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Large business compliance and governance

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A return for public and multinational businesses that have received a GST assurance rating in a GST assurance review.

QC 48012

Annual compliance arrangements – what you need to know

Detailed information about the Annual compliance arrangements (ACA).

Last updated 8 November 2018

Annual compliance arrangements (ACAs) are voluntary arrangements that allow us to tailor your compliance relationship with us, rather than working through traditional compliance approaches, like audits and risk reviews.

They offer you greater practical certainty, concessional treatments of penalties and interest, and strategies to mitigate tax risks before they arise. In return, you must be willing to engage with us to identify and disclose your material tax risks.

Suitability of an ACA

ACAs are most suited to public and multinational businesses we classify as 'key taxpayers' – most of Australia's largest businesses fall into this category.

To get an ACA we expect a high level of assurance and cooperation from the taxpayer in all engagement activities with us.

If this is not currently the case, the ATO will work with taxpayers as part of the key taxpayer engagement to attain that high level of assurance in order to obtain (and maintain) an ACA.

Eligibility for an ACA

ACAs are offered to clients who typically exhibit the following characteristics:

- are categorised as a key taxpayer according to the risk differentiation framework (RDF)
- are willingly transparent and collaborate to resolve issues or risks
- have a trusting relationship with the ATO and a good compliance history with no or little concerns
- have robust tax corporate governance practices (aligned as appropriate with the Tax risk management and governance review guide)
- engage in rulings processes and generally follow the ATO view – if the ATO view is not followed, we would expect that the ACA client would
  - have a reasonably arguable position
  - disclose this to the ATO – *see the next point*
- adopt the 'full and true disclosure' approach and early engagement in regard to any potential tax risk or area where the ATO may take a different view
- lodge full and complete returns on time and willingly provide additional information
- positively influence others
- engage with the ATO to enhance the tax systems
- provide intelligence to the ATO on risks and issues
- do not engage in activities which are the subject of taxpayer alerts
- have achieved a high level of assurance under the justified trust methodology
- take up the Voluntary Tax Transparency Code.

The above list is not exhaustive. It should be noted that it is not essential that taxpayers must meet every one of these characteristics to qualify for an ACA.

Whole of tax ACA

The ATO would encourage future ACA clients to enter into a whole-of-tax ACA, for example, income tax, GST, excise, PRRT and FBT, as desirable. In these cases each tax covered would have a schedule to the main ACA detailing the relevant obligations and services.

If there are reasons why a whole-of-tax ACA is impractical, the ATO will discuss any issues with the taxpayer to determine the extent to which a whole or multi-tax ACA would be practical and desirable. For example, where a particular tax has a low level of materiality to the client or the ATO, then we may consider excluding that tax from the ACA.

For clients with an existing single tax ACA, where it is appropriate and desirable the ATO will work with the client to consider a whole-of-tax ACA.

Benefits of entering into an ACA

Key benefits of entering into an ACA include:

- a speedier resolution of technical issues
- administrative solutions to resolve compliance irritants
- centralised points of contact and ongoing dialogue on technical matters, including access to ATO senior officers
- a closure of returns to further ATO review
- concessional treatments of penalties and interest
- a plan outlining agreed processes and timelines
- the possibility of extension of thresholds for correcting GST errors for a GST ACA
- not being subject to post-lodgment risk reviews or audits for periods and income years covered by an ACA
- not needing to complete the reportable tax position (RTP) schedule for income years covered by an ACA
- not being subject to a pre-lodgment compliance review.

Practical certainty

We will issue a “sign-off” letter confirming that, subject to any noted conditions, the tax return for a particular year, or specific periods in the

case of GST, are closed from further review or audit.

For tax risks rated as low we will not undertake further compliance activities for the particular period or year.

For tax risks rated as high we will develop mitigation strategies in consultation with you to mitigate the risk.

If you have not made a full and true disclosure of material risks or we consider that there is fraud, evasion or that the general anti-avoidance rules may apply we may re-open compliance activities for the period or year.

Entering into an ACA

To enter into an ACA, your CEO or CFO must first write a 'tax governance letter' that confirms your framework is aligned to the better practices set out in Tax Risk Management and Governance Review Guide.

The letter must also show us that:

- you have good tax risk management procedures and they align with our guide
- you are willing to work with us to establish the ACA, and will engage with us throughout the term of the ACA
- you will fully and truthfully identify and disclose all material transaction and risks.

As ACAs are collaborative arrangements, we will then develop the supporting documentation with you – this includes the terms of the arrangement. Once developed, this is signed by both parties.

Costs of entering into an ACA

Our approach is to ensure that entering into an ACA is at minimal cost to you and for us. The incurrence of costs can be incurred at different stages of the ACA process such as during the negotiation stage, disclosures and implementation of mitigation strategies.

What your ACA will look like

Generally, your ACA will have two main documents: the tax governance letter from your CEO or CFO, and the Terms of arrangement (ToA).

The ToA establishes the general operating and relationship terms, including the expectations and obligations of both parties – it provides a written record of:

- details of your representatives and ours, including the steering committee established under the ACA
- the role of the steering committee in providing joint governance for the arrangement
- the years to which the ACA applies, including how to exit the ACA
- written commitments provided under the ACA, for example, the tax governance letter
- guidance for continuous, full and true disclosures under the ACA
- the penalty and interest concessions
- the points of contact and escalation
- the disclosure obligations applicable to each party so they can operate in a transparent environment
- our commitment to provide prompt advice to ACA participants
- how unresolved issues will be managed
- the dispute resolution process, should one arise
- the schedules for the taxes covered in the ACA, with each providing more specific information relating to the tax under an ACA.

Maintaining an ACA

There is no set period for the operation of an ACA, but we generally have a cycle of three years in a typical arrangement.

The ACA is managed along a financial year basis for taxes requiring an annual return to be lodged, for example income tax and FBT. Other taxes, for example GST, are managed on a periodic basis usually 12 months from the date of entering into the ACA. We will tailor the arrangement for you.

During the term of the ACA we expect you to:

- make ongoing disclosures
- maintain your governance processes and notify us of any changes

- work with us to resolve risks, in an open and transparent manner
- provide adequate resources to maintain the ACA
- maintain your lodgment obligations
- make time for the annual discussion with us.

What you can expect to see during the ACA

During the life of the arrangement, you can expect to see:

- joint assessments and workshopping of identified tax risks as they happen
- agreement on mitigation strategies before issues or disputes arise
- an annual review of the effectiveness of your tax compliance assurance processes
- disclosure of major transactions or tax positions that you consider have a level of uncertainty
- a review of the arrangement to ensure contemporary practices
- a sign-off letter for the year, effectively closing off any further ATO reviews to relevant returns and activity statements – this will be subject to whether there are any unresolved issues after an annual review has been completed.

What you can expect from us

You can expect us to:

- work with you in an open, honest and transparent manner
- progress matters you raise with us within agreed timeframes
- maintain an open dialogue and keep you informed about the progress of issues you have raised
- make contact with you in order to understand the facts and discuss any concerns we have
- provide you with a central point of contact and access to relevant decision makers
- approach you about risks that we become aware of.

Tax risks you need to disclose

It is critical for us to have a shared understanding about the types of tax risks you need to disclose under an ACA. We will discuss this with you, and determine materiality thresholds, as part of establishing the ACA.

Examples of business activities that may raise tax issues or positions that require ACA disclosure could include where:

- applying the law to a set of circumstances and facts results in an unclear or ambiguous outcome
- there is a risk that either we, or a court, might take a different view to your application of the law
- you alter a GST apportionment methodology
- you enter into a major transaction with significant tax impacts
- the tax outcomes might be inconsistent with economic substance
- there are material cross-jurisdictional issues
- there are complex financial arrangements and business structures
- the transaction attracts tax benefits not contemplated by the law
- there are potential inconsistencies in market valuations
- there are matters that are likely to attract media attention, reputation risk or impact on community confidence.

Ideally, you should disclose as close as possible to the time you are contemplating the transaction or strategy.

If you are uncertain about the correct tax position, or if you think the transaction may attract our attention, you should disclose it.

Information you should disclose

Disclosures under the ACA need to include enough information for us to make an accurate risk assessment of the transaction.

The level of information required by an independent reasonable person with relevant tax knowledge (such as an external advisor) to give advice on a tax position, would normally be sufficient if all known material facts about the transaction are disclosed. The information should also be provided in a timely manner and not be misleading.

Full and true disclosure is limited to information you are aware of, and information that a reasonable person would say you should be aware of. If further material facts or information comes to light, it should be disclosed as soon as possible as you become aware of it.

In practical terms because an ACA is underpinned by an open and collaborative relationship, the information we need to make an accurate risk assessment will normally be agreed through discussion at the appropriate time. The earlier that information is provided, workshopped or discussed, the more likely the issue will be resolved quickly for all parties.

Annual review meeting

The annual review meeting provides an opportunity to:

- discuss risks that have already been disclosed and any mitigation strategies
- raise any other risks that either you or we are concerned about
- agree on which risks require further mitigation and what mitigation strategies are required
- determine whether any further information or work is required by either party in order for us to sign off on the year or period
- confirm your internal assurance processes are operating effectively.

We will also discuss with you our ongoing relationship and how we will continue to work together.

Once the annual review is completed, we will issue a letter confirming that, subject to any noted conditions, the tax return for a particular year or specific periods in the case of GST, are closed from further review or audit.

We will also outline any mitigation strategies we have agreed to if there are any ongoing issues we cannot resolve at that time.

Exiting an ACA

Any party can exit the ACA, at any time.

The exiting party needs to notify the other party in writing, giving reasons for exiting.

QC 21312

Reportable tax position schedule

Reportable tax positions may need to be disclosed by large businesses.

Last updated 14 October 2026

About the RTP schedule

The *Reportable tax position (RTP) schedule* is a schedule to the *Company tax return*. It gathers information on uncertain tax positions from the largest companies.

The RTP schedule requires taxpayers to disclose arrangements that pose a risk to the corporate tax base. This often involves questions related to tax avoidance, profit shifting, or both.

Companies are required to lodge the RTP schedule if they:

- are notified of the requirement to lodge
- meet the lodgment criteria set out in the relevant RTP schedule instructions.

RTP schedule categories

The RTP schedule contains the following 3 categories:

Category A

Category A requires disclosures of material positions that are either:

- about as likely to be correct as incorrect, even if they're reasonably arguable
- less likely to be correct than incorrect.

Category B

Category B requires disclosures of both:

- material tax-related provisions
- current or contingent tax liabilities recognised or disclosed in accordance with accounting principles in financial statements.

Category C

Category C requires disclosures of:

- specific arrangements of concern
- self-assessed risk ratings for arrangements covered by our Practical Compliance Guidelines (PCGs).

Each year we publish what we've learned from Category C disclosures for public and multinational businesses.

How to lodge the RTP schedule

You need to self-assess your large business against the lodgment criteria listed in the RTP schedule instructions for the relevant year. You're required to lodge even if your entity has no disclosures to make.

The tax positions that are reportable have changed over income years. When completing your company's tax return, refer to the following RTP schedule instructions for the relevant income year:

- Reportable tax position schedule instructions 2026
- Reportable tax position schedule instructions 2025
- Reportable tax position schedule instructions 2024

Penalties may apply if you don't make a full and true disclosure under the RTP schedule.

For assistance with your entity's RTP lodgment obligations, email ReportableTaxPosition@ato.gov.au.

How we use RTP disclosures

RTP disclosures help us understand and assess changes in tax positions and arrangements, including new arrangements taxpayers are entering into. It also allows us to prioritise our assurance activities.

Taxpayers who have achieved justified trust (high assurance) will have a less intensive engagement approach during the monitoring and maintenance period. This enables us to effectively monitor changes in arrangements supported by disclosures in the RTP schedule and to adjust our actions accordingly.

RTP and our compliance and assurance programs

We have full coverage of the most systemically important corporate taxpayer groups through our assurance programs, allowing us to check the accuracy of disclosures. Our assurance programs include:

- Top 100 program and Top 1,000 tax performance programs, covering the largest public and multinational groups
- Top 500 tax performance program, covering the largest private groups.

We continually monitor taxpayer disclosures in the Top 100 and Top 500 populations and assess disclosures on an annual basis. Our high coverage levels through our assurance activities mean we'll ordinarily already be aware of arrangements before disclosures are made.

We review the Top 1,000 taxpayers on a 4-year cycle. This means not all arrangements related to the most recent RTP schedule disclosures made have been assured by us yet.

We review high wealth private groups through comprehensive reviews that target our priority areas of focus, together with any new emerging issues impacting private groups.

For taxpayers in the medium and emerging populations, we take a risk-based approach to allocating compliance resources. This means we review the highest risk arrangements where these are material.

Given the lack of materiality thresholds for most Category C disclosures, we may not apply compliance resources to review in detail every high-risk arrangement disclosed. Instead, we'll concentrate our efforts on arrangements that have a material impact on the taxpayer's tax outcomes.

How we use RTP disclosures in our compliance program

We tailor our compliance approach to the risk rating disclosed by taxpayers. For example, our activity for low-risk disclosures is limited to confirming the arrangement is within the low-risk zone and the methodology in our PCG is correctly applied.

We apply more intensive scrutiny for high-risk disclosures to determine if they comply with the relevant legislative provisions. If we can't gain this assurance at the review stage, we may undertake an audit or more intensive investigation through our Top 1,000 Next Actions Program or Large business assurance programs.

Disclosures enable us to understand and assess changes in tax positions and arrangements, including new arrangements taxpayers are entering, and to prioritise our assurance activities. Importantly, taxpayers who have achieved justified trust (high assurance) will have a less intensive engagement approach during the monitoring and maintenance period. This enables us to effectively monitor changes in arrangements supported by disclosures in the schedule and adjust our action accordingly.

We review all disclosures to monitor the performance and assess and prioritise our engagement with the large business population. Where we identify new high-risk arrangements or arrangements of concern, we prioritise the taxpayer for review.

RTP disclosures also inform how we conduct the assurance review. For example, a taxpayer who has self-assessed in the green zone will be reviewed on whether the PCG has been correctly applied to obtain confidence of the tax outcome. This is typically a less resource intensive process.

We monitor and determine if disclosures in the RTP schedule are incomplete or inaccurate through our assurance programs and analysis of other data sources, for example country-by-country reporting.

RTP and governance

The RTP schedule can play an important role in the tax risk governance framework of large companies. It is a useful tool for tax functions, risk committees, chief financial officers (CFOs) and boards

to understand the tax risk profile of your organisation across key system risks.

RTP schedule disclosures can highlight potential areas of dispute with us. To reduce your level of tax risk, we encourage you to review and amend RTP disclosures that have either:

- a high-risk rating for an arrangement
- an arrangement with the same or similar characteristics to those within a Taxpayer alert.

This will improve your own and our confidence in those tax positions.

RTP findings report

Our RTP findings report will allow large companies to understand your risk profile across key system risks relative to that of your peers. This provides an important sense check to organisational thinking as to the relativity of your tax risk profile.

RTP schedule expansion to large private companies

Guidance on the obligation for large private companies to lodge a Reportable tax position (RTP) schedule.

QC 48014

RTP schedule expansion to large private companies

Guidance on the obligation for large private companies to lodge a Reportable tax position (RTP) schedule.

Last updated 24 May 2024

About the expansion

This information will assist you in meeting your obligations to lodge a Reportable tax position (RTP) schedule, including your disclosure obligations.

All companies need to lodge an RTP schedule for years beginning on or after 1 July 2021 if they meet the RTP schedule lodgment criteria. This is the same for all types of companies, whether private, public or foreign-owned.

Entities that aren't companies, who are required to lodge company tax returns, don't need to lodge an RTP schedule. For example, a corporate limited partnership isn't required to lodge an RTP schedule.

For years beginning between 1 July 2020 and 30 June 2021, private companies only need to lodge the RTP schedule if we have notified them of the requirement to do so. The notification letters were issued in July and September 2020.

If you have questions or require further information, email us at ReportableTaxPosition@ato.gov.au.

Lodgment criteria

To access the RTP lodgment criteria see Who needs to complete the schedule? in the RTP schedule instructions.

Lodgment requirements

Private companies are required to lodge the RTP schedule for their:

- 2021–22 and later income years if they meet the RTP lodgment criteria
- 2020–21 income year if we have sent them a notification

2021–22 and later income years

You need to lodge an RTP schedule for the 2021–22 income years if you meet the RTP schedule lodgment criteria. This is the same for all types of companies, whether private, public or foreign-owned.

2020–21 income year

You need to lodge an RTP schedule for the 2020–21 income year if we've sent you a notification of the requirement to lodge. If you have

an early balancing substituted accounting period, your first RTP schedule will be for the 2021–22 year. If your private company wasn't sent a notification, you're not required to lodge a 2021 RTP schedule.

Substituted accounting period

Large private companies with an **early** balancing substituted accounting period (SAP) starting before 1 July, will:

- not be required to lodge an RTP schedule for 2020–21
- be required to lodge an RTP schedule for 2021–22 if they're notified
- be required to lodge an RTP schedule for 2022–23 and subsequent years if they meet the lodgment criteria.

Large private companies with a **late** balancing SAP starting after 1 July, will be required to lodge an RTP schedule for:

- 2020–21 if they're notified
- 2021–22 and subsequent years if they meet the lodgment criteria.

QC 63131

Reviewing tax governance for large public and multinational businesses

Practical guidance on how we review and rate tax governance to assist large public and multinational businesses.

Last updated 3 April 2023

Tax governance is a key focus area under the justified trust methodology for large public and multinational businesses. Demonstrating how your good tax governance is embedded in positions taken, disclosures in returns and tax calculations provides us with evidence we can rely upon which can reduce the intensity of enquiries.

We have developed practical guidance to assist large public and multinational businesses to understand how we rate tax governance in applying our justified trust methodology. This guidance is based on the Tax risk management and governance review guide (the Guide). We recommend you review the Guide for best practices, self-assessment procedures and detailed examples about what evidence can be provided.

See also:

- Justified trust
- Top 100 justified trust program
- Top 1000 Tax Performance Program

How we assess tax governance

In order to assess large public and multinational businesses' tax governance, we look for evidence that a tax control framework exists, focusing on the controls set out in the director's summary within the Guide. We use the following staged rating system:

- Stage 1: tax control framework exists
- Stage 2: tax control framework is designed effectively
- Stage 3: tax control framework is working in practice
- Red flag: not evidenced or significant concerns

Stage 1: demonstrating a tax control framework exists

You will reach stage 1 when you provide objective evidence that a tax control framework exists. This includes one or more of the following:

- board endorsed tax policy documentation describing how the organisation identifies and manages tax risk
- documented procedures for preparing returns, including income tax returns and Business Activity Statements
- a testing program to validate the operating effectiveness of the tax control framework.

We are unable to rely on slide presentations, draft policies or narrative descriptions of the tax control framework, as they do not represent source documentation. We look for evidence in the form of actual policies and procedures demonstrating the existence of a tax control framework.

Stage 2: demonstrating design effectiveness

When we have established a tax control framework exists, we then look for objective evidence that the framework is designed effectively.

We recommend you prepare a gap analysis by self-assessing the design of your framework against the Guide. If a gap exists, you should describe your compensating controls and document why particular aspects of the Guide may not be applicable to your circumstances. This may be due to a range of factors including size, complexity and history.

Stage 3: demonstrating the framework is operating in practice

This stage is the highest rating for tax governance, and we encourage all large public and multinational businesses to achieve this stage. Achieving stage 3 provides a strong foundation for our level of confidence and supports less intense future engagements.

To achieve this stage, you must be able to demonstrate that your tax control framework has not only been designed effectively, but is also operating as intended.

This stage can be evidenced by a periodic tax controls testing program as well as reports describing the outcomes of that testing. The program scope should include testing of the six controls as set out in the director's summary.

Evidence of the program could also include:

- reference to the tax internal controls testing program in the tax control framework
- an extract of the testing program for the next 3-5 years setting out the

- scope of tax controls testing (controls and taxes reviewed)
- details of who is conducting the review (extent of independence)
- description of the testing methodology to be applied to gather evidence.

The report describing the outcomes of the testing should include an opinion on the operating effectiveness of the tax control framework and could also include a description of the:

- tax controls tested
- testing methodology
- sample sizes.

We look for the independent review and testing of tax controls, for example by internal or external auditors, that provide an independent level of assurance to the audit committee and the Board. Control owners (such as the tax or finance teams) testing their own controls do not provide the requisite degree of independence.

See also:

- Board level responsibilities

Red flag: not evidenced or significant concerns

A red flag may be assigned where you cannot provide evidence to demonstrate a tax control framework exists or if we have significant concerns with your tax risk management and governance. These concerns may include your approach to tax compliance, for example, where there are significant errors your tax control framework is not detecting. We will let you know our concerns before we give you a red flag rating.

Entities with a substituted accounting period

How to apply for a substituted accounting period (SAP), how to lodge a return and what to consider when lodging early.

Last updated 20 July 2026

Applying for a SAP

An entity's accounting period is ordinarily the 12-month period ending on 30 June.

You can seek leave from the Commissioner of Taxation to adopt an alternative annual accounting period (known as a 'substituted accounting period' or SAP).

Use the instructions on applying for a substituted accounting period to:

- apply for a SAP
- revert to a standard accounting period ending 30 June.

When you apply, you must provide:

- a reason for requesting a SAP
- supporting evidence.

Find out what supporting evidence you need to provide and why it's important to lodge as early as possible. For guidance on circumstances that warrant granting a SAP, see Law Administration Practice Statement PS LA 2007/21 *Substituted accounting periods (SAPs)*.

We accept retrospective or out-of-date applications in limited circumstances. See PS LA 2007/21 for details.

Lodging your income tax return with a SAP

If you've been granted leave to adopt a SAP, you must meet different lodgment requirements.

See Substituted accounting periods to find out:

- your lodgment date
- tax agent concessions
- more about how SAPs work.

Transitioning to a SAP

When you adopt a SAP, the end date of your accounting period changes. This results in a transitional period of more or less than 12 months. You must lodge an income tax return for the transitional period.

We will determine and notify you of your transitional period when we approve your SAP.

To better understand your transitional period, see examples of transitional periods for scenarios including:

- first time lodgers
- existing entities
- entities exiting consolidated groups.

When you've adopted a SAP, the new accounting period will involve either late or early balancing in relation to a 30 June year end.

- Where a SAP ends on any date between 1 July and 30 November, the SAP is in lieu of the income year ending on the preceding 30 June – this is a 'late' balance date.
- Where a SAP ends on any date between 1 December and 31 May, the period adopted is in lieu of the income year ending on the succeeding 30 June – this is an 'early' balance date.

For more on early and late balancing, and how and when an entity transitions to a SAP, see PS LA 2007/21.

What tax return form to use

Prepare your tax return on the form for the year in lieu of which the accounting period has been adopted. For example:

- if you adopted a SAP ending 31 December 2025 you're an early balancer

- your transitional period is in lieu of the following income year ending 30 June, being the year ended 30 June 2026, and
- you should prepare your tax return on the Company tax return 2026 form.

We try to release tax time stationery as early as possible. However, if the relevant form has not been produced by the date you wish to lodge, you must use the most recently available tax return form, whether lodging electronically or by paper.

If transitioning to a SAP, you must lodge a paper form if you are:

- not lodging the entity's first tax return
- lodging before we release next year's tax time stationery.

For more information, see:

- What tax return form to use
- PS LA 2007/21 – Example 5 – early December SAP

Franking period

Your transitional period will affect your franking period.

For a corporate tax entity that is not a private company, the franking period depends on the length of its income year. The franking period is different for an early or late balancing corporate tax entity that has adopted a SAP.

Lodging additional information for early balancers

Tax return labels may change when new stationery is released.

If you're an early balancer and lodged using the most recent tax return form, you may need to lodge an amendment if label changes are relevant to your circumstances.

We expect to publish draft details of tax return label changes each year in December. Where further changes are required due to law changes not currently known or anticipated, we will update the tax return label changes and provide further advice.

What's new

Denying deductions for ATO interest charges

The Treasury Laws Amendment (Tax Incentives and Integrity) Act 2025 amended the tax law to deny income tax deductions for general interest charges (GIC) and shortfall interest charges (SIC). The amendments apply in relation to assessments for income years starting on or after 1 July 2025.

This means most taxpayers can't claim a deduction for GIC and SIC incurred on or after 1 July 2025 from their 2025–26 income tax return and onwards. GIC and SIC incurred before 1 July 2025 will continue to be deductible for the 2024–25 and earlier income years.

For taxpayers with an approved substituted accounting period (SAP), the law applies in a different way. This law change means that a taxpayer will no longer be able to claim a deduction from their next SAP starting after 1 July 2025. The SAP is itself considered an 'income year'.

For example, a taxpayer with an approved SAP from 1 January 2025 to 31 December 2025 may deduct any GIC and SIC incurred for this period in their 2025–26 tax return. They can't deduct GIC and SIC amounts from their next SAP starting on 1 January 2026.

As GIC and SIC are no longer deductible, any GIC or SIC that is later remitted, will no longer need to be included as assessable income in the year in which the remission occurred. Remissions of GIC and SIC are assessable only if the original interest was deductible.

Any GIC or SIC incurred before 1 July 2025 that is later remitted, must be included in the assessable income in the year in which the remission occurred.

For more information, see Denying deductions for ATO interest charges.

Tax return label changes

To help early balancers, each year we provide information on label changes we expect in the new tax time stationery to be released at the end of May.

While tax returns can be lodged from 1 January, our processing for the new labels won't take place before our system is deployed in June 2026.

Company tax return 2026

For a list of all changes to the Company tax return 2026, refer to the Company tax return 2026 instructions – What's new for companies?

For 2026, there are no label changes to the Company tax return.

Trust tax return 2026

For a list of all changes to the Trust tax return 2026, refer to the Trust tax return 2026 instructions – What's new for trusts?

The Modernising tax administration systems (MTAS) program has added 3 new labels to the Statement of distribution. These enable pre-fill for Individual beneficiaries and have no impact on non-individual beneficiaries, such as companies. More information about MTAS changes for Trusts is available at ato.gov.au/MTAS.

In the Trust tax return 2026, the following label has been removed:

- **54G** Other refundable tax offsets

The following updates apply at Item **58** Statement of distribution for each beneficiary:

- **M** Exploration credits distributed – removed
- **H1** Other assessable Foreign Source Income from a financial investment amount – added
- **U2** Franked distribution related to investments amount – added
- **B1** Non-PP Managed Investment Scheme amount – added

Early balancers claiming Exploration credit tax offset, please refer to the 2025 form for lodgment.

For more information see Junior Minerals Exploration Incentive.

Fund income tax return 2026

For a list of all changes to the Fund income tax return 2026, refer to the Fund tax return 2026 instructions – What's new for funds?

The Fund income tax return 2026 includes a new label:

- **19B** Reportable Tax Position – Are you required to lodge a reportable tax position schedule

The following label has been removed from the 2026 return:

- **12E4** Exploration credit tax offset

Early balancers claiming Exploration credit tax offset, please refer to the 2025 form for lodgment.

For more information see Junior Minerals Exploration Incentive.

Self-managed superannuation fund annual return 2026

For a list of all changes to the Self-managed superannuation fund annual return 2026, refer to the Self-managed superannuation fund annual return 2026 instructions – What's new for SMSFs?

In the Self-managed superannuation fund annual return 2026, the following label has been removed:

- **13E4** Exploration credit tax offset

Early balancers claiming Exploration credit tax offset, please refer to the 2025 form for lodgment.

For more information see Junior Minerals Exploration Incentive.

Partnership tax return 2026

For a list of all changes to the Partnership tax return 2026, refer to the Partnership tax return 2026 instructions – What's new for partnerships?

In the Partnership tax return 2026, the following label has been removed:

- **54M** Share of exploration credits

Early balancers claiming Exploration credit tax offset, please refer to the 2025 form for lodgment.

For more information see Junior Minerals Exploration Incentive.

Reportable tax position schedule 2026

You should consider if the Reportable tax position schedule applies.

QC 71072

Supplementary annual GST return

A return for public and multinational businesses that have received a GST assurance rating in a GST assurance review.

Last updated 16 February 2026

About the supplementary return

We're working to better tailor our engagement with taxpayers under our Top 100 and Top 1,000 justified trust programs for goods and services tax (GST). To facilitate this, in 2025 we introduced the *Supplementary annual GST return* for large businesses that received a GST assurance rating through a GST assurance review.

The information provided in your supplementary return will enable more tailored and less resource intensive justified trust reviews. The return is straightforward to complete and targeted at understanding your key governance and GST changes during the year. Taxpayers who have achieved high levels of assurance are expected to benefit the most as you've already adopted better governance practices and systems.

Taxpayers who have received a GST assurance report with a GST assurance rating will be required to lodge the supplementary return annually starting from either the:

- 2024–25 financial year, if the report was received on or before 30 June 2024
- 2025–26 financial year, if the report was received between 1 July 2024 and 30 June 2025.

We'll notify you directly if you're required to lodge the supplementary return.

What the supplementary return covers

The *Supplementary annual GST return* covers:

- how you've actioned recommendations, areas of low assurance or red flags outlined in your most recent GST assurance review (including subsequent interactions with us)
- whether you've maintained or increased your level of GST governance and if you've had any material business or systems changes that impact your GST control framework since your last GST assurance review
- the reconciliation between your audited financial statements and your annualised business activity statements
- whether you've taken any material uncertain GST positions in the period
- whether you've identified any material GST errors in the period and how these have been rectified, and whether you claimed any material amounts of credits in the period that were referable to earlier periods.

You should keep objective evidence to support your responses in the return.

Who needs to lodge a supplementary return

Public and multinational businesses that have received a GST assurance rating through a Top 100 or Top 1,000 assurance review are required to lodge the supplementary return.

You will need to lodge if you received one of the following on or before 30 June 2025:

- Top 100 GST assurance report
- Top 1,000 combined assurance review report with a GST assurance rating
- Top 1,000 GST streamlined assurance review.

If you haven't yet received a GST assurance rating, you're not required to lodge the supplementary return.

When to complete the supplementary return

You'll need to complete the supplementary return starting from the financial year following the financial year you received your GST assurance report.

For example, if you received your first GST assurance rating in a Top 1,000 combined assurance review report issued after 30 June 2025, but before 30 June 2026, you'll need to complete the supplementary return for the 2026–27 financial year onwards.

Examples of lodging a supplementary return

Example 1: GST assurance rating received in September 2025

Titmus Forestry receive an initial Top 100 GST assurance report in September 2025 with their first GST assurance rating. Titmus Forestry is an early December balancer.

As Titmus Forestry receive their report prior to 30 June 2026, they need to complete the supplementary return for the 2026–27 financial year onwards. This is for the period 1 January to 31 December 2026.

If an entity that has previously received an assurance report is no longer a GST reporting entity (that is, they no longer lodge business activity statements) but instead is part of a new GST reporting group, then the new GST reporting group must lodge the supplementary annual GST return. This is when the previously assured GST reporting entity (or entities) contribute 50% or more of the GST throughput reported by the new GST reporting group.

Example 2: changes in GST reporting entity

Attia Media Co. receive a GST assurance rating in their combined assurance review report in August 2022. In April 2024, Attia Media Co. cease being a GST reporting entity when they are acquired by another entity. They are now a member of a new GST group. Attia Media Co. contribute 75% of the GST throughput reported by the new GST group, Saniel Communications.

Despite Saniel Communications not having an initial GST assurance review itself, we advise Saniel Communications that they will need to lodge the supplementary return for the 2024–25 financial year onwards. This is because Attia Media Co. contribute over 50% of the GST throughput reported by Saniel Communications.

When the supplementary return is due

Taxpayers who have received a GST assurance report with a GST assurance rating will be required to lodge the supplementary return annually starting from either the:

- 2024–25 financial year, if the report was received on or before 30 June 2024
- 2025–26 financial year, if the report was received between 1 July 2024 and 30 June 2025.

The due dates for each financial year are shown in the following tables.

Table 1: Due dates for the 2024–25 financial year

Financial year end	Due date
December 2024	21 August 2025
January, February, March 2025	21 November 2025
April, May, June 2025	21 February 2026
July, August, September 2025	21 May 2026
October, November 2025	21 August 2026

Table 2: Due dates for the 2025–26 financial year

Financial year end	Due date

December 2025	21 August 2026
January, February, March 2026	21 November 2026
April, May, June 2026	21 February 2027
July, August, September 2026	21 May 2027
October, November 2026	21 August 2027

Tax periods for return

The *Supplementary annual GST return* is a further return that we require certain taxpayers to lodge under Division 31 of the *A New Tax System (Goods and Services Tax) Act 1999* (GST Act). If you need to lodge the supplementary return, you'll receive a notice under section 31-20 of the GST Act to lodge the return by the specified due date.

Division 31 enables us to require taxpayers to lodge a fuller or further GST return for a tax period or a specified period. We may require information relating to the tax period to which the return relates, or one or more preceding tax periods, or to both.

The supplementary return has a due date that aligns with an existing return due at least 7 months after the end of the financial year.

For instance, for June balancers, the 2025–26 supplementary return will be an additional return for the January 2027 period, due by 21 February 2027. You will need to provide information about the period 1 July 2025 to 30 June 2026.

The supplementary return does not replace any other GST return required. It has no effect on the due dates for any other returns. It also does not affect the 4-year entitlement period to input tax credits under Division 93 of the GST Act, in any way.

Penalties can apply if you fail to lodge the supplementary return on time.

How we use the information you provide

The information provided in your supplementary return will help us:

- assess the extent to which we have confidence that GST has been correctly reported
- determine the level of ongoing investment in GST governance.

Generally, our future engagement with you will depend on a number of factors, including:

- the level of assurance obtained in our most recent GST assurance review
- our monitoring and analytics during the periods between assurance reviews
- the information provided in your return.

The supplementary return collects information relevant to your continued investment in GST governance and correct reporting. It includes the work you've undertaken to address previous ATO recommendations or areas of low assurance or red flags, and whether you have completed the GST analytical tool (GAT) or similar reconciliation for the period.

We'll also use the information to identify and monitor GST risks. We'll differentiate our approach where we identify specific issues that require further engagement with you.

Taxpayers in the Top 100 program

The Top 100 GST assurance program seeks to provide assurance, through the justified trust methodology, that the Top 100 population is reporting and paying the right amount of GST in Australia. Under the program, we gain assurance, or identify areas of GST risk, by engaging with a Top 100 GST reporter (reporter) through a GST assurance review (initial review).

Once the initial review is concluded, we will provide each reporter with a tailored assurance approach that seeks to build upon and leverage as far as possible from previous assurance activities. Our future engagement approach will be based on whether the reporter attains overall high, medium or low assurance.

Overall high or medium assurance GST reporters will be reviewed on a periodic basis at least once every 4 financial years, either via a GST refresh review or a GST assurance check-in, taking a monitoring

and maintenance stance during the intervening 3 years. We may conduct targeted assurance activities during this time.

We use the information provided in the *Supplementary annual GST return* to:

- monitor your GST disclosures and outcomes in the intervening 3 years
- inform the scope and intensity of our GST assurance reviews, including refresh reviews.

The return also provides information for the refresh review period that is relevant to each of the 4 focus areas under justified trust. We'll use this information, in conjunction with our earlier assurance review and what has since been disclosed in real time, to target our focus on the key areas where we need to refresh our assurance base.

Our Top 100 Pre-lodgment disclosure framework sets out our existing expectations for real-time disclosures by Top 100 taxpayers. If you disclose something in real-time that needs to be included in your *Supplementary annual GST return*, you can provide a brief explanation in the return and refer to the date of the prior disclosure for further context.

Example: taxpayer in the Top 100 program

Layoun Minerals is a Top 100 taxpayer that has had a comprehensive GST assurance review for the 2020–21 financial year and attains an overall high assurance rating with a Stage 2 governance rating and Stage 2 rating for alignment between accounting and GST using the GST analytical tool (GAT). There are no areas of low assurance or red flags in the assurance report.

Our assurance report recommends that Layoun Minerals:

- create a procedure document in relation to issuing recipient created tax invoices
- implement a documented procedure to complete the GAT on an annual basis to understand variances between its financial statements and GST reporting, and
- evidence independent testing of its GST control framework.

Layoun Minerals actively implements our recommendations. It also makes real-time disclosures when applicable in accordance with the Top 100 Pre-lodgment disclosure framework.

When completing the *Supplementary annual GST return* for the 2024–25 financial year, Layoun Minerals provides the following responses:

- Section B – there were no outstanding actions in relation to recommendations or areas of low assurance or red flags from its most recent GST assurance review (including subsequent ATO interactions) as it has
  - implemented a procedure document for recipient created tax invoices
  - a documented process to complete the GAT annually, and
  - conducted the first phase of internal controls testing in line with its testing plan, with an independent tester conducting the testing of some specific controls and providing a report outlining the findings.
- Section C – during the period the return covers, it considers it meets the criteria to maintain the GST governance rating given in the most recent GST assurance review, based on the criteria set out in our GST governance, data testing and transaction testing guide. There have not been any material business changes or material systems changes that impact its GST control framework since the earlier assurance review.
- Section D – it had completed the GAT for the period the return covers with the following rates provided
  - effective GST rate on sales of 10.03%
  - effective GST rate on expenses of 9.72%
  - net effective GST rate of 9.84%.

  It considers that the remaining variance could only be resolved through a transactional-level analysis.
- Section E – it did not take any material uncertain GST positions in the period the return covers.

- Section F – during the period the return covers, it has not identified any material GST reporting errors or claimed material input tax credit amounts referable to earlier periods.

Layoun Minerals retains objective evidence to support its responses.

The information provided indicates that Layoun Minerals has maintained a high level of GST compliance and governance. This enables us to reduce the scope and intensity of the refresh review engagement for the 2024–25 financial year.

Layoun Minerals has disclosed in its *Supplementary annual GST return* that it completed the GAT for the refresh review period and can readily provide the objective evidence used to support its calculations.

When considering all the relevant information, including their supplementary return, as part of our scoping for the refresh review engagement for Layoun Minerals, we determine that Layoun Minerals is eligible for a GST assurance check-in. We will be able to tailor the review to predominantly rely on the independent tax control testing results and the GAT to evidence and maintain assurance over its reporting for the period.

Information about the scope of GST assurance check-ins for eligible high assurance reporters as part of our tailored approach to maintaining assurance is explained in our guidance, Future GST engagement after initial GST assurance review.

Taxpayers in the Top 1,000 program

Under our differentiated approach to combined assurance reviews, we'll assess the responses to the supplementary return to determine the level of intensity for your next GST assurance review. This may result in a less intensive GST assurance review, or we may decide a GST assurance review is not required where:

- you have obtained an overall medium or high assurance rating for GST and a Stage 2 or Stage 3 GST governance rating in your most recent assurance review, with no unresolved ATO or client next actions, and

- the information you provide in your return enables us to maintain confidence that your investment in GST governance is maintained and that GST is correctly reported.

Taxpayers who obtain an overall low GST assurance rating or a Stage 1 GST governance rating will continue to be assured as part of their combined assurance review. However, our review will be tailored based on the assurance already attained and the responses provided in your return.

For taxpayers with significant system changes (for example, implementing a new IT system) since their most recent GST assurance review, generally we would need to consider the impacts of these on GST governance through our assurance programs. Some taxpayers may require specific engagement due to GST risks in their business.

We may take a tailored approach to reviewing objective evidence to support responses in the return as part of a combined assurance review. Our approach will vary based on the assurance previously attained and the responses in the return. For example, this may include reviewing evidence where a taxpayer indicates it has:

- increased a rating to Stage 3 for governance
- addressed recommendations in relation to a specific risk identified in the earlier assurance review, or
- GST analytical tool (GAT) workpapers.

Example: taxpayer in the Top 1,000 program

Timlin Manufacturing is a Top 1,000 taxpayer that has a **combined assurance review**. They receive an overall high GST assurance rating and a Stage 2 GST governance rating. There are no areas of low assurance or red flags in the assurance report.

Our assurance report recommends that Timlin Manufacturing:

- evidence independent testing of their GST control framework
- document a process to periodically review whether it exceeds the financial acquisitions threshold, and

- implement a documented procedure to complete the GAT on an annual basis to understand variances between their financial statements and GST reporting.

Timlin Manufacturing actively implement all our recommendations from their assurance review.

When completing the supplementary return for the 2025–26 financial year, Timlin Manufacturing provide the following responses:

- Section B – there are no outstanding actions in relation to recommendations or areas of low assurance or red flags relating to our most recent GST assurance review (including subsequent ATO interactions).
  - Timlin Manufacturing has implemented documented procedures to complete the GAT on an annual basis and introduced documented processes to regularly review whether the financial acquisitions threshold has been exceeded.
  - Timlin Manufacturing has commenced some controls testing in line with our testing plan. However, the testing will not be completed until 2026–27 because the testing occurs over a 3 to 5-year rolling audit period.
- Section C – Timlin Manufacturing considers it meets the criteria to maintain the GST governance rating obtained in the most recent GST assurance review. That is, they consider they have maintained a Stage 2 rating, based on the criteria set out in the GST governance, data testing and transaction testing guide.
- Section D – they have completed the GAT for the period and consider that all variances can be explained. The following rates are provided
  - effective GST rate on sales of 9.96%
  - effective GST rate on expenses of 9.94%
  - net effective GST rate of 9.82%.

    They consider that the remaining variance can reasonably be explained by timing differences.

- Section E – Timlin Manufacturing have not taken any material uncertain GST positions in the period the return covers.
- Section F – during the period the return covers, they have not identified any material GST reporting errors or claimed material input tax credit amounts referable to earlier periods.

Timlin Manufacturing retains objective evidence to support the responses.

Based on the information provided in the supplementary return, we are able to assess Timlin Manufacturing's GST compliance position. We determine that they have actioned our recommendations and their responses provide us with confidence that the level of investment in GST compliance has been maintained.

If Timlin Manufacturing is selected for a combined assurance review in the 2025–26 financial year, we would expect to either:

- not undertake a GST assurance review as part of the combined assurance review
- take a tailored approach to reviewing objective evidence to support the responses in the return.

Completing and lodging the supplementary return

2024–25 supplementary return

Download the return for the 2024–25 financial year at Supplementary annual GST return 2025. Use the Instructions to complete the Supplementary annual GST return 2025.

2025–26 supplementary return

Download the return for the 2025–26 financial year at Supplementary annual GST return 2026. Use the Instructions to complete the Supplementary annual GST return 2026.

Lodging the supplementary return

Email your completed supplementary return to SAGR@ato.gov.au.

If additional lodgment methods are available, we'll let you know when we issue your notice to lodge.

You should have objective evidence to support your responses in the return. However, you do not need to provide any documentation when lodging your return. We may ask you for supporting evidence later.

You should be aware that the internet isn't a secure environment. We don't control the path of inbound and outbound emails, so we can't guarantee the privacy of personal information sent by email. You should be aware of this risk if you choose to communicate with us by email and include your personal details.

If you have concerns about providing the lodgment via email, contact us at SAGR@ato.gov.au to discuss alternative options.

More information

If you have any questions about the *Supplementary annual GST return*, you can email us at SAGR@ato.gov.au.

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Our commitment to you

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

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

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

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

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