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Reportable tax position schedule and instructions 2025

Instructions for completing the Reportable tax position (RTP) schedule 2025 (NAT 74066).

Published 7 February 2025

How to get the Reportable tax position schedule 2025



How to get a copy of the Reportable tax position schedule (RTP), instructions and other lodgment options.

What's new for the RTP schedule 2025?



Find out what's new in the RTP schedule for 2025.

Instructions to complete the RTP schedule 2025



Find out how to complete each section in the RTP schedule and how to lodge.

General administration for the RTP schedule



How to lodge, attach additional information and make changes to

Guide to understanding reportable tax positions



Read our guides on RTP-related issues.

Definitions in the RTP schedule



A list of legislative references and their definitions.

Examples: RTP group income, economic group and disclosures



Use our examples to self-assess, determine economic group and group income and work out what RTPs to disclose.

QC 103780

How to get the Reportable tax position schedule 2025

How to get a copy of the Reportable tax position schedule (RTP), instructions and other lodgment options.

Published 4 February 2025

On this page

Get the RTP schedule

Get the RTP schedule instructions

Who needs to complete the schedule?


Get the RTP schedule

You may be able to access and lodge the RTP schedule using the SBR-enabled software you use to complete and lodge your entity's tax return. You can use your software for both transactions to and from us.

If your software doesn't provide the RTP schedule for electronic lodgment, you can lodge:

- through Online services for business
- through Online services for agents
- by paper in portable document format (PDF) and post the schedule.

Download: [Reportable tax position schedule 2025 \(PDF 1.7MB\)](#) 

The *RTP schedule 2025* requires Adobe reader version 8 or higher. If you can't open the schedule, see [Adobe help and support](#) .

Using the PDF schedule

The PDF downloaded version of this form is interactive, and will:

- automatically update to display additional fields when you enter RTP numbers enabling you to provide disclosures
- provide field options for you to select from a drop-down menu
- expand certain fields allowing you to complete descriptions or additional text.

Get the RTP schedule instructions

For help preparing the schedule see, *Instructions to complete the RTP schedule 2025* or you can email ReportableTaxPosition@ato.gov.au.

The RTP schedule instructions 2025 aren't available in print.

You can create and save or print a PDF copy from this webpage – select the **Print or Download icon** under the page heading then select **PDF whole topic**.

Using the RTP instructions

Follow the instructions to complete the RTP schedule 2025. The RTP schedule forms part of your entity's tax return.

When we say 'you', we mean you as the person responsible for completing the *RTP schedule 2025*.

These instructions aren't a guide to income tax law. If you feel these instructions don't fully cover your circumstances, **contact us** or a recognised tax adviser.

Who needs to complete the schedule?

You need to complete the schedule if your entity:

- is lodging a company tax return for the entire year (12 months or more)
- has total business income of either
 - \$250 million or more in the current year
 - \$25 million or more in the current year and is part of an **economic group** with total business income of \$250 million or more in the current year.

If your entity meets the criteria, you need to lodge the RTP schedule 2025 even if it has no disclosures. You may still need to lodge the RTP schedule even if your entity doesn't meet the criteria. We will notify you directly if this is the case.

We provide examples in the instructions to help you:

- calculate your entity's **group income**
- work out who is in your entity's **economic group**
- assess if you need to lodge an RTP schedule if your entity is lodging a **stub return**.

For large private companies see **RTP schedule expansion to large private companies**.

Exceptions to lodgment

You don't need to lodge the schedule if your entity:

- doesn't need to lodge a company tax return for the income year (the RTP schedule is a schedule to the company tax return)
- has an income tax annual compliance arrangement (ACA) with us for the relevant income year and an agreement to provide:

- full and true disclosure
- ongoing dialogue of all material tax matters, including positions that fall within any RTP category.

If you're uncertain if your entity is required to lodge the RTP schedule you can email ReportableTaxPosition@ato.gov.au.

Positions you need to disclose

You only need to disclose Category **A** positions that exceed your entity's **materiality amount**.

All Category **C** positions must be disclosed in the RTP schedule.

If your entity is the head of a tax consolidated group, you need to disclose positions that meet the requirements to be an RTP under categories **A**, **B** and **C** for the head entity or any of its subsidiary group members.

Completing the schedule allows you to make informed decisions about positions your entity has taken or is considering taking.

What you must report on your entity's tax return

If you are required to lodge an RTP schedule, you must answer **Yes** to item **25** of the *Company tax return 2025*.

Continue to:

- What's new for the RTP schedule 2025?
- Instructions to complete the RTP schedule 2025

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What's new for the RTP schedule 2025?

Find out what's new in the RTP schedule for 2025.

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On this page

New questions in the RTP schedule

Changes in the RTP schedule

Questions removed from the RTP schedule

New questions in the RTP schedule

The following are new Category C questions in the RTP schedule 2025:

- Question 46: application of certain aspects of the 'liable entity' and 'hybrid payer' definitions to your arrangements (Taxation Determination TD 2024/4).
- Question 47: restructure(s) in response to the debt deduction creation rules (DDCR) in Subdivision 820-EAA of the ITAA 1997.

Changes in the RTP schedule

The following changes have been made in the RTP schedule 2025:

- Question 17, minor changes.
- Question 22, changes made to the comments field to align with local file short form lodgment.
- Question 23, changes made to the comments field.
- Question 44, adjustment to subcategories, minor edits and changes to the comments field to align with local file short form lodgement.
- Question 45, adjustment to subcategories, minor edits and changes to the comments field to align with local file short form lodgement, see Practical Compliance Guideline **PCG 2024/1** *Intangibles migration arrangements*.

Questions removed from the RTP schedule

The following Category **C** question has been removed:

- Question 10, due to legislative changes, see Taxpayer Alert **TA 2016/9** *Thin capitalisation - Incorrect calculation of the value of*

'debt capital' treated wholly or partly as equity for accounting purposes.

[Continue to: Instructions to complete the RTP schedule 2025](#)

[Return to: How to get the Reportable tax position schedule 2025](#)

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Instructions to complete the RTP schedule 2025

Find out how to complete each section in the RTP schedule and how to lodge.

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Section A: Taxpayer details



How to complete Section A: Taxpayer details on the RTP schedule.

Section B: Category A and B reportable tax positions



How to complete Section B: Category A and B RTPs.

Section C: Category C reportable tax positions



How to complete Section C: Category C RTPs.

Section D: Declaration and signature



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Section A: Taxpayer details

How to complete Section A: Taxpayer details on the RTP schedule.

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On this page

Name of entity

Tax file number

Australian business number (ABN)

Period this schedule covers

Name of entity

The name you write on the schedule must be the same as the name you show on the company tax return.

Tax file number

The tax file number (TFN) you write on the schedule must be the same as the TFN you show on the company tax return.

Australian business number (ABN)

The company ABN you write on the schedule must be the same as the ABN you show on the company tax return.

Period this schedule covers

Write the period this schedule covers using format, DD/MM/YYYY. This period is your entity's income year.

Continue to: [Section B: Category A and B reportable tax positions](#)

[Return to: Instructions to complete the RTP schedule 2025](#)

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Section B: Category A and B reportable tax positions

How to complete Section B: Category A and B RTPs.

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[What to disclose in Section B](#)

[Category A: Tax uncertainty in your entity's company tax return](#)

[Category B: Tax uncertainty in financial statements](#)

[How many Category A and B RTPs are you reporting?](#)

[RTP number](#)

[Have you discussed this position with the ATO?](#)

[RTP category](#)

[Concise description](#)

[Basis for position](#)

What to disclose in Section B

In Section **B**, you need to disclose Category **A** and **B** reportable tax positions.

You only need to disclose Category **A** positions that exceed your entity's **materiality amount**.

You must confirm if your entity has any Category **A** or Category **B** disclosures.

You must disclose tax positions that are both a Category **C** and Category **A** or **B** under Section **C**. You must select **No**, if your entity has an RTP that is both a Category **C** and Category **A** or **B**.

If you select **No**, go to **Section C: Category C reportable tax positions**.

If you select **Yes**, the next question will ask how many Category **A** or **B** RTPs you're reporting.

Category A: Tax uncertainty in your entity's company tax return


A Category **A** RTP is one where, given relevant authorities, you consider the position is either:

- about as likely to be correct as incorrect
- less likely to be correct than incorrect.

For more information, see **Guide to understanding reportable tax positions**.

Category B: Tax uncertainty in financial statements

You must disclose a position as a Category **B** RTP where your entity:

- prepares **financial statements** in accordance with the relevant accounting standards, including but not limited to applying [AASB Interpretation 23 Uncertainty over income tax treatments \(PDF, 325 KB\)](#)  in recognising, measuring and disclosing uncertain tax positions
- recognises an uncertain tax position or disclosed a contingent liability for a position (asset) in its financial statements for the corresponding income year.

The concepts of recognition, measurement and disclosure are in accordance with **accounting principles**.

How many Category A and B RTPs are you reporting?

Write the total number of RTPs you're reporting at the question field – **How many Category A and B reportable tax positions (RTPs) are you reporting?**

RTP number

You must complete the **RTP number** field using the format:

- YYYY for the relevant income year for the RTP – for example, 2025
- follow the relevant income year with a dash (-)
- follow the dash with the number in the box beside the RTP at the top of the section for that disclosure, placing a zero (0) before numbers less than 10.

There should be no spaces in the RTP number. Numbers should be sequential in the order you report the positions.

For example, number the first RTP 2025-01, with each subsequent RTP numbered 2025-02, 2025-03.

Have you discussed this position with the ATO?

For each disclosure you make you must confirm if you (or another representative of your entity) have previously discussed the disclosure with us.

Select from the drop-down menu, either **Yes** or **No**.

You must complete all fields for each disclosure, no matter what answer you provide.

RTP category

Select from the drop-down menu the category of RTP you're reporting in the **RTP category**:

- **A** for Category **A**
- **B** for Category **B**

- **A & B** (for both categories).

Concise description

In the **Concise description** field, type a brief description of each Category **A** or **B** RTP. Briefly describe the arrangements or transactions, including the facts and circumstances, relevant to the position you're disclosing.

Positions covered by a private ruling

Where a position is covered by a **private ruling**, you only need to provide us with the reference number for the ruling in the **Concise description** field. We may also refer to this as the authorisation number.

You can find the relevant reference number in the top right corner of correspondence from us.

Positions covered by an advance pricing arrangement application

You must disclose a position subject to an **advance pricing arrangement (APA)** application if it meets the criteria for a Category **A** or **B** RTP. You must disclose these positions even if we accept the application into our APA program.

Where an APA application covers a position, only provide us with the APA application reference number in the **Concise description** field.

You can find the relevant reference number in the top right corner of APA application correspondence from us.

For examples, see [Disclosing RTPs on the schedule](#).

Basis for position

Outline the position you take in your entity's tax return and the basis for that position, including:

- specific references in any legislation your entity is relying on – don't just refer to a division or subdivision

- all relevant authorities you use when concluding the likelihood of the position
- any industry or administrative practices.

Where the position is covered by:

- a private ruling, type only **private ruling** in the **Basis for position** field, unless there are material differences in the arrangement or transaction you implement to the description in the ruling – if material differences exist, you must state them in the **Basis for position** field
- a ruling application that has been withdrawn, type only **private ruling application – withdrawn** in the **Basis for position** field
- an APA application, type only **APA application** in the **Basis for position** field.

For examples, see [Disclosing RTPs on the schedule](#).

In the PDF schedule, the **Basis for position** field accepts 3,000 characters or approximately 500 words. If you require, you can attach additional information.

Continue to: [Section C: Category C reportable tax positions](#)

Return to: [Instructions to complete the RTP schedule 2025](#)

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Section C: Category C reportable tax positions

How to complete Section C: Category C RTPs.

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On this page

What to disclose in Section C

Did you have any Category C RTPs for the 2024–25 income year?

How many Category C RTPs are you reporting?

Have you discussed this position with the ATO?

RTP Category C question and subcategory

Comments

What to disclose in Section C

In Section **C** you need to disclose Category **C** RTPs. You must complete all the mandatory fields for each RTP you're reporting.

The questions will tell you if you need to consider **materiality**. When the question doesn't include any materiality criteria, you must disclose a Category **C** RTP if the arrangement, transaction or circumstances it covers is relevant for your entity.

Unless we specify otherwise, the questions refer to arrangements or transactions:

- in place at any time in the income year
- your tax return covers and the schedule accompanies.

You don't need to disclose an arrangement for a Category **C** question referencing a taxpayer alert if:

- we review the arrangement and advise we won't be taking further action
- there has been no material change to the arrangement since our review.

Did you have any Category C RTPs for the 2024–25 income year?

You must confirm if your entity has any Category **C** disclosures.

Select from the drop-down menu, either **Yes** or **No**.

If you select **No**, go to Section D: Declaration and signature.

If you select **Yes**, the next question **will ask how many Category C RTPs you are reporting?**

How many Category C RTPs are you reporting?

Write the total number of Category **C** RTPs you are reporting.

You will need to follow the instructions for answering individual Category **C** questions to ensure you make a complete disclosure.

Using the PDF schedule

In the PDF version, once you enter the number of RTPs you are disclosing and move off the field, it will automatically display the required number of fields to make the disclosures.

Have you discussed this position with the ATO?

For each disclosure you make, you must confirm if you (or another representative of your entity) have previously discussed the disclosure with us. You must complete all fields for each disclosure, no matter what answer you provide.

Select from the drop-down menu, either **Yes** or **No**.

RTP Category C question and subcategory

Write the number of the Category **C** question you are disclosing in the **RTP Category C question** field. If there are subcategories, enter the relevant subcategory in the **RTP Category C subcategory** field.

If your entity has multiple positions covered by a single question, the question will tell you how to disclose this. You may need to select the appropriate subcategory or make a disclosure for each position.

For all Category **C** questions, you must make a disclosure if your entity had an arrangement covered by a question at any time during the year. If the arrangement is no longer in place at the time of preparing your entity's tax return, note this in the **Comments** field.

Comments

Some questions specify the information you must provide in this field.

If a question doesn't require information in the **Comments** field, we encourage you to briefly explain your entity's arrangements. Doing so may mean we:

- don't need to contact you for more information
- can target the questions we ask if we do require more information.

Question 1

Question removed as the information is collected through other means.

Question 2

Question removed. A new integrity measure addresses concerns raised in Taxpayer Alert **TA 2015/2** *Franked distributions funded by raising capital to release franking credits to shareholders*.

Question 3

Has your entity entered into arrangements, or variation of arrangements, described in Taxpayer Alert **TA 2015/5** involving the use of offshore entities that source goods (procurement hubs)?

Question 4

Question removed due to legislative changes.

Question 5

Question removed as the information is collected through other means.

Question 6

Question removed as the arrangement falls within Schedule 2 of Practical Compliance Guideline **PCG 2017/4** *ATO compliance approach to taxation issues associated with cross-border related party financing arrangements and related transactions* and the risk rating under Schedule 2 you must disclose at question 23.

Question 7

Question removed as the information is collected through other means.

Question 8

Question removed due to legislative changes.

Question 9

If your entity has related party dealings involving centralised services hub arrangements, disclose the outcome you have self-assessed using the applicable schedule in Practical Compliance Guideline **PCG 2017/1** *ATO compliance approach to transfer pricing issues related to centralised operating models involving procurement, marketing, sales and distribution functions*. Disclose the outcome you have self-assessed for **each** hub arrangement your entity has involvement in.

For offshore marketing hub arrangements:

- Subcategory 1: white zone
- Subcategory 2: green zone
- Subcategory 3: blue zone
- Subcategory 4: yellow zone
- Subcategory 5: amber zone
- Subcategory 6: red zone
- Subcategory 7: red zone, didn't apply ATO risk methodology or calculate tax impact.

For offshore non-core procurement hub arrangements:

- Subcategory 11: white zone
- Subcategory 12: green zone
- Subcategory 13: blue zone
- Subcategory 14: yellow zone
- Subcategory 15: amber zone
- Subcategory 16: red zone
- Subcategory 17: red zone, didn't apply ATO risk methodology or calculate tax impact.

Write the relevant subcategory number in the **RTP Category C subcategory** field.

In the comments section, provide for each disclosed arrangement under:

- Schedule 1, the goods or commodities sourced from Australia and sold through the marketing hub arrangement, or
- Schedule 2, the goods or services acquired through the non-core procurement hub arrangement.

If the arrangement has been subject to a review by us, provide our reference number in the **Comments** field. This can be found in the top right corner of correspondence from us relating to the review.

If you have discussed the arrangement with us, outside of a formal review product, provide details of the discussion in the **Comments** field.

Question 10

Question removed due to legislative changes.

Question 11

Is your entity currently involved in cross-border, round robin financing arrangements using an arrangement, or variation of an arrangement, described in Taxpayer Alert *TA 2016/10 Cross-Border Round Robin Financing Arrangements*?

Question 12

Was your entity party to an arrangement separating an integrated trading business into parts that results in trading income being re-characterised into more favourably taxed passive income?

For more guidance, see Taxpayer Alert *TA 2017/1 Re-characterisation of income from trading businesses*.

Question 13

Has your entity claimed the R&D tax incentive using an arrangement, or variation of an arrangement, as per the descriptions in the subcategories below?

- Subcategory 1: Taxpayer Alert TA 2017/2 *Claiming the Research and Development Tax Incentive for construction activities*
- Subcategory 2: Taxpayer Alert TA 2017/3 *Claiming the Research and Development Tax Incentive for ordinary business activities*
- Subcategory 3: Taxpayer Alert TA 2017/4 *Claiming the Research and Development Tax Incentive for agricultural activities*
- Subcategory 4: Taxpayer Alert TA 2017/5 *Claiming the Research and Development Tax Incentive for software development activities*
- Subcategory 5: More than one of the Taxpayer Alert subcategories applies.

Write the relevant subcategory number in the **RTP Category C subcategory** field.

If more than one taxpayer alert subcategory applies, write the relevant Taxpayer Alert references in the **Comments** field.

Question 14

If your entity has cross-border related party finance arrangements, disclose the outcome you have self-assessed using **PCG 2017/4 ATO compliance approach to taxation issues associated with cross-border related party financing arrangements and related transactions**. Use Schedule 1 and/or Schedule 3 for the 3 most material arrangements.

If your entity has a cross-border related party finance arrangement with a higher risk rating to the 3 already disclosed, you must also disclose this arrangement.

Include each arrangement as a separate disclosure on the RTP schedule.

Materiality is determined by the loan amount in Australian dollar equivalent. Use the instructions for question 11 of the *International dealings schedule 2025* (IDS) to determine materiality.

For related party debt funding arrangements under Schedule 1:

- Subcategory 1: white zone
- Subcategory 2: green zone
- Subcategory 3: blue zone

- Subcategory 4: yellow zone
- Subcategory 5: amber zone
- Subcategory 6: red zone
- Subcategory 7: red zone, if you have not applied Schedule 1.

For related party outbound interest-free loans under Schedule 3:

- Subcategory 11: white zone
- Subcategory 12: green zone
- Subcategory 13: blue zone
- Subcategory 14: yellow zone
- Subcategory 15: amber zone
- Subcategory 16: red zone
- Subcategory 17: red zone, if you have not applied Schedule 3.

Enter the relevant subcategory number in the **RTP Category C subcategory** field.

For each of the arrangements you disclose, provide in the **Comment** field:

- the currency of the loan
- the rate of interest (if variable, the base rate and margin)
- the Australian dollar equivalent loan amount
- if the arrangement is an outbound or inbound loan
- If the arrangement has been subject to any review by us, provide our reference number. This can be found in the top right corner of correspondence from us relating to the review. If you have discussed the arrangement with us outside a formal review product, provide details of the discussion.

Question 15

Question removed as the information is collected through other means.

Question 16

Question removed.

Question 17

At any stage during the income year, did your entity have cross-border financing arrangements with an **international related party** (including back-to-back arrangements through third parties) where it claimed a tax deduction for interest, an amount in the nature of interest, or any other loss it made on a financial arrangement under Division 230 and interest withholding tax wasn't remitted because a withholding tax liability isn't expected to arise within the next 18 months.

For more guidance, see Taxpayer Alert *TA 2018/4 Accrual deductions and deferral or avoidance of withholding tax*.

Question 18

Question removed as the information is collected through other means.

Question 19

If your entity has reached a formal settlement agreement or future compliance arrangement with us that applies to the current income year, disclose the outcome of your entity's terms of agreement using the following subcategories:

- Subcategory 1: your entity breached one or more of the terms of the settlement deed or future compliance arrangement.
- Subcategory 2: changes in the relevant and material facts, as disclosed in the deed or arrangement, have occurred.
- Subcategory 3: your entity is compliant with the terms of settlement deed or future compliance agreement.

Write the relevant subcategory number in the **RTP Category C subcategory** field. Write the number **1** if both 1 and 2 subcategories apply.

In the **Comment** field, provide details of the circumstances relevant to the subcategory and provide our reference number for the settlement agreement or forward compliance arrangement. This can be found in the top right corner of correspondence from us related to the settlement or agreement.

Question 20

Question removed as the information is collected through other means.

Question 21

Are you aware of any unamended mistakes or omissions in any single tax return lodged by your entity within 4 years of the lodgment date of this RTP schedule where, if you amend all mistakes or omissions in that tax return, it would result in either:

- more than \$1.5 million in tax being payable (or would have been payable had it not been offset, for example by losses from prior income years)
- more than \$5 million in losses (including capital losses).

For the purposes of this calculation, only count mistakes and omissions your entity hasn't previously notified us of.

In the **Comments** field, provide details of the mistakes or omissions, the:

- tax returns the mistakes or omissions applies to
- nature of the mistakes or omissions
- amount of tax payable or losses the mistakes or omissions would result in.

Question 22

If your entity has restructured out of any arrangements in the current year to which the hybrid mismatch rules applied, or would have applied had the arrangements remained in place, disclose the subcategory that describes your entity's current position:

- Subcategory 1: all restructured arrangements qualify as low risk under Practical Compliance Guideline PCG 2018/7
- Subcategory 2: one or more of the restructured arrangements don't qualify as low risk under PCG 2018/7.

In considering whether the hybrid mismatch rules would apply you must disregard dual inclusion income.

Write the relevant subcategory number in the **RTP Category C subcategory** field.

For arrangements that are not low risk, in the **Comment** field provide:

- details of the restructured arrangement

- basis on which the arrangement didn't qualify as low risk under PCG 2018/7.

If you have disclosed the details of the restructured arrangement as part of your disclosure for the income year in the restructures section of your local file short form lodgment, you may refer us to that disclosure in your comments. You are still required to provide the basis on which the arrangement didn't qualify as low risk under PCG 2018/7.

For the income year 2025 only, if you're not lodging your local file short form 2025 together with the lodgment of your tax return 2025, note that the information we require in the RTP schedule about the arrangement will be disclosed in your short form 2025 by the local file short form due date.

Question 23

If your entity has related party derivative arrangements, disclose the outcome you have self-assessed using PCG 2017/4, Schedule 2 for the 3 most material arrangements.

If your entity has a related party derivative arrangement with a higher risk rating than the 3 already disclosed, you must also disclose this arrangement.

Include each arrangement as a separate disclosure on the RTP schedule.

Determine materiality by the hedged item amount in Australian dollar equivalent.

- Subcategory 1: white zone
- Subcategory 2: green zone
- Subcategory 3: blue zone
- Subcategory 4: yellow zone
- Subcategory 5: amber zone
- Subcategory 6: red zone
- Subcategory 7: red zone, if you have not applied Schedule 2.

Write the relevant subcategory number in the **RTP Category C subcategory** field.

In the **Comment** field for each **red** and **amber** arrangement you disclose, provide the:

- underlying transaction hedged by the derivative, including the loan quantum in Australian dollar equivalent
- commercial and operational reasons for borrowing in a foreign currency
- name and location of the counterparty for the derivative and hedged item.

In the **Comment** field for all other arrangements, if the arrangement has been reviewed by us, provide our reference number. This can be found in the top right corner of correspondence from us relating to the review. If you have discussed the arrangement with us outside a formal review product, provide details of the discussion.

Question 24

If your entity has related party dealings involving inbound distribution arrangements, in the **RTP Category C subcategory** field write either:

- **9** – where your entity hasn't self-assessed the risk zone of the arrangements using Practical Compliance Guideline PCG 2019/1 *Transfer pricing issues related to inbound distribution arrangements*
 - If your entity has adopted the distributor simplified transfer pricing record keeping option in Practical Compliance Guideline PCG 2017/2 *Simplified transfer pricing record-keeping options*, record PCG 2017/2 applied in the **Comments** field.
 - If paragraph 49 of PCG 2019/1 applies to your entity's arrangements, record in the **Comments** field which exclusion categories (from paragraph 49) apply.
- The appropriate number from the table below, where your entity has self-assessed the risk zone of the arrangements using PCG 2019/1.

RTP Category C subcategory field – risk assessment ratings

Category	Low risk	Medium risk	High risk

General distributor – Schedule 1 (not in an industry sector specifically covered by a separate schedule)	11	12	13
Category 1 Life science industry – Schedule 2	21	22	23
Category 2 Life science industry – Schedule 2	31	32	33
Category 3 Life science industry – Schedule 2	41	42	43
Category 1 ICT industry – Schedule 3	51	52	53
Category 2 ICT industry – Schedule 3	61	62	63
Motor vehicles industry – Schedule 4	71	72	73

Select the industry sector you believe best describes your entity. If the schedule for this industry sector has different categories of activities that generate value, select the one you believe best reflects the inbound distribution arrangement.

Calculate your entity's 5-year weighted average **EBIT margin** based on financial information without making adjustments for comparability purposes. This reflects how the profit markers in **PCG 2019/1** have been constructed.

If your entity hasn't lodged tax returns for each of the 5 preceding income years, calculate the EBIT margin on a weighted average over the preceding years of consecutive lodgements.

If your entity has an inbound distribution arrangement but you can't determine an EBIT margin for the arrangement, answer with Subcategory 9 indicating you didn't apply PCG 2019/1. Provide the reason you couldn't determine the EBIT margin in the **Comments** field.

Question 25

Has your entity claimed deductions for expenses incurred under arrangements with offshore **related or unrelated** parties and used intangible assets held by an offshore party in connection with these arrangements, where the arrangements don't appropriately recognise an amount as consideration for the use of the intangible assets.

Write the number one (1) in the **RTP Category C subcategory** field.

Has your entity claimed deductions for expenses incurred under arrangements with offshore **related** parties and used intangible assets held by an offshore **related** party in connection with these arrangements, where one of the following subcategories applies:

- Subcategory 2: your entity hasn't applied the arm's length principle in determining the appropriate consideration for the use of the intangible assets.
- Subcategory 3: your entity has considered the arm's length principle in determining the appropriate consideration for the use of the intangible assets, but the arrangement isn't covered by section 284–255 of *Taxation Administration Act 1953* compliant transfer pricing documentation.

Write the relevant subcategory number in the **RTP Category C subcategory** field.

If multiple subcategories apply to a single arrangement, record the lowest subcategory. For example, if both subcategories 1 and 2 apply, record subcategory 1.

If your entity has more than one arrangement you will need to disclose each arrangement separately, unless the criteria for **treating similar arrangements or transactions as a single position** apply. In this case, record the number of arrangements in the **Comments** field.

For more guidance, see Taxpayer Alert *TA 2018/2 Mischaracterisation of activities or payments in connection with intangible assets*.

Question 26

If your entity is a multiple entry consolidated (MEC) group, has it entered into arrangements, or variation of arrangements, as described in Taxpayer Alert *TA 2019/1 Multiple entry consolidated (MEC) groups avoiding CGT through intra-group debt*. And where a group CGT asset (with a large unrealised capital gain) is sold through an eligible tier 1 company (with significant intra-group debt), which is subsequently

sold to a third party who undertakes to extinguish the intra-group debt?

Question 27

Question removed as information is collected through other means.

Question 28

If your entity is a private company that is the head entity of a consolidated group, did any of the consolidated group members (including the head entity) make a loan to the head entity's shareholders or their associates that are external to the consolidated group where all the following apply:

- the loan is not compliant with the terms of section 109N
- the loan was not repaid by the lodgment date
- no statement has been provided to the recipient advising of a deemed dividend.

For more guidance, see:

- Taxation Determination TD 2004/68 *Income tax: consolidation: Division 7A: if a private company that is a head company or subsidiary member of a consolidated group makes a payment or a loan, or forgives a debt to a shareholder (or shareholder's associate) external to the consolidated group, does the single entity rule apply to the calculation of the distributable surplus under section 109Y of the Income Tax Assessment Act 1936?*
- Taxation Determination TD 2018/13 *Income tax: Division 7A: can section 109T of the Income Tax Assessment Act 1936 apply to a payment or loan made by a private company to another entity (the 'first interposed entity') where that payment or loan is an ordinary commercial transaction?*

Question 29

Has your entity been part of an arrangement with the description of either:

- Subcategory 1: Your entity has subscribed for a controlling share of units in a unit trust (where they didn't own a controlling share in the prior year), which had a debt to another party that was the trust's

associate before the subscription and where the proceeds of the subscription were used to repay the debt?

- Subcategory 2: Your entity has or had an associate unit trust which, in the current or 4 previous income years, transferred assets into a second unit trust relying on CGT rollover relief under Subdivision 126–G of *Income Tax Assessment Act 1997* (ITAA 1997), and where the unit holdings in the second trust have subsequently changed to the extent that it is no longer your associate?

For more guidance, see Taxpayer Alert **TA 2019/2** *Trusts avoiding CGT by exploiting restructure rollover* .

Write the relevant subcategory number in the **RTP Category C subcategory** field.

Write the number **2** if both subcategories apply.

Question 30

Question removed.

Question 31

In the current, or 4 prior income years, has your entity, or an entity your entity controls, claimed a full credit or offset for foreign income tax paid where less than 100% of the related foreign income (including capital gains) is included in their Australian assessable income?

For more guidance, see, ATO Interpretative Decision **ATO ID 2010/175** *Foreign income tax offset: entitlement where foreign capital gain is only partly assessable in Australia*.

Question 32

Question removed due to new advice and guidance, new questions 44 and 45 replace this question.

Question 33

Has your entity entered into any arrangements or schemes, or variation of arrangements, described in Taxpayer Alert **TA 2020/2** *Mischaracterised arrangements and schemes connected with foreign investment into Australian entities*, where the structure used by foreign investors to invest directly into an Australian business has been mischaracterised?

In the **Comments** field, provide:

- the foreign investor's identity
- a brief description of what features, if any, aren't consistent with vanilla debt or equity investments
- a brief explanation of how the investment provides the foreign investor with any direct exposure to the economic return from a particular business or assets exploited in the business.

Question 34

Has your entity entered into any arrangements, or variation of arrangements with a non-resident related party, as per descriptions in Taxpayer Alert *TA 2020/3 Arrangements involving interposed offshore entities to avoid interest withholding tax* and claimed a deduction for interest expenses under that arrangement?

Question 35

Has your entity either:

- Subcategory 1: entered into an arrangement, or a variation of an arrangement, described in Taxpayer Alert *TA 2020/4 Multiple entry consolidated groups avoiding capital gains tax through the transfer of assets to an eligible tier-1 company prior to divestment* involving the transfer of assets within a MEC group and an ET-1 company leaving the MEC group or an ET-1 company anticipated to leave the MEC group in future?
- Subcategory 2: entered into an arrangement, or a variation of an arrangement, involving the transfer of assets within a MEC group and an ET-1 company leaving the MEC group or an ET-1 company anticipated to leave the MEC group in the future?
- Subcategory 3: entered into an arrangement where 1 or more companies became an ET-1 company and there was a transfer of assets to any of those ET-1 companies?

Question 36

Has your entity entered into any arrangements, or variation of arrangements, described in Taxpayer Alert *TA 2020/5 Structured arrangements that provide imputation benefits on shares acquired where economic exposure is offset through use of derivative*

instruments, and obtained imputation benefits relating to a parcel of Australian shares it holds (either directly or indirectly) where it has offset its economic exposure to those shares, or an Australian equities index, through the use of derivative instruments?

Question 37

Question removed due to legislative changes.

Question 38

Question removed.

Question 39

Has your entity made payments to an entity that is a member of your entity's Division 832 control groups and those payments would, prior to the application of Subdivision 832-H, result in an income tax deduction in the current income year?

Disclose the outcome you have self-assessed using Practical Compliance Guideline **PCG 2021/5** *Imported hybrid mismatch rule* - ATO's compliance approach.

- Subcategory 1: white zone
- Subcategory 2: green zone
- Subcategory 3: blue zone
- Subcategory 4: yellow zone
- Subcategory 5: amber zone
- Subcategory 6: red zone 1
- Subcategory 7: red zone 2
- Subcategory 8: red zone, if you haven't applied PCG 2021/5.

Write the relevant subcategory number in the **RTP Category C subcategory** field.

In the **Comments** field, provide:

- if the arrangement rating is **red** or **amber**, the reason the arrangement falls in that zone
- if subcategory 8 applies, the reason you didn't apply the PCG.

Question 40

Has your entity entered into any arrangement with a related overseas entity as described in Taxpayer Alert *TA 2021/2 Disguising undeclared foreign income as gifts or loans from related overseas entities*, involving the inflow of funds to Australia as a gift or an advance of funds by way of a loan? If the advance of funds was by way of a loan, disclose the arrangement only where one or more of the following applies:

- there has been no repayment of the loan
- the repayments made were less than the interest incurred
- the loan has been refinanced to the same related overseas entity or an associate.

Question 41

During the year, did your entity:

- enter into an arrangement, or variation of an arrangement, as described in Taxpayer Alert *TA 2022/2 Treaty shopping arrangements to obtain reduced withholding tax rates*
- obtain a reduced withholding tax rate under one of Australia's double tax agreements in relation to royalty or unfranked dividend payments arising from an arrangement, or variation of an arrangement, described in *TA 2022/2* entered into on or after 1 July 2021.

Question 42

Has your entity treated global intangible low-taxed income (GILTI) as 'subject to foreign income tax' in the United States under section 832-130 of the *Income Tax Assessment Act 1997*?

For more guidance, see, Taxation Determination *TD 2022/9 Income tax: is section 951A of the US Internal Revenue Code a provision of a law of a foreign country that corresponds to sections 456 or 457 of the Income Tax Assessment Act 1936 for the purpose of subsection 832-130(5) of the Income Tax Assessment Act 1997?*.

In the **Comments** field please provide the:

- amount of GILTI your entity has used to reduce the amount of its deduction/non-inclusion mismatches

- amount of GILTI your entity has treated as dual inclusion income
- subsection of section 832–130 your entity treated GILTI as 'subject to foreign income tax' in the United States, subsection 832–130(5), subsection 832–130(1) or both.

Question 43

Has your entity participated in any arrangements where the profits of a private company have been accessed in a tax-free form (that is, without an additional tax liability) by arranging for the profits to be passed to your entity or another participant through an interposed holding company using an arrangement, or variation of an arrangement, described in Taxpayer Alert TA 2023/1 *Interposition of a holding company to access company profits tax-free*?

Question 44

If your entity has any international related party Intangibles Migration Arrangements that involve a Migration of intangible assets in the current income year (within the meaning set out in paragraph 3 of Practical Compliance Guidance PCG 2024/1 *Intangibles migration arrangements*), and the Migration arrangement is not an Excluded Intangibles Arrangement (see paragraph 39 PCG 2024/1) disclose the risk rating you have self-assessed under Table 1 of the Risk Assessment Framework in PCG 2024/1 for the 3 most material Migration arrangements.

If in the current year, your entity has entered into one or more Migration arrangements with a higher risk rating under Table 1 of the Risk Assessment Framework than the 3 most material arrangements disclosed, you must also disclose each of those other arrangements.

Include each arrangement as a separate disclosure on the RTP schedule.

Materiality is determined using the instructions to question 17 of the *International dealings schedule* (IDS).

If you're making a disclosure in question 17 of the IDS or in the restructures section of your local file short form lodgment for the current year regarding a restructuring event or new arrangement which is also an Intangibles Migration Arrangement (within the meaning of PCG 2024/1), you can refer to that as one of your disclosures and make the relevant reference in the comments section.

Write the relevant subcategory number in the **RTP Category C subcategory** field:

- Subcategory 1: Green (lower risk)
- Subcategory 2: Blue (lower to medium risk)
- Subcategory 3: Amber (medium risk)
- Subcategory 4: Red (higher risk)
- Subcategory 5: White Zone
- Subcategory 6: high risk, if you have not applied PCG 2024/1.

Note: if an Intangibles Migration Arrangement has been disclosed in question 17 of the IDS or in the restructures section of your local file short form lodgement for the current year, and you refer to that disclosure in your RTP schedule you don't need to provide the below details to the extent you have already disclosed them.

For the 2025 year only, if you're not lodging your local file short form 2025 together with the lodgment of your tax return 2025, note that you will disclose the information we require in the RTP schedule about the arrangement in your short form 2025 by the local file short form due date.

For each arrangement you disclose, include in the **Comments** field:

- a summary of each arrangement, including the type of arrangement (for example, a sale or licence) and the entities involved
- a summary of the intangible assets involved in each arrangement including a summary of the key connected DEMPE activities
- an indication of whether the arrangement has been disclosed in question 17 of the IDS or restructures section of your local file short form lodgement for the current income year.

Question 45

Other than Excluded Intangibles Arrangements (as defined in paragraph 39 of Practical Compliance Guidance PCG 2024/1 *Intangibles migration arrangements*), if your entity has any international related party Intangibles Migration Arrangements in the current year that didn't involve a Migration of intangible assets in the current year (within the meaning set out in paragraph 3 of PCG 2024/1), disclose whether there is any connection between those

arrangements and any prior Migration of intangible assets held by your entity in the last 5 years?

Write the relevant subcategory number in the **RTP Category C subcategory** field.

- Subcategory 1: Yes – one or more current arrangements has a connection with a prior Migration
- Subcategory 2: No – none of the current arrangements have any connection with a prior Migration
- Subcategory 3: Don't know whether one or more current arrangements have a connection to a prior Migration
- Subcategory 4: high risk, if you don't apply PCG 2024/1
- Subcategory 5: Yes – one or more current arrangements has a connection with a prior Migration and you disclose this in question 45 of the RTP Schedule in the previous income year.

Note: you don't need to provide the below details where you already disclose them in the IDS or the local file, other than to specify where you disclose this information in the **Comments** field, if you disclose the:

- prior Migration arrangement in question 17 of the IDS or if
- the current Intangibles Migration Arrangement is a new arrangement or restructuring event you enter into during the current year in the restructures section of your local file short form lodgment this year.

For the income year 2025 only, if you're not lodging your local file short form 2025 together with the lodgment of your tax return 2025, note that you will disclose the information we require in the RTP schedule about the arrangement in your short form 2025 by the local file short form due date.

If Subcategory 1 applies, in the **Comments** field provide for both the current arrangement and any connected past Migration of intangible assets:

- provide a summary of each arrangement, including type of arrangement (for example, sale or licence) and the entities it involves

- provide a summary of the intangible assets you involve in each arrangement including a summary of the key connected DEMPE activities
- whether you disclosed the prior Migration arrangement in question 17 of the IDS or the local file short form, and the income year you made the disclosure
- if you don't include certain details because you otherwise disclosed the information , provide details of the other disclosure (including the name of the form, question number and the income year).

Question 46

Has any entity in your 'Division 832 control group(s)' (as defined in section 832-205 of the ITAA 1997) made a payment(s) that:

- was not wholly subject to foreign income tax in accordance with section 832-130 of the ITAA 1997 in the recipient country for whatever reason; and
- either:
 - the recipient was a controlled foreign corporation (CFC) for United States federal income tax purposes and the payer was a direct or indirect disregarded entity of that CFC for United States federal income tax purposes
 - the payer and the recipient were direct or indirect disregarded entities of the same CFC for United States federal income tax purposes?

Disclose the subcategory that describes your entity's current position.

- Subcategory 1 – Your entity reviews the arrangements in your Division 832 control group(s) having regard to Taxation Determination TD 2024/4 *Income tax: hybrid mismatch rules - application of certain aspects of the 'liable entity' and 'hybrid payer' definitions* and identifies a hybrid payer in respect of the payment(s) made under the arrangement(s).
- Subcategory 2 – Your entity reviews the arrangements in your Division 832 control group(s) having regard to TD 2024/4 and determines that an entity is not a hybrid payer in respect of the payment(s) made under the arrangement(s). This conclusion is based on reasons including an interpretation of the 'liable entity'

definition in section 832-325 of the ITAA 1997 and/or the 'hybrid payer' definition in section 832-320 of the ITAA 1997 that is inconsistent with the Commissioner's view in TD 2024/4.

- Subcategory 3 – Your entity reviews the arrangements in your Division 832 control group(s) having regard to TD 2024/4 and determines that an entity is not a hybrid payer in respect of the payment(s) made under the arrangement(s). This conclusion is based on other reasons.

You must answer this question prior to consideration of the hybrid requirement in section 832-315 of the ITAA 1997 to the arrangement(s).

In the **Comments** field, provide:

- the name and jurisdiction of tax residency of the payer
- the nature of the payment(s) made by the payer
- the total amount of the payment(s) made by the payer (including the currency in which the payment(s) were made)
- the name and jurisdiction of tax residency of the recipient
- the foreign tax classification (in all relevant jurisdictions) of the payer and the recipient
- the name and jurisdiction of tax residency of the CFC (if different to the recipient)
- an explanation of your arrangement(s).

Question 47

If your entity has entered into any restructure(s) in response to the debt deduction creation rules (DDCR) contained in Subdivision 820-EAA of the ITAA 1997 in the current income year, and your entity is a general class investor, inward investing financial entities or outward investing financial entities which has not made a choice to use the third party debt test under subsection 820-46(4) of the ITAA 1997 for the income year, disclose the risk rating you have self-assessed under Table 1 of the Risk Assessment Framework in Practical Compliance Guidance *PCG 2024/D3 Restructures and the thin capitalisation and debt deduction creation rules - ATO compliance approach* separately for each of the restructure(s).

In the **Comments** section, please also provide the following information separately for each of the restructure(s):

- Identify and disclose the examples (if any) in **PCG 2024/D3** you rely upon in making your self-assessment of your risk rating for the restructure
- Provide a description of the restructure. In providing this description you can refer to and incorporate by reference the description of the restructure that you provided in the International Dealings Schedule or that you have provided in the restructures section of your local file short form lodgment. You're still required to identify and disclose the PCG 2024/D3 examples you relied on.

For the 2025 year only, if you're not lodging your local file short form 2025 together with the lodgment of your tax return 2025, note that you will disclose the information we require in the RTP schedule about the arrangement in your short form 2025 by the local file short form due date.

RTP Category C subcategory field:

- Subcategory 1: White zone
- Subcategory 2: Yellow zone
- Subcategory 3: Green zone
- Subcategory 4: Red zone.

The PDF schedule field accepts 3,000 characters or approximately 500 words. If you require you can attach additional information.

Continue to: **Section D: Declaration and signature**

Return to: **Instructions to complete the RTP schedule 2025**

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Section D: Declaration and signature

How to complete Section D: Declaration and signature.

On this page

Total number of pages being lodged

Declaration

Total number of pages being lodged

Write the total number of pages you're lodging including any attachments in **Total number of pages being lodged**.

Declaration

When the schedule is complete, the public officer must make a declaration that the information in the schedule and any attachments is true and correct.

To make the declaration:

- select the check box at **I declare that the information on this schedule is true and correct**.

In the declaration, include the:

- public officer's name and daytime phone number
- public officer's written or digital signature
- declaration date – in the PDF version, write the date in the box next to **Date**.

Signing the declaration

If you're lodging by post the public officer must print and sign the schedule.

If you're lodging through **Online services for business** or **Online services for agents**, the public officer must check the **I declare that the information on this schedule is true and correct** box. The public officer doesn't need to sign a print copy and should lodge the electronic form (rather than scanning a version) through our online services.

Continue to: [General administration for the RTP schedule](#)

Return to: [Instructions to complete the RTP schedule 2025](#)

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General administration for the RTP schedule

How to lodge, attach additional information and make changes to your RTP schedule.

Published 7 February 2025

On this page

[How to lodge the schedule](#)

[Attach additional information](#)

[Changing your entity's RTP schedule](#)

[Reasonable care](#)

How to lodge the schedule

You may be able to lodge the schedule as part of the tax return using the same SBR-enabled software you use to complete and lodge your tax return.

If your software doesn't provide the RTP schedule for electronic lodgment you can lodge through:

- [Online services for business](#)
- [Online services for agents](#)
- [post](#).

Online services

The best way to lodge is online as a mail message using either

- Online services for business
- Online services for agents.

To lodge using one of these online services:

- under **Communication**, select **Secure Mail**, select **New**
- Topic: **Income tax**
- Subject: **RTP schedule lodgment**
- write **20YY–YY** RTP schedule in the message details (with the relevant income year) to confirm the income year the schedule relates to
- attach the schedule (maximum size is 6 MB) and any attachments (maximum 6 files)
- check your message before sending to ensure the schedule and any attachments load
- **send** your mail message.

You will receive a confirmation and receipt number from us. Note the receipt number in case there are any issues. The message should remain in your sent items folder.

Post your documents

Alternatively, once you complete the schedule you can print and post it with any attachments to:

Australian Taxation Office
PO Box 9845
LOCALITY STATE POSTCODE

Don't use correction fluid or tape to make corrections to your schedule. If you make a mistake, make corrections electronically and print a new copy.

Attach additional information

You can provide additional information when you lodge the schedule through:

- Online services for business
- Online services for agents
- post
- SBR-enabled software as part of your tax return.

You must include your entity's ABN on each page you attach.

If you use Online services for business or Online services for agents to provide additional information, use the instructions for lodging the schedule online.

Write **20YY–YY RTP schedule attachments** in the message details. There is a limit of 6 attachments per message, with a maximum file size of 6 MB.

Acceptable file types are:

- .doc, .docx, .dotx, .rtf
- .pdf
- .xls, .xlsx, .xltx
- .tif, .jpg, .bmp, .png, .gif
- .zip
- .mpp
- .ppt, .pptx, .potx, .ppsx.

Systems will reject any files that are too large or in unacceptable formats.

Changing your entity's RTP schedule

If you want to change any of the information you report on the schedule after you lodge it, you will need to lodge another *Reportable tax position schedule 2025*.

You must provide changes to a Category **A** or **B** RTP in Section **C** of the new schedule you lodge. In the **Concise description field**, enter the RTP number used on the earlier schedule (for example, 2025-number) and detail the changes.

Reasonable care

You must complete the schedule correctly and with reasonable care. This means taking the same care that could be expected of a reasonable person in your position.

Penalties may apply for false or misleading statements.

For more information, see Miscellaneous Taxation Ruling MT 2008/1 *Penalty relating to statements: meaning of reasonable care, recklessness and intentional disregard*.

Continue to: [Guide to understanding reportable tax positions](#)

Return to: [Instructions to complete the RTP schedule 2025](#)

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Guide to understanding reportable tax positions

Read our guides on RTP-related issues.

Published 7 February 2025

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[Calculating materiality for transfer pricing positions](#)

About Category A: Tax uncertainty in your tax return

A Category **A** RTP is one where, given [relevant authorities](#), you consider the material position you take is either:

- about as likely to be correct as incorrect, even if it is reasonably arguable
- is less likely to be correct than incorrect.

You must disclose a material position, even if you base it on administrative or industry practice, that:

- doesn't have regard to relevant authorities, or there are none
- you don't base on a well-reasoned construction of the applicable statutory provision.

You must have regard to all matters relevant to the position including:

- anti-avoidance rules
- integrity provisions
- transfer pricing
- market valuations.

A position will be material where the potential adjustment, should the position not be sustained, is equal to or exceeds your entity's materiality amount.

For the meaning of 'about as likely to be correct as incorrect', 'more likely to be correct than incorrect', and 'relevant authorities', see Miscellaneous Taxation Ruling MT 2008/2 *Shortfall penalties: administrative penalty for taking a position that is not reasonably arguable* .

For information, see:

- Disclosing RTPs on the schedule – Category **A** RTP examples
- [When a transfer pricing position is an RTP](#).

Relevant authorities

The relevant authorities include:

- tax law

- material for the purposes of subsection 15AB(1) of the *Acts Interpretation Act 1901*
- a decision of a court (whether or not an Australian court), the Administrative Review Tribunal or a Taxation Board of Review
- a public ruling, as defined in section 358–5 of Schedule 1 to the *Taxation Administration Act 1953*.

Relevant authorities don't include:

- announced but unenacted law changes
- our general administrative practices
- industry practices.

Positions based on anticipated legislation

If you rely on announced but unenacted legislation, you must determine whether the position your entity is taking is a material RTP that you must disclose.

Positions contrary to a public ruling

You must disclose a material position contrary to a public ruling where it meets the [criteria](#) for a Category **A** RTP.

Positions relating to the exercise of a Commissioner's discretion

To determine if a position that involves an assumption about the way the Commissioner of Taxation will exercise a discretion is a Category **A** RTP, you should consider:

- PS LA 2005/24 *Application of General Anti-Avoidance Rules*
- subsection 284–15(2) of Schedule 1 to the *Taxation Administration Act 1953*
- the Revised Explanatory Memorandum to A New Tax System (Tax Administration) Bill (No.2) 2000 at paragraph 1.29.

Where an assumption about the exercise of the Commissioner's discretion forms part of a material Category **A** RTP, you must disclose the relevant legislative provision that relates to the discretion. Include this in the **Basis for position** field on the schedule.

Positions covered by a general administrative practice

You must include any industry or administrative practices your entity relied on to reach its position in the **Basis for position** field on the schedule.

Positions where the law is clear but the facts are uncertain

This position relates to valuation issues.

To determine if a material position involving market values is a Category **A** RTP, you should consider the guidance provided in **Market valuation of assets**. This includes guidance to determine the appropriate valuation methodology, documents and allocations among assets.

Treating similar arrangements or transactions as a single position

We treat similar arrangements or transactions as a single position when both:

- the facts in use to determine their treatment for tax purposes are the same or similar, or relate to each other in a way that makes it necessary to take them into account together
- there is a common conclusion on their tax treatment, that is, there is a common basis for lodgment.

You only need to disclose these arrangements or transactions on the schedule once under a single RTP number. You must state in the **Concise description** field that the position relates to more than one similar arrangement or transaction.

Research and development tax offset claims

A research and development (R&D) tax offset claim you reflect on the tax return may not be a single Category **A** or **B** RTP. Instead, there may be several positions taken within the R&D tax offset claim – for example, whether the:

- entity is an eligible R&D entity

- expenditure included in the claim was incurred
- expenditure was incurred on eligible R&D activities
- expenditure was at risk for R&D purposes
- feedstock provisions are applicable.

Consider each of these positions separately to work out whether your entity has any material RTPs you must disclose on the schedule.

If your entity has several projects that make up its R&D tax offset claim, this doesn't mean you treat each project as a separate Category **A** or **B** RTP. If the criteria for treating similar arrangements or transactions as a single position are met, you only need to report the projects under a single disclosure.

Related party international dealings

Where your entity has multiple related party international dealings, if the criteria for treating similar arrangements or transactions as a single position are met, you only need to report the dealings under a single RTP disclosure.

You can also combine all related party revenue dealings, or related party expenditure dealings, as a single Category **A** RTP disclosure.

Category A and B positions relating to losses

Find out about Category **A** and **B** positions relating to losses in prior and current years.

Prior year losses deducted or applied

You may have to disclose a Category **A** RTP if, in its tax return, your entity has either or both:

- deducted prior year tax losses
- applied prior year unapplied net capital losses to reduce the net capital gain included in its assessable income.

You must disclose material positions only.

Prior year losses carried forward

In your entity's tax return, you don't need to disclose any prior income year:

- tax losses
- net capital losses carried forward to later income years.

Current year loss position

Your entity may still have an RTP to disclose even if it reports a loss and potential adjustment that doesn't change its income tax liability for that income year. You must consider if your entity has any material positions and disclose them, even in a loss year.

Compliance – administrative and failure to lodge penalties

The schedule is part of the company tax return and you must lodge the schedule by your entity's tax return due date.

Administrative penalties will apply if you:

- make a false or misleading statement, including omissions
- fail to lodge on time.

For more about compliance and penalties, see:

- PS LA 2011/19 *Administration of the penalty for failure to lodge*
- Significant global entities – penalties
- Items 3A, 3B or 3C of subsection 284–90(1) of the *Taxation Administration Act 1953*
- PS LA 2012/4 *Administration of the false or misleading statements penalty – where there is no shortfall amount*
- PS LA 2012/5 *Administration of the false or misleading statement penalty – where there is a shortfall amount*

Interaction with voluntary disclosure provisions

A statement made in the schedule isn't a voluntary disclosure for the purposes of section 284–225 of Schedule 1 of the *Taxation Administration Act 1953*. Completing and lodging the schedule, as per

the schedule instructions, doesn't satisfy the voluntarily disclosure requirements.

If the information you provide in the schedule allows the Commissioner to identify and calculate the shortfall amount, this may lead to a remission of the shortfall penalty for:

- not having a reasonably arguable position
- making a false or misleading statement.

For more information, see Miscellaneous Taxation Ruling MT 2012/3 *Administrative penalties: voluntary disclosures*.

When a transfer pricing position is an RTP

You must report a transfer pricing position not covered by section 284–255 (*Taxation Administration Act 1953*) compliant transfer pricing documentation in Category **A** on the schedule. The lack of compliant documents means there's insufficient information to determine if it's more likely to be correct than incorrect.

If your dealings are covered by compliant documents, your position is a Category **A** or **B** RTP if it falls within the high-risk zone of published ATO guidance and isn't a Category **C** position.

Where a transfer pricing position is a Category **C** RTP you must disclose this position in Section **C** not in Section **B** as a Category **A** or **B** RTP.

You need to separately report revenue and expenditure-based transfer pricing positions. However, you can combine and report all related party revenue, or related party expenditure, as a single Category **A** RTP.

For more on transfer pricing documentation, see Taxation Ruling TR 2014/8 *Income tax: transfer pricing documentation and Subdivision 284–E*.

Exemption – foreign banks or other qualifying financial entities

If your entity is a foreign bank or other qualifying financial entity to which Part IIIB of the ITAA 1936 applies and hasn't elected out of Part IIIB, you don't need to disclose a transfer pricing position for a notional borrowing it holds where the:

- notional borrowing is in a currency quoted in the London Interbank Offered Rate (LIBOR) or an agreed proxy and in a comparable tenor
- deductions associated with the notional borrowing have been capped at the appropriate LIBOR.

A number of LIBORs stopped being published or representative as of 31 December 2021.

In line with the administrative solution provided to the Australian Financial Market Association, from 1 January 2022 the exemption for disclosing a transfer pricing position for a notional borrowing will also apply where:

- the deductions associated with the notional borrowing have been capped using a reasonable proxy rate instead of LIBOR, if the notional borrowing is in a currency where LIBOR was never quoted or stopped being quoted, or
- the deductions associated with the notional borrowing have been capped at the appropriate LIBOR, if the notional borrowing is in a currency where LIBOR continues to be quoted, including LIBORs which are published on a synthetic basis.

This exemption applies even if your entity's notional borrowing isn't covered by section 284–255 compliant documentation.

This exemption doesn't apply if your entity has a notional borrowing that isn't:

- capped at the appropriate LIBOR or a reasonable proxy rate instead of LIBOR and
- covered by section 284–255 compliant documents.

In this case, you must disclose the transfer pricing position associated with the notional borrowing as a Category **A** RTP.

For further information, see [Treating similar arrangements or transactions as a single position](#).


Calculating materiality for transfer pricing positions

You only have to disclose Category **A** RTPs where the tax (or notional tax) affected by the position exceeds your entity's materiality amount.

You can base the materiality calculation on either:

- applying the relevant accounting standards to quantify the uncertainty
- arm's length calculations.

Applying accounting standards to quantify the uncertainty

AASB 112 *Income Taxes* specifies requirements for current and deferred tax assets and liabilities. An entity applies the requirements in AASB 112 based on applicable tax laws. AASB Interpretation 23 *Uncertainty over Income Tax Treatments* explains how to apply the recognition and measurement requirements in AASB 112 when there is uncertainty over income tax treatments (see, [Guidance on AASB Interpretation 23 \(PDF, 325 KB\)](#) ).

Where you use the recognition and measurement methods specified in AASB Interpretation 23 to calculate the value of tax uncertainty for a tax position, your entity's position is material where that value exceeds its materiality threshold.

Arm's length calculations

If your entity has conducted a comparability study that has established an arm's length range, its materiality calculation is based on the difference in the tax it paid, and what it would have paid, if the transfer price was based on the median of that arm's length range.

If your entity didn't conduct a transfer pricing comparability study, you can base its materiality calculation on either:

- the benchmarks in Practical Compliance Guide PCG 2017/2 *Simplified transfer pricing record keeping options*, if your entity meets the relevant qualifying requirements in PCG 2017/2 for the benchmark you're applying
- a conservative approach, where a transaction type isn't covered by PCG 2017/2 or your entity doesn't meet the conditions in PCG 2017/2.

If using a benchmark in PCG 2017/2, the materiality calculation is the difference between the tax your entity paid and what it would have paid had its transfer price been based on the benchmark from PCG 2017/2.

The materiality calculation, under the conservative approach, is:

- outbound transactions – the cost of the outbound supplies your entity is making multiplied by the tax rate
- inbound transactions – your entity's total deduction for inbound supplies multiplied by the tax rate.

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Definitions in the RTP schedule

A list of legislative references and their definitions.

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Accounting principles

Accounting principles has the meaning given by **subsection 995-1(1)**.

Economic group

An economic group includes all entities (companies, trusts and partnerships, etc) that lodge an Australian tax return under a direct or indirect Australian or foreign ultimate holding company or other majority controlling interest.

This includes all entities under a single ultimate holding company or under the ownership of a single individual, trust or partnership.

For more information see **examples – economic group**.

Financial statements

Financial statements are the documents that represent the financial position and financial performance of an entity, prepared in accordance with [accounting principles](#). They include:

- financial reports prepared pursuant to **Chapter 2M** of the *Corporations Act 2001*
- statements (however described) that cover the activities of the Australian operations, where the taxpayer is a foreign resident operating through a permanent establishment in Australia
- reports prepared for submission to the Australian Prudential Regulation Authority (APRA) that cover the activities of the Australian operations, where the taxpayer is a foreign bank with an Australian permanent establishment.

If there are one or more sets of financial statements relevant for an entity, the financial statements that apply are those that recognise or disclose the uncertainty about taxes payable or recoverable to which the position relates.

For guidance on what is considered a financial statement see **Guidance on providing general purpose financial statements**.

Hybrid mismatch rules

Hybrid mismatch rules collectively refer to **Division 832** and amendments to:

- Subdivision 768–A
- Section 23AH of the *Income Tax Assessment Act 1936* (ITAA 1936)
- Part IIIB of the ITAA 1936.

Loan amount

For loans or borrowings, trade financing and other types of debt interests under Division 974 of the ITAA 1997, the average balance of the loan, borrowing or other debt interest during the income year is calculated the same way as quarterly balances of borrowings and loans shown at Question 11a of the *International dealings schedule 2025*.

Majority controlling interest

An entity holds a majority controlling interest in another entity where it holds more than 50% of the voting power at a general meeting of that entity.

Materiality amount

An entity's materiality amount is 5% of its Australian current tax expense, except where:

- 5% of its Australian current tax expense exceeds A\$30 million – the materiality amount is then A\$30 million
- 5% of its Australian current tax expense is less than A\$3 million – the materiality amount is then A\$3 million
- it has no Australian current tax expense – the materiality amount is then A\$3 million.

You must calculate your entity's Australian current tax expense in accordance with [accounting principles](#). If your entity is the head company of a MEC group, Australian current tax expense is the aggregate of the current tax expense of all members of the MEC group.

Use A\$3 million as the materiality amount if:

- your entity doesn't calculate its Australian current tax expense and doing so requires significant additional effort
- you consider the materiality amount for RTP purposes isn't appropriate to your entity's circumstances.

International related parties

International related parties are persons:

- not dealing wholly independently with one another in their commercial or financial relations and
- whose dealings or relations can be subject to **Subdivision 815-B** of the ITAA 1997 or the associated enterprises article of a relevant double tax agreement (DTA).

The term includes any overseas entity:

- or person who participates directly or indirectly in your entity's management, control or capital
- who participates directly or indirectly in the management, control or capital of
- who has the same entity or person participating directly or indirectly in its management, control or capital as your entity.

Position

A position is the effect, for taxation purposes, given to particular arrangements or transactions, as reflected in the statements made in your entity's 2024–25 company tax return.

This includes positions:

- due to interpretative matters – for example, legislative construction
- due to findings of fact – for example, market valuations
- where the effect for tax purposes is an omission from your entity's tax return.

Potential adjustment

Potential adjustment means the **total of the following amounts** in the 2024–25 income year should the RTP not be sustained:

- your entity's tax rate multiplied by an amount, or part of an amount, that would be included in its assessable income
- your entity's tax rate multiplied by a deduction, or a part of a deduction, that wouldn't be allowable to your entity
- your entity's tax rate multiplied by a capital loss, or a part of that capital loss, that wouldn't be incurred by your entity
- a foreign income tax offset that wouldn't be allowable to your entity
- a tax offset that wouldn't be allowable to your entity.

Your entity's tax rate is the applicable tax rate specified in the **Income Tax Rates Act 1986**.

Total business income

Total business income is the amount reported in the total income label of the company tax return. For 2025, total income is reported at label **6S**.

Total business income of an economic group is the total of all income labels in the Australian tax returns of every group member, including trusts and partnerships. There is no total income label on trust and partnership tax returns. This needs to be added up manually for all income labels.

All Australian income of group members is included in the calculation. Foreign income of group members is only included where the entity generating that income is an Australian resident entity.

Continue to: **Examples: RTP group income, economic group and disclosures**

Return to: **Guide to understanding reportable tax positions**

Examples: RTP group income, economic group and disclosures

Use our examples to self-assess, determine economic group and group income and work out what RTPs to disclose.

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Self-assess RTP lodgment

The following example will help you self-assess your entity's requirement to lodge a reportable tax position (RTP) schedule.

Example: self-assessment

Economic Group A is a public group with an aggregated total income of \$270 million and comprises companies B, C, D, Trust E and Partnership F. The total income in the tax returns of group members is:

- Company B – \$100 million
- Company C – \$70 million
- Company D – \$20 million
- Trust E – \$60 million
- Partnership F – \$20 million.

Companies B and C are required to lodge an RTP schedule as their total business income exceeds \$25 million and the group's total income exceeds \$250 million.

Company D isn't required to lodge an RTP schedule because its total income is less than \$25 million.

Trust E and Partnership F aren't required to lodge an RTP schedule as they are not companies and don't need to lodge a company tax return.

RTP lodgment and stub periods

The following example will help you self-assess your entity's requirement to lodge an RTP schedule if it is lodging a stub return.

Example: stub period

Company H is the head entity of Consolidated Group A. Company H is required to lodge an RTP schedule for financial year end 2025 on behalf of Consolidated Group A.

Company B was part of Consolidated Group A but left the consolidated group before the 2025 year end. Company B lodged a stub return for the part of the 2025 income year it wasn't part of the group.

Company B is not required to lodge an RTP schedule with its stub return.

In Consolidated Group A's 2025 RTP schedule, company H is required to disclose any of Company B's relevant arrangements for the period it was part of the group.

Group income

The following examples will help you determine your entity's group income.

Example: Australian group income

Economic Group A is a public group and comprises companies B and C:

- Company B is a foreign resident with \$200 million turnover – it doesn't lodge an Australian tax return
- Company C is an Australian subsidiary with \$170 million disclosed in the total business income label of the company tax return.

Only income reported in Australian tax returns is included in the group income calculation. As income in the Australian tax returns of all group members is below \$250 million, none of the group members are required to lodge the RTP schedule.

Example: Australian company tax return lodgment and group income

Economic Group A is a public group with an aggregated turnover of \$600 million and comprises companies B and C:

- Company B is a foreign subsidiary with \$300 million turnover and \$50 million in profit, which it pays to its parent as a dividend – it doesn't lodge an Australian tax return
- Company C is the Australian parent company whose income comprises \$300 million from its Australian operations and \$50 million in NANE dividends from Company B. Company C records \$350 million in its total business income label on its Australian company tax return.

Company B is not required to lodge an RTP schedule as it doesn't lodge an Australian company tax return. Company C is required to lodge an RTP schedule as its total business income exceeds \$250 million.

Economic group

The following example will help you determine your entity's economic group.

Example: economic group

Company A has:

- 60% interest in Company B
- 30% interest in Company C
- 30% interest in Company D.

Company B owns 30% in its sister Company C.

The group is headed by Company A as it is the ultimate holding company.

The Australian resident economic group consists of:

- Company A as the ultimate holding company
- Company B as Company A's controlling interest exceeds 50%
- Company C as both companies A and B are group members and together own a controlling interest in excess of 50% (Company A owns 30% and Company B owns 30%).

Company D is not included in the group as it is only 30% owned by members of this group and, as such, is not controlled by group members.

Disclosing RTPs on the schedule

The following examples will help you understand what positions you need to disclose.

Example 1: Category A RTP

AusCo is an Australian investment company. For many years, it has invested in the share market in Australian companies.

On average, it turns over about 10% of the value of its total share portfolio and maintains a consistent yield on its capital invested.

AusCo had no particular exit strategy and treated any sales as the realisation of investments and on capital account.

During the income year, to refinance after having liquidity problems, AusCo sold 30% of its shares. AusCo considered these shares to be growth shares as opposed to value shares. These shares were sold on the market at a loss.

AusCo treats the losses from the sale of the shares as arising from an isolated transaction and on revenue account. It does so for all share sales and, therefore, treats the disposals of the sale shares as a single position.

If the chosen treatment isn't sustained, the potential adjustment would exceed AusCo's materiality amount.

Exercising reasonable care, AusCo concludes this treatment is about as likely to be correct as incorrect so it must disclose the position as a Category **A** RTP.

Information provided on AusCo's RTP schedule:

- RTP number – 2025–01
- Have you discussed this position with the ATO? – No
- RTP category – **A**.

Concise description

AusCo is an Australian investment company that has continuously invested in the Australian share market since early 2000.

From 1 July 2009 to 30 June 2025, AusCo had a 10% average turnover of the value of its total portfolio of Australian shares and maintained a consistent yield on its capital invested.

During the income year, AusCo experienced liquidity problems, as it couldn't refinance a loan facility. As a direct result, AusCo had to urgently sell 30% of its shares. The disposal of the sale shares was effectively a forced sale.

In line with a strategic decision made by AusCo's board, the sale shares were those shares AusCo considered to be growth shares, as opposed to value shares.

The sale shares comprised shares in several different Australian companies whose shares are actively traded on the ASX. Each parcel of shares was sold at a loss, as AusCo sold into a falling market.

The sales of the shares have been treated as a single position.

Basis for position

The position taken by AusCo, in its company tax return is that the loss arising on the disposal of the sale shares is deductible under section 8-1 of the *Income Tax Assessment Act 1997*.

In adopting this treatment, the following relevant authorities were considered:

- section 8-1 *Income Tax Assessment Act 1997*
- *London Australia Investment Co Ltd v FC of T* (1977) 138 CLR 106; *AGC (Investments) Limited v FC of T* 92 ATC 4239; *Trent Investments Pty Ltd v FC of T* 76 ATC 4105
- TR 92/3 *Income tax: whether profits on isolated transactions are income*
- TR 2005/23 *Income tax: listed investment companies*
- TD 2011/21 *Income tax: does it follow merely from the fact that an investment has been made by a trustee that any gain or loss from the investment will be on capital account for tax purposes?*

Example 2: Category A RTP

BCo is an Australian company that isn't a member of a tax consolidated group.

During the income year, all shares in BCo were sold to unrelated parties, resulting in BCo failing the continuity of ownership test. The new shareholders also introduced changes in BCo's operations.

BCo decides to write off a material long-term receivable as unrecoverable and bad.

BCo concludes it satisfies the same business test and is entitled to treat the bad debt write-off as deductible. If this treatment is not sustained, the potential adjustment would exceed BCo's materiality amount.

Exercising reasonable care, BCo concludes this treatment is about as likely to be correct as incorrect, so it must disclose the position as a Category **A** RTP.

Information provided on BCo's RTP schedule:

- RTP number – 2025–10
- Have you discussed this position with the ATO? – No
- RTP category – **A**.

Concise description

Since 2011, BCo Pty Ltd (BCo) has continuously owned and operated the retail business known as B Retail. In July 2023, BCo provided services, for an agreed fee, to XYZ Pty Ltd, an unrelated third party, through its B Retail business. In September 2023, XYZ started experiencing serious financial difficulties. XYZ didn't pay for the services provided by BCo in line with the agreed terms.

In November 2024, XYZ advised BCo it couldn't pay for the services provided. In December 2024, after undertaking appropriate investigations and enquiries, BCo determined the long-term material receivable from XYZ was unrecoverable and bad.

BCo then took all necessary steps to write off the XYZ receivable as bad, including writing off the receivable from its accounts.

In November 2024, the legal and beneficial interests in all shares in BCo were sold to unrelated parties. The new shareholders of BCo have implemented changes to BCo's operations, focusing on improving the profitability of B Retail.

Basis for position

The position taken by BCo, on its company tax return, is the full amount of the XYZ debt written off as bad in the income year is deductible under sections 25–35 and 165–120 of the *Income Tax Assessment Act 1997*.

In adopting this treatment, the following relevant authorities were considered:

- 25–35, 165–120, 165–126, 165–129 and 165–210 of the *Income Tax Assessment Act 1997*
- TR 92/18 *Income tax: bad debts*
- TR 1999/2 *Income tax: deductibility of expenditure incurred on tailings dams or similar mining residue, waste storage or disposal facilities* (the operation of sections 165–13 and 165–210, paragraph 165–35(b), section 165–126 and section 165–132)
- *Dinshaw v Bombay Commissioner of Taxes* (1934) 50 TLR 527
- *Avondale Motors (Parts) Pty. Ltd. v Federal Commissioner of Taxation* (1971) 124 CLR 97.

Example 3: Category C RTP

AusCo enters into an arrangement where capital is raised from shareholders in order to fund the payment of a special dividend to shareholders.

This arrangement is an RTP covered by Question 2 of Category **C**.

Information provided on AusCo's RTP schedule:

- RTP Category **C** – question 2
- RTP Category **C** subcategory – leave field blank as not applicable.

Comments

AusCo has chosen not to provide any optional comments.

Example 4: Category C RTP

An Australian mining company, AusCo, has a related party in Thailand, ForCo.

ForCo sells minerals on behalf of other members in the group (including AusCo) to third parties in Malaysia, for which it is remunerated on a commission basis by the members, including AusCo.

Applying PCG 2017/1, AusCo identifies it is involved in an offshore marketing hub arrangement and the arrangement falls in the blue zone.

Marketing hub arrangements are covered by Question 9 of Category C, with the blue zone covered by subcategory 3.

Information provided on AusCo's RTP schedule:

- RTP Category C – question 9
- RTP Category C – subcategory 3.

Comments

Offshore marketing hub arrangement is in relation to export of zinc from Australia to Malaysia.

[Return to: Instructions to complete the RTP schedule 2025](#)

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