

PRODUCT

MARCH 2011

UNCLASSIFIED

FORMAT

AUDIENCE

DATE

CLASSIFICATION



Australian Government

Australian Taxation Office

FILE REF:

APA Case Plan for Simplified APAs

Product linked to the Practice Statement Law Administration
PS LA 2011/1



UNCLASSIFIED



| | |
|------------------------|---|
| COMPANY OR ENTITY NAME | AUSTRALIA LTD |
| TFN | 123456789 |
| ABN | 1234567890 |
| PERIOD SUBJECT TO APA | 20XX – 20XY |
| ATO APA CASE TEAM | [APA case leader, contact telephone number] [APA economist officer] [APA case officer, contact telephone number] The APA case leader is the ATO contact for the taxpayer throughout the APA process. |
| COMPANY CONTACTS | [Company contact 1, contact telephone number] [Company contact 2, contact telephone number] |

The Advance Pricing Arrangement (APA) case will be guided by the principles outlined in the [Taxpayers' Charter](#).

| Activity | Date |
|--|------|
| <p>Step 1: Pre-lodgment</p> <ul style="list-style-type: none"> • Provide Australian Taxation Office (ATO) with an APA proposal that identifies: <ul style="list-style-type: none"> - the transactions to be covered by the APA and explain how the taxpayer intends to approach the overall transfer pricing issues - whether the APA is new or a renewal. • Consider lodging a draft APA case plan for simplified APAs. • Pre-lodgment meeting(s) with the ATO to identify issues, including whether the simplified APA process is appropriate. • Reach agreement with the ATO on the transactions to be covered by the APA. • Reach agreement with the ATO on information/documentation required. • ATO internal review of pre-lodgment decisions by a Transfer Pricing Review Panel (TPRP). • ATO advises taxpayer of acceptance into the APA Program and invites the taxpayer to lodge a formal application. If the taxpayer wishes to proceed they will be required to lodge a formal APA application. • Develop an APA case plan jointly with the ATO. | |
| <p>Step 2: Lodgment of formal application</p> <ul style="list-style-type: none"> • Lodge a formal APA application based on the Simplified Unilateral APA Application Template. The application should include a functional analysis and industry analysis, as well as, the information/documentation agreed in the pre-lodgment meeting <ul style="list-style-type: none"> - ATO information/documentation request 1 - Taxpayer response 1. • ATO to provide benchmarking for distributors and service provider taxpayers unless the taxpayer chooses to prepare its own benchmarking analysis. • ATO to provide reasonable assistance in preparing a benchmarking analysis to taxpayers other than distributors or service providers. • Finalise the APA case plan, update as necessary and execute. | |

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|--|--|
| <p>Step 3: Analysis and evaluation</p> <ul style="list-style-type: none"> • ATO to evaluate the data submitted and prepare benchmarking analysis where required. If required, establish arm's length consideration using the process in Taxation Ruling TR 98/11. • ATO to undertake relevant field work. • If required, ATO information/documentation request 2. • Taxpayer response 2. • Meeting(s) between the ATO and the taxpayer in connection with either the facts or the interpretation of the outcome, if necessary. • Development of ATO position. • ATO internal review of decisions (TPRP). | |
| <p>Step 4: Negotiation and agreement</p> <ul style="list-style-type: none"> • Endeavour to reach agreement on the terms of the APA, including: <ul style="list-style-type: none"> - the transfer pricing methodology - critical assumptions - compensating adjustments. | |
| <p>Step 5: Conclude</p> <ul style="list-style-type: none"> • Taxpayer and the ATO finalise the APA based on the outcome of the negotiations. • Provide written confirmation of the concluded arrangement to the taxpayer based on the Model Simplified Unilateral APA. • Complete and sign formal documentation. | |

Scope - APA covered transactions

| Covered transactions (CT) | Approach to resolution |
|---------------------------------|------------------------|
| | |
| Description of CT | |
| CT 1: | |
| CT 2: | |
| Add additional rows as required | |

Information/documentation requests and responses

| Information/documentation request (IDR) | Date of ATO information request | Date applicant's response required by |
|---|---------------------------------|---------------------------------------|
| | | |
| Description of IDR and relevance | | |
| IDR 1: | | |
| IDR 2: | | |
| Add additional rows as required | | |