taskforce, we raised more than \$4 billion in liabilities from large public groups and multinationals. We also raised around \$970 million in

liabilities from private groups and wealthy individuals, including trusts and promoters.

See also:

- [Tax Avoidance Taskforce](#)
- [Tax Avoidance Taskforce highlights 2017–18](#)
- [Tax Avoidance Taskforce highlights 2018–19](#)
- [Tax Avoidance Taskforce highlights 2019–20](#)

Taskforce focus on e-commerce and digital economy industry

- <https://www.ato.gov.au/General/Tax-avoidance-taskforce/Taskforce-focus-on-e-commerce/>
- Last modified: 12 Dec 2018
- QC 57593

As part of the work undertaken by the Tax Avoidance Taskforce, we have done substantial compliance work focusing on the e-commerce and digital economy industry.

Multinational enterprises (MNEs) operating in this industry have significantly increased the profits declared and the tax they pay in Australia as result of our efforts.

Of the various business models adopted in this industry sector, our compliance approach extended to IT/digital economy sub-industries, including:

- IT hardware and software
- IT consulting/technical services
- online advertising
- online retailing
- payment processing
- cloud and data hosting services
- digital platforms – online marketplaces, online gambling/gaming and the sharing economy.

The evolving nature of this industry has transformed the way MNEs conduct their operations, resulting in new business models. This has created a unique set of challenges for us to address, and we are proud of our achievements.

At 30 June 2018, some of the key achievements include:

- over \$1 billion in cash collections

- future revenue effects of more than \$580 million over the next four years
- the completion of many complex audits on industry leading e-commerce MNEs.

Key technical issues

Our active compliance efforts across the e-commerce and digital economy industry focused on examining several key technical issues to achieve forward and past compliance. These included, but were not limited to:

- [Transfer pricing](#) – we have undertaken extensive compliance activities in determining the arm's length conditions that operate for Australian subsidiaries of e-commerce MNEs with inbound supply chains.
- [Permanent establishments \(PE\)](#) – as well as using the transfer pricing rules to arrive at the arm's length outcome, in some major audits we applied the PE rules under the relevant double tax agreement. The work done in these audits introduced new laws to combat structures designed to avoid a taxable presence in Australia. The Multinational Anti-Avoidance Law (MAAL) has since eased concerns associated with these structures with many e-commerce taxpayers restructuring into MAAL compliant buy/sell arrangements.
- Royalty withholding tax – in light of the emergence of software distribution models involving the provision of digital products and services, we considered the characterisation of payments made by Australian software distributors to offshore licensors and the royalty withholding tax implications.
- General anti-avoidance laws – prior to the introduction of the MAAL, we considered the application of Part IVA to arrangements where Australian customer revenue was derived by a non-resident.
- Goods and services tax (GST) amendments – recent law changes have had an impact on the taxation of cross-border e-commerce under the GST regime. From 1 July 2017, GST was extended to cross-border supplies of digital products and other services imported by Australian consumers to create a level playing field for domestic suppliers with their offshore counterparts.

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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