



Practical Compliance Guideline compendium – PCG 2025/4

❗ Relying on this Compendium

This Compendium of comments provides responses to comments received on draft PCG 2025/D3 *Global and domestic minimum tax lodgment obligations – transitional approach*. It is not a publication that has been approved to allow you to rely on it for any purpose and is not intended to provide you with advice or guidance, nor does it set out the ATO's general administrative practice. Therefore, this Compendium does not provide protection from primary tax, penalties or interest for any taxpayer that purports to rely on any views expressed in it.

Summary of issues raised and responses

Issue number	Issue raised	ATO response
1	It is not reasonable to require further action by taxpayers to lodge a GloBE Information Return (GIR) in Australia where the ATO is unable to obtain the GIR, that has been lodged on time, from a foreign government agency.	The Minimum Tax law enables the ATO to require local filing of the GIR in certain circumstances. However, as noted in paragraph 24 of the Guideline, we will generally contact the foreign government agency in the first instance to determine the reason for the delay and to request a copy of the GIR.
2	The final Guideline should clearly define circumstances that would require the local filing of a GIR referred to in paragraph 23 of the draft Guideline.	Without observing actual cases of non-lodgment of the GIR, it is difficult to provide specific examples of where we would require local filing. Example 4 of the Guideline provides an example where we may not request local lodgment. We may, at a later point in time, provide additional examples, either in an update to the Guideline or by some other means (such as guidance on our website), if we receive further feedback regarding this issue.

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3	When developing the final Guideline, paragraph 39 should be updated to confirm what the actual Transition Period is for multinational enterprise groups (MNE Groups) with a Fiscal Year ending 30 June. The Transition Period appears to be based on the lodgment due date occurring on or before the Organisation for Economic Co-operation and Development's (OECD) stated end date of 30 June 2028, rather than the relevant Fiscal Year when the rules apply.	In paragraph 39 of the final Guideline, we have provided an additional example to illustrate how the Transition Period applies in respect of MNE Groups with a Fiscal Year ending on 30 June.
4	It would be helpful to acknowledge, in the final Guideline, that the Commissioner can decline to make a private ruling as a potential circumstance relevant to paragraphs 93 to 97.	In the final Guideline, paragraph 95 acknowledges that an example of an MNE group taking the appropriate steps to arrive at the correct interpretation is seeking specific guidance from us.
5	Concern is expressed about the broader global implementation of Pillar Two in other jurisdictions. The ATO and the Australian Government should proceed to fully implement Pillar Two as it was originally intended.	The ATO's role is to administer the tax and superannuation laws as legislated by parliament, including the global and domestic minimum tax. These comments raise wider government policy issues and are therefore outside the scope of this Guideline.
6	It is unreasonable to expect MNE groups to continue to expend significant time and resources to meet Pillar Two obligations, given uncertainty stemming from the: - Group of Seven announcement concerning a proposed 'side-by-side' solution for United States-parented groups - Commissioner's discretion not to provide private rulings on matters where the OECD/G20 Inclusive Framework on BEPS has published, or is drafting, guidance that Australia plans to incorporate.	The ATO's role is to administer the tax and superannuation laws as legislated by parliament. We will continue to implement the law as enacted, which requires first lodgments from 30 June 2026. Australia's policy position is a matter for Treasury and the Australian Government. We will engage with the market and issue further communications should changes to our implementation be necessary. Taxpayers should continue to prepare their returns in anticipation of first lodgments.
7	It is recommended that the ATO provide further illustrative guidance, beyond the current examples in the draft Guideline, to delineate between what is considered 'reasonable effort' for groups at different	Paragraphs 46 to 49 of the Guideline detail how reasonable measures can be demonstrated depending on the taxpayer's circumstances. Additionally, paragraph 76 of the Guideline provides guidance for subsequent years during the Transition Period.

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	stages of their implementation journey, especially concerning the detail required for each point. Differing standards of 'reasonableness' can exist across jurisdictions. Ongoing ATO commitment is sought to balance local standards with broader international consensus, to avoid inherent conflicts for global groups.	Where taxpayers require specific guidance, we encourage them to contact us. We may include additional examples of reasonable measures in the future, based on ongoing feedback, if warranted.
8	The draft Guideline addresses the base penalty amount but does not provide a clear explanation of the concept and how it is calculated. Consolidating this information within the final Guideline would enhance its clarity. The draft Guideline omits the relevance of time in determining the appropriate penalty, per section 286-80 of Schedule 1 to the <i>Taxation Administration Act 1953</i>. The final Guideline should clarify that the base penalty amount is determined as one penalty unit for each 28-day period.	The Guideline is concerned only with matters specific to the Minimum Tax. MNE Groups can continue to rely on existing ATO guidance to assist with calculating the base penalty amounts.
9	At paragraph 35, the draft Guideline indicates circumstances where penalties are doubled. It would be beneficial for the final Guideline to provide concrete examples illustrating the concept and the methodology used to calculate the penalty amount.	The Guideline is concerned only with matters specific to the Minimum Tax. MNE Groups can continue to rely on existing ATO guidance to assist with calculating the base penalty amounts.
10	The final Guideline would benefit from having examples which demonstrate the implications of not lodging the GIR and CGDMTR by the deferred due date, whether due to taking, or not taking, reasonable measures. The final Guideline should clarify instances when the ATO would consider further extension requests.	The examples in the final Guideline cover what we expect to be the most common scenarios. Where taxpayers require specific guidance, we encourage them to contact us.