



ATO settles dispute over Singapore hub

The ATO acknowledges the announcement by Ampol Limited (Ampol) that it has reached a settlement with the ATO for \$157 million.

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ATO Deputy Commissioner Rebecca Saint welcomed the ASX announcement from Ampol, noting the settlement shows the ATO's commitment to working with multinationals to ensure full compliance with the Australian tax regime.

The settlement resolves the dispute for past years back to 2014 for \$157 million. Importantly, it also locks in the tax outcomes of the arrangement out to 2033.

“Locking in tax outcomes for the future has become an important feature of our settlements with multinationals as it provides us, taxpayers and the community with certainty that the multinational is meeting their tax obligations into the future, avoiding future disputes,” Ms Saint said.

The settlement covers the transfer pricing outcomes of refined products and crude oil between Ampol Singapore and Ampol Australia as well as how Australia's controlled foreign companies regime will apply to the profits of Ampol Singapore.

The Tax Avoidance Taskforce has had a focus on offshore procurement hubs for a number of years. Broadly, under these models, an offshore entity of the multinational group (the procurement hub) is used to procure goods from third party suppliers and in turn on-sell those goods to the Australian arm of the group. The procurement hub is typically located in a low or no tax jurisdiction.

“We are keen to ensure that procurement hubs are not used as a mechanism to shift profit from Australia by charging excessive prices for imported goods and services in an effort to reduce tax paid in Australia.”

We also continue to closely scrutinise the offshore structures and dealings of multinationals to ensure that that right amount of profit is being taxed in Australia under our controlled foreign company rules.

“The Tax Avoidance Taskforce has a strong focus of identifying, investigating and challenging those companies that don’t pay their fair share. The Australian community should be confident in the taskforce holding large taxpayers to account.”

The broader impact of the Tax Avoidance Taskforce in the market has been to reduce the proliferation of profit shifting and transfer mispricing. ATO intervention has resulted in taxpayers shifting their tax position and increasing their revenues being taxable in Australia.

Over the period 2016 to 2022, in relation to large public and private groups and multinationals the ATO has raised tax liabilities of \$30.6 billion, with Tax Avoidance Taskforce funding generating \$18.7 billion of this amount. It has also helped to deliver \$21.7 billion in total revenue effects, with taskforce funding generating \$12.8 billion of this amount.

Information for journalists

Settlement details

Details of the settlement are covered by confidentiality provisions and the tax secrecy requirements of the taxation law. However, all large corporate settlements are reviewed by former Federal Court judges to ensure a fair and reasonable outcome for the Australian community.

ATO settlement practices are subject to significant external scrutiny, with the Australian National Audit Office (ANAO) finding that our practices are effective. The ANAO also indicated we have more transparency over large market settlements than any other jurisdiction.

The efforts of the Tax Avoidance Taskforce have seen several significant taxpayers publicly state that they have settled their affairs with the ATO, promoting unprecedented transparency. This includes the likes of Rio Tinto, Google, BHP, Apple, ResMed, and Microsoft.

The ATO is now seeing the impact of our assurance programs on the tax gap, specifically the gross gap, which is the true measure of voluntary performance of large business. Gross tax performance is a measure of how well large business get it right when they lodge, not after our intervention. This has improved since the inception of the Tax Avoidance Taskforce.

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