

**Tier 1 –  
Behaviours  
driving tax  
performance**

**International  
related party  
dealings**

**Tier 2 – Events**

**Transfer pricing  
and arm's length  
conditions**

**Intangibles  
arrangements**

**Tier 3 – Focus areas**

→ Offshore hubs and commodity pricing

→ Inbound supply chain distribution arrangements

→ Transfer pricing mischaracterisation

→ Financing arrangements

→ Insurance and reinsurance

→ Intangibles migration arrangements (including mischaracterisation of Australian activities connected with intangibles)

→ Characterisation of royalty payments

**Tier 1 –  
Behaviours  
driving tax  
performance**

**Tier 2 – Events**

**Tier 3 – Focus areas**

Cross-border  
investment  
structures

**Debt and capital  
structures**

- Pricing and quantum of debt
- Debt creation, loading and dumping
- Interest withholding tax
- Characterisation of debt and equity
- Third-party debt test
- Restructuring in response to thin capitalisation rules

**Disposal of  
assets or  
businesses by  
foreign residents**

- Characterisation of disposals
- Non-resident tax exemptions
- MEC groups and CGT consequences

**Structuring  
through vehicles  
or arrangements**

- Accessing MIT concessions
- Inversion or top-hatting arrangements or imposition of partnerships or other entities
- Accessing treaty benefits
- Recognising costs through recharges or risk shifting
- Synthetic equity arrangements

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following page



**Tier 1 –  
Behaviours  
driving tax  
performance**

**Domestic Tax  
Positions and  
Structures**

**Tier 2 – Events**

**Tier 3 – Focus areas**

**Characterisation  
of business  
activities**

- Treatment of capital and revenue
- Business fragmentation

**Treatment of  
distributions**

- Claiming or accessing franking credits
- Allocation of franking credits
- Application of scheme provisions to corporate distribution

**Claiming other  
tax concessions  
or rates**

- Entitlement to research and development (R&D) tax offsets
- Entitlement to base rate entity tax rate
- Entitlement to s128F withholding tax exemption
- Eligibility for managed investment trust (MIT) status
- Foreign government investment
- Cost or expense recharge or push down

**Creation and  
use of carried  
forward losses**

- Application of business continuity test
- Use of revenue losses
- Use of capital losses

Continues on  
following page

**Tier 1 –  
Behaviours  
driving tax  
performance**

**Domestic Tax  
Positions and  
Structures**

**Tier 2 – Events**

**Disposal of  
wholly domestic  
business  
structures**

**Treatment and  
reporting for  
Goods and  
Services Tax  
(GST) purposes**

**Treatment  
and reporting  
for Petroleum  
resource rent tax  
(PRRT) purposes**

**Tier 3 – Focus areas**

- Capital gains tax (CGT) rollovers
- Allocable cost amount (ACA) calculations
- Contingent consideration arrangements

- Treatment of significant or unusual transactions involving financial supplies (e.g. financial acquisition threshold)

- Treatment applied by financial services, investment and insurance industries (e.g. GST apportionment, reduced input tax credits, reverse charge)

- GST classification of food and health products

- Reporting of GST on low value imported goods and inbound intangibles supplies by offshore entities

- Treatment applied to real property transactions and accommodation

- Entitlement to GST refunds due to retrospective change in treatment

- PRRT deductions

- PRRT assessable receipts

- Transferred exploration expenditure

- PRRT avoidance arrangements

- Closing down expenditure

**Tier 1 –  
Behaviours  
driving tax  
performance**

**Administrative  
compliance  
obligations**

**Tier 2 – Events**

**Tier 3 – Focus areas**

**Foreign and  
multinational  
reporting**

- Lodgment of ATO general purpose financial statements (GPFS)
- Lodgment of country-by-country (CbC) reports
- Public CbC Reports
- Lodgment of Global Anti-base Erosion (GloBE) and domestic minimum tax returns

**Registration  
obligations**

- Permanent establishment registrations
- Offshore entities making supplies of low value imported goods and inbound intangibles to Australian consumers

**Reporting  
obligations**

- Financial institution data – Common reporting standards (CRS) and Annual investment income reports (AIIRs)
- Investment body data – AIIRs and Attributed MIT (AMIT) member annual statements
- Taxable payments annual reporting (TPAR) system obligations
- Large Australian Prudential Regulation Authority (APRA) fund member reporting obligations
- Lifestyle assets data
- Health insurance data

Continues on  
following page

**Tier 1 –  
Behaviours  
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**Administrative  
compliance  
obligations**

**Tier 2 – Events**

**Lodgment  
obligations**

- Lodgment of tax returns
- Lodgment of activity statements
- Lodgment and correct completion of annual return schedules
- Lodgment and correct completion of Supplementary Annual GST Return
- Non-resident withholding reporting obligations
- Significant global entity (SGE) self-assessment

**Payment  
obligations**

- On-time payment of income tax (including instalments)
- On-time payment of GST
- Large fund payment standards

**Employer and  
other indirect tax  
obligations**

- Fringe benefits tax (FBT) obligations
- Employer superannuation guarantee (SG) obligations
- Pay-as-you-go (PAYG) withholding obligations
- Luxury car tax (LCT) obligations
- Excise obligations
- Fuel tax credit (FTC) obligations

**Tier 3 – Focus areas**

**Tier 1 –  
Behaviours  
driving tax  
performance**

**Tier 2 – Events**

**Tier 3 – Focus areas**

**Actions that  
support tax  
compliance**

**GST governance,  
systems and  
controls**

Effective systems and controls ensure accurate GST reporting and issuance of invoices

**Governance**

Operational effectiveness of governance processes

Governance over third-party data

**Reliance on  
tax advice**

Promoter penalties

Marketing of high-risk GST arrangements

**Engagement  
with regulator**

Making true and accurate statements

Providing full information

Adhering to due dates for information requests

Privilege and concession claims

Satisfying Foreign Investment Review Board (FIRB) conditions