

**Tier 1 –
Behaviours
driving tax
performance**

Tier 2 – Events

Tier 3 – Focus areas

International
related party
dealings

Transfer pricing
and arm's length
conditions

Intangibles
arrangements

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

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Cross-border
investment
structures

Debt and capital
structures

Disposal of
assets or
businesses by
foreign residents

Structuring
through vehicles
or arrangements

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

Characterisation of disposals

Non-resident tax exemptions

MEC groups and CGT consequences

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

Continues on
following page

Tier 1 – Behaviours driving tax performance

Cross-border
investment
structures

Tier 2 – Events

Income
recognition
from business
operations

Hybrid
arrangements

Global tax
arbitrage

Tier 3 – Focus areas

Attribution of profits through Controlled Foreign Companies (CFCs)

Application of CFC regime

Attribution of Permanent Establishment profits

Importation of offshore hybrid mismatches

Offshore hybrid mismatches

Top up tax requirements

**Tier 1 –
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Domestic Tax
Positions and
Structures

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

Tier 3 – Focus areas

Capital gains tax (CGT) rollovers

Allocable cost amount (ACA) calculations

Contingent consideration arrangements

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

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

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

PRRT deductions

PRRT assessable receipts

Transferred exploration expenditure

PRRT avoidance arrangements

Closing down expenditure

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Administrative
compliance
obligations

Foreign and
multinational
reporting

Registration
obligations

Reporting
obligations

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

Permanent establishment registrations

Offshore entities making supplies of low value imported goods and inbound intangibles to Australian consumers

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 driving tax performance

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

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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