Corporate Tax Association

Level 11, 455 Bourke Street
Melbourne, 3000

Tel: (03) 96004411
admin@corptax.com.au

9 October 2026

Productivity Commission
GPO Box 1428
Canberra City ACT 2601

By email: businessreporting@pc.gov.au

Dear Commissioners,

**Inquiry into non-financial business reporting requirements**

The Corporate Tax Association (**CTA**) welcomes the opportunity to make a submission in relation to the Productivity Commission's (**PC**) inquiry into non-financial business reporting requirements. This inquiry comes at a time when Australian businesses are being buried under the weight of over-regulation across the economy.

A recent research report prepared for the Australian Institute of Company Directors by Mandala (**AICD Mandala Report**)[1] shows that the amount of Commonwealth regulation has tripled in pages since 2000, while compliance costs associated with Australia's regulatory and reporting frameworks are estimated to be $160 billion per year, equivalent to 5.8% of GDP. The report also notes that Australia's regulatory burden is estimated to be 33% higher than the OECD average, with overlapping and duplicative compliance requirements identified as a growing impediment to productivity, innovation and economic dynamism.

These findings highlight the importance of this inquiry. A comprehensive review of business reporting requirements provides an opportunity to identify duplication, reduce cumulative compliance costs, improve information-sharing across government and ensure that reporting obligations continue to deliver meaningful policy outcomes at the lowest possible cost to business. The report estimates that reducing the regulatory burden to late-2000s levels could generate economic gains of at least $20 billion per year over the next decade.

**Set a target that aligns with international best practice**

As highlighted above, concerns over the growing cost of compliance and unwarranted regulatory red tape are not new. Australia has long been weighed down by duplication, inconsistency, and inefficiency, with businesses across all market segments bogged down by costly layers of regulatory requirements, much of which delivers little value or benefit to the Australian community.

[1] See: The Stagnant Nation: Lifting Australia's Dynamism.

These concerns are shared across a broad coalition of Australian industry bodies. In April 2026, the Alliance of Industry Associations (**The Alliance**), representing almost 30 business, professional, university and industry organisations led by the Business Council of Australia, called on all levels of government to commit to a 25 per cent reduction in unnecessary regulatory burden by 2030.[2] The Alliance specifically identified duplication, fragmentation and inconsistency across governments as major drivers of compliance costs and called for an economy-wide stocktake of regulation and better coordination between jurisdictions to eliminate unnecessary complexity.

In its recent reports, the PC has consistently emphasised the importance of ensuring regulatory settings support productivity,[3] and notes that, where possible, direction should be taken from international best practice in assessing reform options. The European Union and the UK Government have adopted ambitious regulatory simplification agendas, including commitments to reduce administrative and compliance burdens by at least 25%.[4] Australia must commit to a similar target if we are to address what is now a material, deadweight cost to the Australian economy.

**Review the growth in compliance roles to identify areas of excessive regulation**

As the AICD Mandala report shows, the growth in regulatory burden is reflected in economy-wide growth in legal and compliance roles, which have significantly outpaced labour market growth. In most industries, compliance roles grew several times faster than overall workforce growth across the economy. On average, they rose 105% across all sectors, compared with 30% growth in total employment.

Reviewing the areas in which compliance roles have exceeded workforce growth will reveal where over-regulation is most prevalent and in need of paring back.[5]

**Reporting regulations imposed by law versus by regulators**

While this inquiry focuses principally on reporting obligations imposed by Australian law, the CTA encourages the PC to also examine reporting requirements created and imposed administratively by regulators. Unlike statutory reporting requirements, regulator-imposed obligations are often introduced incrementally, with less scrutiny, consultation, or formal assessment of compliance costs. Over time, these requirements accumulate and become a substantial source of regulatory burden.

[2] See: Business leaders call for 25% red tape reduction amid rising costs.
[3] See: CTA Submission - Pillar 1: Creating A More Dynamic and Resilient Economy – Interim Report.
[4] See: The European Commission is reducing regulatory burdens to strengthen EU competitiveness while protecting economic, social, and environmental goals. See page 31 of The Stagnant Nation: Lifting Australia's Dynamism for a summary of key international initiatives to increase efficiency and reduce the burden of regulation.
[5] See page 8 of The Stagnant Nation: Lifting Australia's Dynamism.

For example, the ATO continues to expand the volume of information required through tax returns, schedules and supplementary disclosures, much of which is collected for risk assessment and data-gathering purposes rather than directly affecting a taxpayer's liability. In many cases, similar information is requested across multiple forms, requiring businesses to repeatedly provide data already held by the regulator or supplied elsewhere in the tax system.

The CTA's "Provide it Once" survey undertaken in 2025 identified duplication and unnecessary reporting as a significant concern for large businesses, particularly those participating in the ATO's Justified Trust compliance program. [6]

Members noted that while compliance approaches may be tailored to a taxpayer's assurance level, reporting obligations generally are not. As a result, taxpayers with High Assurance are often required to complete the same detailed disclosures and schedules as taxpayers with lower assurance ratings. While collecting this information may help the ATO identify issues across the broader population, members expressed concerns that some requirements, such as the Short Form local file and other detailed schedules, are unnecessarily onerous and can duplicate information already available to the regulator.

Businesses ultimately bear the cost regardless of whether a reporting obligation originates from legislation or regulator practice. The CTA therefore considers that any assessment of reporting burdens should capture the full range of information collection activities imposed on businesses and not be limited to obligations prescribed directly in law.

**Reduce frequency of payment times reporting obligations**

While we support the overarching objective of the Payment Times Reporting Scheme, it shows how regulatory burden often stems from reporting design rather than policy intent. Businesses have incurred significant costs implementing systems, governance processes and reporting frameworks, which imposed substantial administrative burdens. A move to annual reporting, as suggested by the Business Council of Australia, together with further simplification of reporting requirements, would better balance transparency objectives with compliance costs borne by businesses.

**Public Country-by-Country Reporting**

Public Country-by-Country Reporting imposes additional compliance obligations on large Australian and foreign-headquartered groups that are already providing detailed country-by-country information to tax authorities. The Australian regime also differs from comparable overseas frameworks, including the European Union model, requiring multinational groups to navigate multiple public reporting frameworks and increasing compliance complexity.

[6] The results of this survey can be found in the **Appendix** to this letter.

The result is increased complexity and cost, raising the question of whether transparency objectives could be achieved more efficiently. At the very least, Australia's Public Country-by-Country Reporting regime should align with the definitions and disclosures and should be reviewed by the PC in the context of all public transparency reporting that occurs across multiple platforms.

We would welcome the opportunity to discuss our comments with you further.

Yours sincerely,

Michelle de Niese
**Executive Director**

**APPENDIX – CORPORATE TAX ASSOCIATION | PROVIDE IT ONCE SURVEY RESULTS AND FINDINGS**

# "Provide It Once" Survey – October 2025

## Contents


Background ..... 6
Summary ..... 6
Detailed Survey Responses ..... 8
Question 1 – Unnecessary and/or duplication with various agencies ..... 8
Question 2 – Clarity on why information is reported more than once ..... 9
Question 3 – Experience of unnecessary or duplicative reporting to the ATO ..... 11
Question 4 – Top 5 most time consuming income tax return schedules ..... 13
Question 5 – Ranking of areas to reduce data collection ..... 15
Question 6 – General comments ..... 16
Property Council Observations ..... 21

## Background

The CTA undertook a brief survey of its members to glean corporate views on where the concerns exist with perceived duplication or unncessary reporting as part of existing ATO compliance activity. Whilst it is noted that some of the requirements are legislative, others are ATO imposed. The survey elicited 32 responses directly from large corporates. The Property Council also provided the detailed observations received from its members.

## Summary

1. The key message from the CTA survey result is that duplication and unneccesary reporting exists in the large business sector given the detailed level of interaction under the Justified Trust program. Merely removing "labels" on forms is not an answer. Whilst "tailoring" of compliance expectations may happen in the Justified Trust environment, it doesn't happen when it comes to filling out forms. To this end, those corporates with High Assurance still have to file the same forms as those with Low Assurance. Whilst receiving a significant level of tax return information from those with High Assurance may help the ATO detect issues with Low Assurance/High Risk corporates this is seen as unnnecesarily onerous and also potentially duplicative.

2. Whilst taxpayers understand that data provided to the ATO is used for risk assessment (and some is collected also for other government agencies) the reasons for duplicate reporting, or in fact reporting some data indeed at all, is not understood.

3. In order of priority, respondents suggest that the ATO should focus on:

    a. Short Form local file requirements especially for those with High Assurance, dormant entities or wholly Australian operations
    b. Public and non-public CBC reporting to ensure these are leveraged as much as possible
    c. A review of the IDS schedule
    d. RTP reporting particularly for those with High Assurance

e. ATO and ABR interfaces
f. Additionally from a Property Council perspective:
    i. Local file reporting for trustees
    ii. Trust reporting
    iii. Rental property schedule where the trust is a MIT or AMIT
    iv. Thin cap TPDT election form

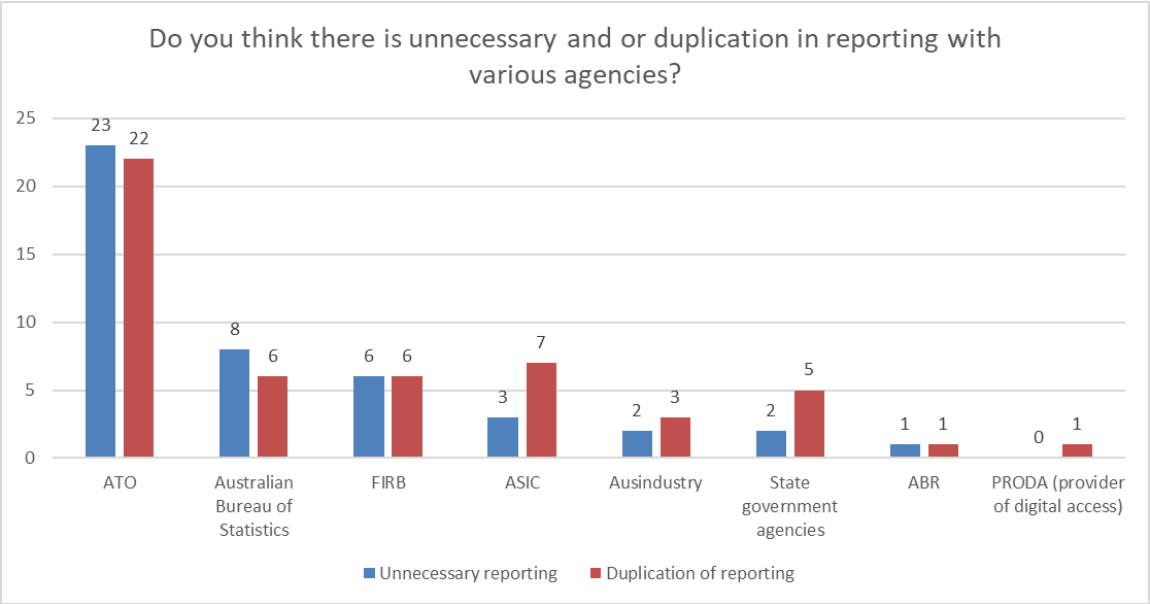
4. Respondents noted the role of ATO compliance processes such as the SAGR and GAT. Corporates see them as more, rather than less compliance. The CTA will continue to monitor the levels of compliance reduction overtime to assess their effectiveness.

5. Outside of ATO specific issues, respondents noted duplication in reporting should also be addressed with:

    a. AusIndustry
    b. ABS
    c. FIRB
    d. ASIC
    e. State government agencies

## Detailed Survey Responses

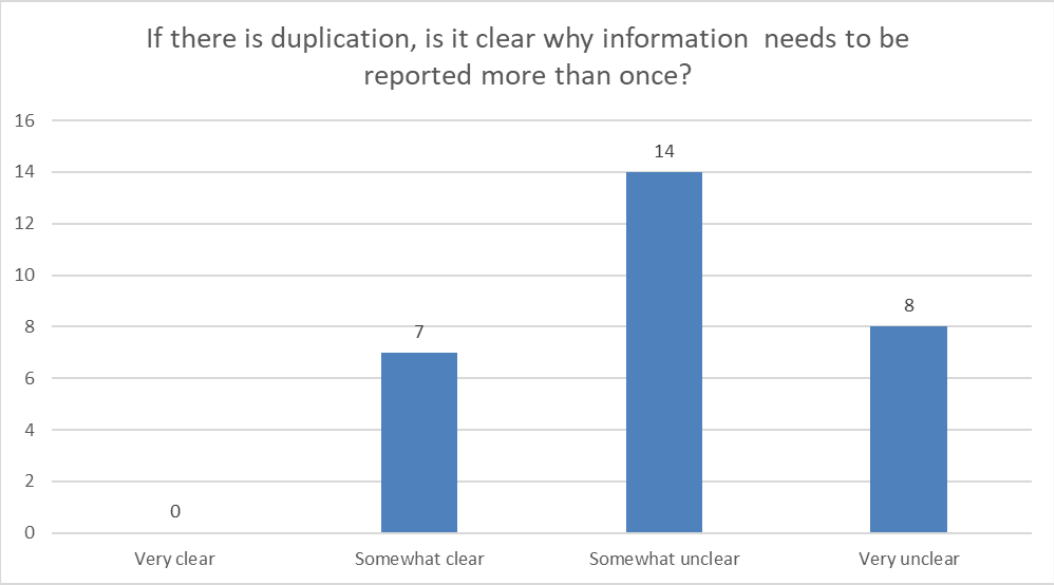
### Question 1 – Unnecessary and/or duplication with various agencies




**Comments from respondents:**

1. From talking within our team, we think a significant issue/opportunity for “provide it once” relates to the ASIC and Aust Business Register overlap/how the two systems register much of the same info (e.g. ABN, Directors/officeholders etc) in duplicate. ASIC also have info on company shareholdings etc that’s relevant e.g. for 100% groups and tax consolidation members/status.
2. ATO - information included in BAS and STP is duplicated in ITR forms; AusIndustry - duplication of information provided to AusIndustry and information requested by ATO; ABS: providing quarterly data for Singapore entities that have an ABN but have negligible Australian related activities, and ABS survey regarding R&D information already submitted in AusIndustry applications and ITR; FIRB: duplication with TP documentation
3. Environmental provisions
4. Australian Business Register.

## Question 2 – Clarity on why information is reported more than once



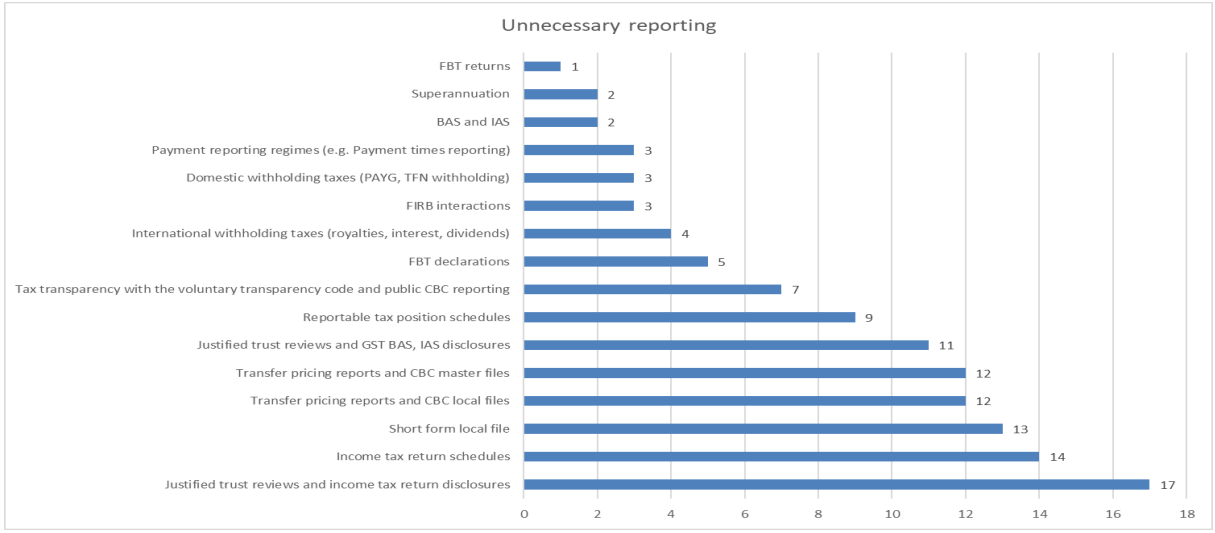
**Comments from respondents:**

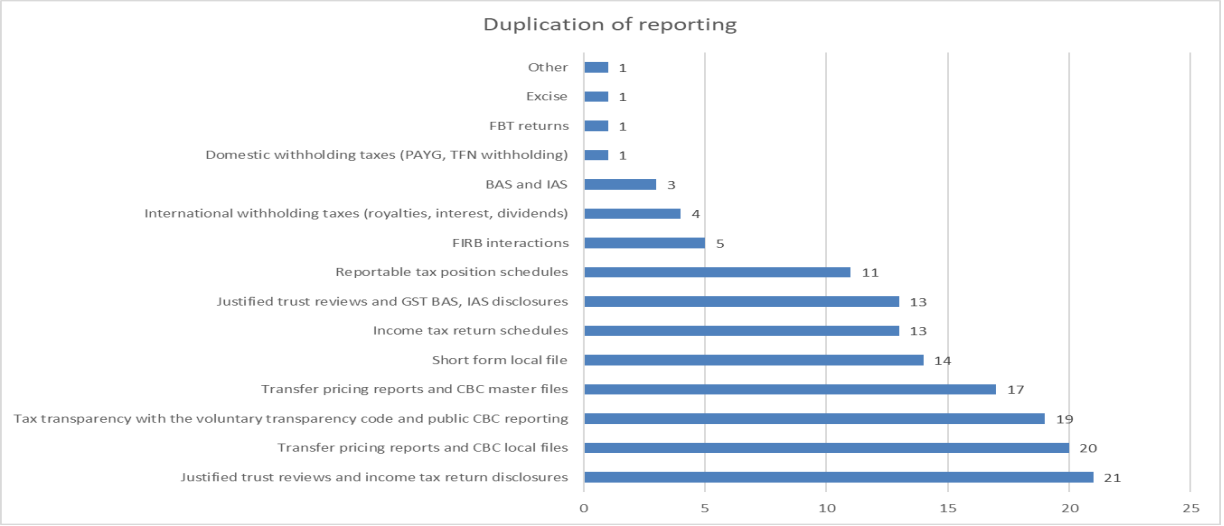
1. This is mostly duplication of reporting to Federal agencies. There does not seem to be a lot of duplication between Federal and State. Generally, it is not very clear why the information provided needs to be reported more than once. It appears that this duplication may be required in order to get the information into the relevant format that the Federal or State agency requires / prefers. In particular, it appears the ATO departments do not share information well and put the onus onto the taxpayers including large taxpayers who already provide information through multiple channels.
2. Because they simply don't share it amongst themselves so have to ask multiple times.
3. No single business register; updates required for both ASIC, ABR, and ATO online. Existing payroll tax reporting is inefficient, with the Group's Australian wages requiring duplicated reporting across various States. Different basis of reporting FBT for PAYG and payroll taxes.
4. General thoughts are the ATO now ask for too much information without actually knowing what to do with it. Years of constant changes and increased data requests by the ATO has resulted in overlapping disclosures / request for information.
5. Much of the Form C / IDS / RTP requests unnecessary information or doubles up information request with the Short Form Local File, Master File, Country by Country Reporting, Tax Transparency Reporting, Public Disclosure of Tax Information etc.
6. Information is requested that is generic and otherwise available elsewhere, or is requested even though it is not relevant to concessions that are unavailable to us
7. There is duplication of reporting of changes of business name, postal address, director details, authorised contact between the ABR and ATO.
8. As the ATO administers the ABR, it should be an automatic update between the two agencies. Director details and changes of business name is also duplicated between ASIC, ATO and ABR as well as state agencies.
9. We have >120 legal entities and where a director is changed on ASIC, there is a cumbersome process to update ABR (no bulk update ability aside from contacting the ATO to update, we note that we have also been told that this is not standard practice and we should be updating each entity individually).
10. Somewhat unclear from an R&D perspective – the ABS seeks broader R&D data but compiling this requires a process similar to preparing an R&D claim (albeit at a higher level). Given the short turnaround and timing of the form (well before R&D claim for the relevant FY is due), there's a bit of guesswork which affects accuracy of the information (and potentially usefulness to the ABS). In contrast, R&D claims undergo a rigorous process, resulting in more reliable/meaningful information.

11. Very unclear from an international reporting perspective – there's some duplication between the (many) international forms, not clear why the ATO doesn't consolidate the forms or eliminate certain questions.

## Question 3 – Experience of unnecessary or duplicative reporting to the ATO

"Generally, where do you see or experience unnecessary reporting or duplication in reporting to the ATO?"






**Comments**

1. Unnecessary reporting for a domestic group with very immaterial international related party transactions. There should be de minimus levels set for reporting.
2. Supplemental annual GST return.
3. FIRB new checklist focuses on financing. There is cross over with what will be provided in RTP and shortform. Potential duplication of related party transactions in income tax filing requirements and also in the annual withholding tax report for interest.
4. Would be ideal if FBT returns could be consolidated and FBT declarations done away with.
5. Annual GST return - unnecessary reporting and duplication with Justified Trust reviews.
6. New "short form" local files are complete duplicate and unnecessary. We also have had an instance recently where in a CAR, the ATO have had a specific RFI regarding provision of franking account disclosures and explain why we have not supplied these previously. Turns out there was an IT error on their end which was not showing correct disclosures, but they still retained the bulk of the RFI question.
7. 100% owned sub trusts should not have to lodge AIIRs. This information is already in the Tax Return Beneficiary schedule.
8. Largely domestics group with immaterial offshore interests have to prepare:
    - Transfer pricing documentation
    - Master file

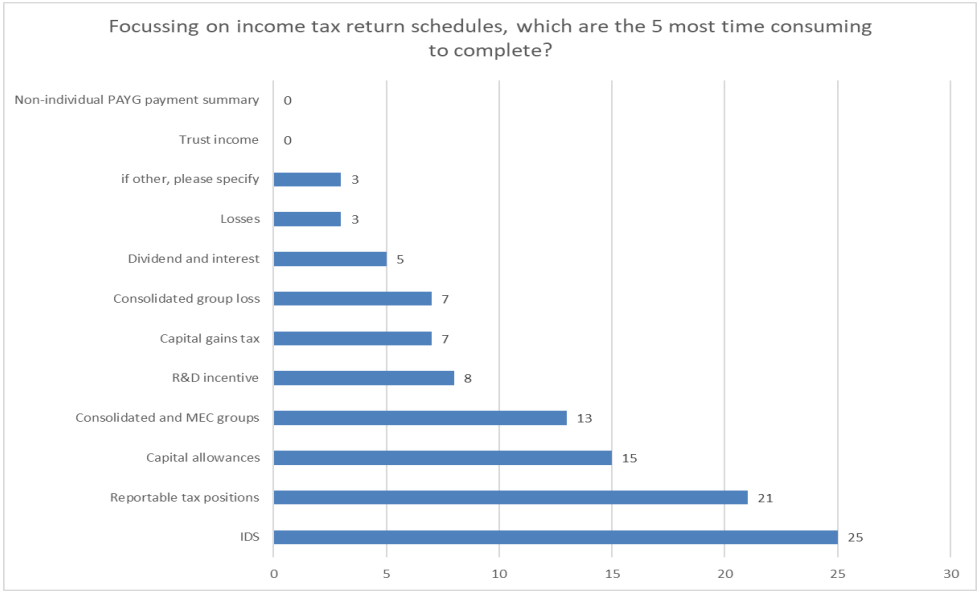
- Local file
- CbC reports
- Pillar 2 reporting

This is too much compliance for domestic groups. We think this should be reassessed.

9. The Form C still requires taxpayers to disclose their foreign sourced income. This was useful prior to 2008 when taxpayers needed to have regard to baskets of foreign income etc. This number serves no purpose but is very hard for us to calculate – taking a number of days to do. We asked the ATO if we could use a high level estimated number using an easier methodology, but the ATO said they wanted the accurate number but could not say what its purpose was for.
10. We lodge an annual nil FIRB return because the ATO are unwilling to agree to eliminate the requirement.

## Question 4 – Top 5 most time consuming income tax return schedules

The higher the number below, indicates the higher the issue ranked as time consuming. Note this related to the income tax return schedules.

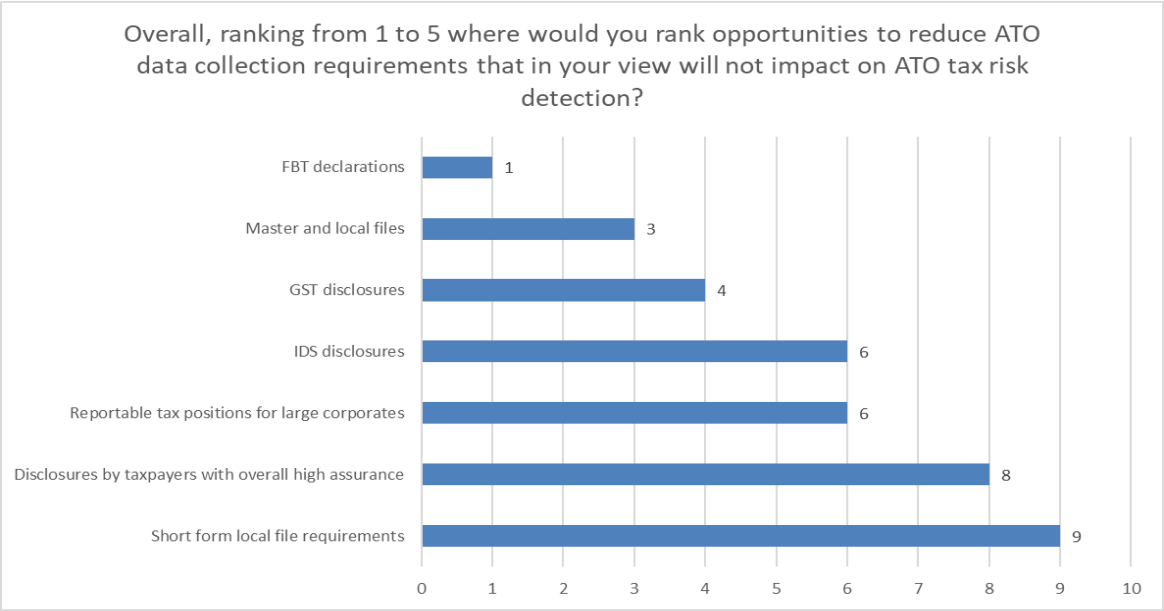



**Comments**

1. Form C disclosures. SFLFs (requirement to complete for all entities)
2. Local File
3. Local file, Life insurance schedule

## Question 5 – Ranking of areas to reduce data collection

The higher the number the higher the ranking of areas to reduce data collection without impacting to risk detection.




**Comments**

1. SAGR followed by GST JT reviews is another duplication.
2. GAT is a silly request. Shouldn't happen unless there is a massive problem recognised in the numbers somewhere.

## Question 6 – General comments

**Do you have any other comments?**

*1. The ATO should look to accept reports already lodged with other tax authorities*

To reduce reporting requirements, the ATO should look to accept compliant reports that we already lodge with the UK, EU or US tax authorities. We can then just flag differences required for any ATO reporting requirements rather than preparing a completely new report that serves the same function. This will become even more important with public CBC and Pillar Two.

An example of this is CBC reporting - the ATO could accept the OECD country-by-country report and extra reporting requirements rather than a separate CBC report for the ATO.

*2. Duplication of reporting*

The Short Form Local File (SFLF) contains significant overlap with other disclosures already provided to the ATO, including:

-Income Tax Return (ITR) and supporting schedules

-Reportable Tax Position (RTP) schedule

-International Dealings Schedule (IDS)

-Local File Part A

-FIRB applications

-Transfer Pricing documentation

-Annual Report and Master File

Transfer pricing documentation already includes most of the information requested in the SFLF, RTP and IDS making additional disclosures redundant.

Deed compliance and Effective Tax Borne (ETB) requests often ask for information already submitted, leading to repeated queries on previously clarified matters.

R&D information is duplicated in the R&D Schedule, R&D applications and ABS survey.

*3. Timing and Process Concerns*

The SFLF lodgement deadline is 31 December however ITR and supporting schedules, RTP, IDS and Local File Part A have already been filed with the ATO.

Taxpayers participating in the Justified Trust program with High Assurance have already provided detailed real-time transaction updates with the ATO well before the SFLF is due.

*4. Complexity and Burden*

The SFLF schema requires significant manual effort, especially formatting existing data.

ERP systems do not capture all required data, such as HR-related information, necessitating additional internal coordination.

Some questions in the SFLF are:

- Irrelevant to Australian tax (e.g. overseas IP licensing)
- Overly broad or undefined (e.g. asset transfers within MEC groups)
- Could unintentionally waive legal privilege

*5. Unnecessary Reporting*

The ITR schedules continue to expand with nothing significant removed or reduced, so they continue to add to our already bloated disclosure obligations and time commitment

**Transfer Pricing**

Generally, TP documents include information already provided in the Master File, Local File Part A and now the SFLF. Additionally, almost all of the information requested in the SFLF is already provided in either ITR (through the RTP specifically), Master File, TP Docs or other reporting.

TP documents are prepared because of the OECD requirement, but in Australia are rarely reviewed by tax authorities. Information contained in these documents is quite detailed and could quite easily replace all other forms of TP reporting if we were only to lodge TP Docs (with some minor adjustments to what we include in said docs).

An area that could be significantly reduced is the number of disclosures for Local Files. The majority of the relevant information for the ATO could be covered by 6-7 disclosures for each transaction, not the 40+ required. For example, entity name, counterparty, counterparty jurisdiction, expense / revenue amount, TP method, TP docs, intercompany agreement. Not sure why they'd need things like FX, Relevant Agreement Series etc.

Other comments in the TP space are as follows:

*Prior Agreement Disclosure (Part B)*

It should be sufficient to state that an agreement relevant to a transaction has previously been lodged. Requiring the name of the agreement and when it was previously lodged adds unnecessary complexity.

*Transfer Pricing Documentation Appendices*

Agreements and financial statements are routinely appended to transfer pricing documentation, which when submitted represent a duplication of those agreements and financial statements already submitted under the Local File - Part B.

*Deed Compliance (e.g. settlement deeds)*

Information requested for deed compliance has already been provided through other channels.

*Agreements: submitted under Local File - Part B*

Financial Statements: lodged with income tax returns, Local File – Part B and ASIC

Compliance workings: presented in post-lodgement presentation and detailed Excel files already shared with the ATO

*ETB Information Requests*

Noted instances where Transfer Pricing documentation has been lodged as requested, yet information is requested on matters covered within the Transfer Pricing document

*Fact patterns previously clarified (e.g. Deed Compliance report) are being queried again

*Queries on related party transactions which are no longer occurring, are unnecessary, as cessation is evident from the Local File – Part A disclosures

*Master File*

Global overview of the group's operations, transfer pricing policies, and intangibles which may duplicate high-level strategy and structure information contained in transfer pricing documentation.

Primarily comprises publicly available information from the company's website and annual report.

*Local File – level of documentation disclosures*

Taxpayers either maintain transfer pricing documentation, or they don't. The "level of documentation" disclosure requirement should be removed.

Related party transactions - level of detail provided in the Local File – Part A*For large taxpayers with extensive related party dealings, materiality should apply. Detailed disclosures for every transaction are impractical. Recommend limiting to:

Providing all current detailed disclosure requirements for the top 10 transactions by materiality, or transactions above a defined threshold. Only listing the counterparty and quantum of transactions for the transactions falling outside of the top 10 or for the immaterial ones.

OR

Only disclosing the top 10 transactions by materiality, or transactions above a defined threshold

- R&D incentive: Very detailed process required to support a R&D claim, and very specialised area
- RTP: Particularly now with IP PCG 2024/1, significant analysis required
- IDS: Given includes disclosures requiring analysis on CFC, thin cap, DDCR, anti-hybrids. Even when no or low risk for these, takes long time to prepare the disclosures

- Consolidated and MEC groups: Given we don't prepare consolidated FS that match our tax group, the consolidation process for the tax group entities is very convoluted.
- Get rid of the GAT
- As systems and technology improve it feels like those improvements have not led to a thoughtful process on how to reduce disclosures.
- The addition of PCG's and then requiring self-assessment against them is onerous and time consuming.
- The introduction of the “GAT” and “SAGR” in recent years as well as the new Local File requirements are clear examples of the move towards the excessive request for information by the ATO, which decreases productivity and increases inefficiency. The ATO cannot coherently explain why they need all the information they request and show no evidence of actually reviewing it in full when coming forward with RFIs as part of Justified Trust reviews.
- The voluntary transparency code should be terminated, and requirement should be terminated in favour of the CBC.
- CBC should be uniform with international disclosures; we still have a couple of things that are extra. we do them anyway, but others won't.
- Automation of tax consolidation and GST grouping forms would be helpful to ensure they are processed correctly at the time they are lodged with the ATO.

## Property Council Observations

| Number | Topic | Issue |
|---|---|---|
| 1 | **RAM - ATO portal access** | A two-step process is required for authorisation & access to the ATO Online Business Portal which includes (a) authorisation via relationship authorisation manager ("**RAM**") and (b) subsequent (additional) access to be provided via the ATO Access Manager. The additional second step in the process seems to be a new requirement since c. May 2025. This results in significant additional administrative steps for both Principal Authorities and for members of a company's internal tax team. |
| 2 | **RAM – new trusts** | When a new trust has been established within an existing trust group, RAM requires that the trustee company public officer is linked to the new trust's ABN in RAM. The current process requires that the public officer has to establish his association with the trustee company of a trust and then subsequently establish association to the trust over the phone - this could take over an hour on the phone. Even then, if the public officer requests a call back, there is no notification of timing when that will happen and often occurs at an inconvenient time. It would be preferable if an existing RAM administrator (not necessarily the public officer) for the trustee company could be authorised to link the new trust, online rather than via telephone. |
| 3 | **RAM - Company Secretary as Principal Authority** | For initial authorisation (via RAM) to be provided, a Principal Authority is required to complete a number of steps on the online RAM portal in the first instance. Presently, a Director or Public Officer can complete these steps as a Principal Authority. However, a Company Secretary is not deemed to be a Principal Authority for this process. Given a Company Secretary is an official officeholder and registered with ASIC, it would be helpful if a Company Secretary was treated as a Principal Authority for the purposes of the RAM portal which would require less administration for Directors/Public Officers. |
| 4 | **Registration detail updates (ASIC & ABR)** | For corporate entities, there is a requirement for registration details to be updated with ASIC. There is also a requirement for such details to be updated with the ABR. As such, a company is required to ensure that relevant updates are submitted twice through two Government portals, notwithstanding that the ATO cross-check |

| | | |
|---|---|---|
| | | corporate registration details with ASIC. It would significantly reduce a company's compliance administration if both registers were linked/interfaced e.g.: Director resignations/appointments. |
| 5 | **New entities - Non lodgement advice** | Entities that have commenced business with an active ABN are not able to submit a 'non-lodgement advice', as such they are required to submit a nil tax return which may necessitate engagement of a tax agent to lodge via SBR. It is routine to apply for an ABN when entities are established as it is an important identification number to be referred to in legal documents (especially trusts that do not have an ACN), however, an entity often does not have any income/deductions in the first year or multiple years of commencing business. We recommend that new entities are able to submit a non-lodgement advice if it has not yet had any business activities. |
| 6 | **ATO correspondence** | ATO correspondence (e.g. ABN/TFN issued, confirmation of changes to tax consolidated group) are still being physically mailed. The mail often gets lost in an office mail room since the correspondence is addressed to an entity rather than a contact person, and the contact person who submitted the application does not get notified when the correspondence is issued. As the ATO takes up to 28 business days to process applications and there are sometimes delays beyond that, the contact person may need to repeatedly check in with the mail room or ATO over several weeks to ensure the correspondence is received. If it is received, the correspondence then needs to be scanned and saved electronically. We propose that ATO correspondence should be by default issued on ATO Portal and emailed to the contact person on the application form. |
| 7 | **AIIRs for sub-trusts of MITs and AMITs** | Trusts that are subsidiaries of MITs and AMITs are required to prepare Annual Investment Income Reports ("**AIIR**s"). Several years ago, such trusts were able to get an exemption from the requirement to produce AIIRs, this exemption is no longer granted by the ATO. We propose the removal of this requirement due to the duplication of data. The same data can be obtained by the ATO from the data in the beneficiaries page in the trust returns of sub-trusts of MITs and AMITs. More meaningful data on distributions to ultimate beneficiaries can be obtained from AIIRs of the head MIT or AMIT. |

| | | |
|---|---|---|
| 8 | **CbC reporting – domestic SGEs** | We recommend that a significant global entity ("**SGE**") that only has operations in Australia should not have to lodge a country by country ("**CbC**") report, master file and local file (short form and Part A/B). |
| 9 | **CbC reporting - short form local file rules** | The short form local file rules are lengthy and expansive, and there is no comprehensive list of risks that the ATO is attempting to collect information on (e.g. Australian tax risks is not well defined). This results in uncertainty in identifying the appropriate information to disclose. |
| 10 | **CbC reporting - Local file lodgements for subsidiaries** | Where an SGE has Australian subsidiaries that are not members of a tax consolidated group, each such subsidiary is required to prepare a local file. This is particularly an issue for groups where the ultimate parent entity is a trust (e.g., an MIT or AMIT). If the trust only has operations and investments in Australia, not only does it have to meet CbC reporting obligations, but each of its subsidiaries also has to produce a local file.<br><br>If it was deemed necessary for a trust group only operating and investing in Australia to undertake CbC reporting obligations, at the very least its subsidiaries should not have to prepare local files. If necessary the head trust could prepare a local file covering the trust group, which would provide more relevant information than local files for each subsidiary. |
| 11 | **CbC reporting – Local file lodgements for trustees** | The lack of available exemptions from lodging a local file has created uncertainties as to whether the trustees of the trust are required to lodge a local file, even where the trustee does not have any activities apart from being the trustee of the trust. In most cases, the trustees do not have (and are not required to have) TFNs or ABNs. To be able to lodge a local file, the trustees will have to apply for a TFN which is a time-consuming administrative process. if the trustees lodge a local file, it would not contain meaningful information. |

| | | |
|---|---|---|
| 12 | **CbC reporting - short form local file for dormant entities** | Dormant entities are now also required to lodge a short form local file. the disclosures to be provided in the short form local file would not contain meaningful data apart from explaining that the business is dormant and that it does not have any personnel or activities. |
| 13 | **Public CbC reporting – domestic groups** | A trust group that has turnover of more than A$1 billion is required to comply with public CbC reporting obligations. A trust group with no operations or investments outside Australia is required to comply with these requirements, notwithstanding that it does not have any international operations, there are no international tax transparency risks and corporate tax does not apply (as a flow through entity). |
| 14 | **Public CbC reporting – inconsistent regimes** | Aligning and differentiating data across different regimes (Australian Public CbC reporting, OECD CbC reporting and EU Public CbC reporting) is a time-consuming and challenging exercise, particularly for Australian multi-national entities as the Australian requirements are the most different to the other CbC reporting regimes. Australia's departure from the OECD framework does not facilitate transparency and results in an undue compliance burden. |
| 15 | **Rental property schedule – MIT/AMITs** | Completion of the rental property schedule for property trusts should not be required where the trust itself is a MIT or AMIT, or a subsidiary of a MIT or AMIT, for which audited financial statements are prepared. |
| 16 | **GPFS – Dormant companies** | We recommend removing the requirement to prepare and lodge general purpose financial statements ("**GPFS**s") for dormant companies that are members of a SGE group (but not part of a tax consolidated group). Dormant companies that are members of groups that are subject to CbC reporting, but the company itself is not part of a tax consolidated group, would typically not have to lodge tax returns, but are required to prepare general purpose |

| | | |
|---|---|---|
| | | financial statements. This requirement does not provide meaningful data to the ATO (i.e. a dormant entity would have no income or expenses, and a nominal amount of capital). |
| 17 | **Review of IDS disclosures** | We recommend a review of international dealings schedule ("**IDS**") disclosures for items that are disclosed elsewhere (e.g., reportable tax position ("**RTP**") schedule and local file). We also recommend a review of the new questions related to thin capitalisation and debt deduction creation rules, which could be simplified |
| 18 | **Thin capitalisation – TPDT election form** | We recommend including the thin capitalisation third party debt test election in the return form to streamline the process. Instead of each trust filling out the ATO's TPDT pro-forma election form, the election could be included in the return (similar to the MIT capital account treatment election). |
| 19 | **Review of the RTP schedule** | We recommend a review of the RTP schedule for opportunities to simplify or take out scenarios not applicable to the taxpayer, also where disclosures on the same issue are required elsewhere. |
| 20 | **Register of Foreign Ownership of Australian Assets** | Review of the Register of Foreign Ownership of Australian Assets, to identify potential process improvements (e.g. bulk reporting functionality for those with a high volume of transactions to report, simplified RAM process for unit trusts, streamlined/bulk reporting of reorganisations or actions impacting multiple entities) and other improvements (e.g. exemption for subdivisions, removing duplication of information already available(for example state and territory land registers), extended reporting period for high volume entries). |

| | | |
|---|---|---|
| 21 | **GST – Annual supplementary schedule** | The notice to lodge the GST Annual Supplementary Schedule is sent directly to the contact details in the ATO system (potentially via automated email system) and bypasses tax agents. There are instances where the notice goes to contacts who have left the organisation or the email is sent to the junk folder by the recipients automated system. It is only when the schedule is past due that the ATO reach out to the tax agents. We recommend this notice is sent to the tax agent as well. |