

# Joint valuations

## Working with you to achieve the correct tax outcome

Many areas of the tax and superannuation laws require a valuation of an asset or liability. However, differing valuation opinions can lead to significant costs for all parties.

We have a responsibility to the community to make it easier for you to comply. With an aim to foster greater collaboration between the ATO and the community, we have a joint valuation process.

A joint valuation involves both you and the ATO working together to appoint and instruct an independent and impartial professional valuer to value a subject asset or liability. The valuation costs are shared between the parties.

## Who can make a proposal for a joint valuation?

Either you or the ATO can propose a joint valuation at any time during a pre-lodgment engagement, review, audit, or objection.

**Note:** For private rulings – see our separate fact sheet [Private rulings and valuations](#)

If you make a joint valuation proposal to us, we will consider the following factors in our assessment:

- whether there are reduced compliance costs for you and the ATO
- a demonstrated willingness to act in good faith, be frank and transparent, and work in collaboration with all parties
- a demonstrated willingness to accept the market value opinion of the valuer chosen by you and the ATO
- the suitability of the joint valuation process to the relevant facts and circumstances.

## What are the benefits of a joint valuation?

**Certainty** – we agree to accept the market value determined by the professional valuer.

**Lower compliance costs** – savings are achieved through both valuation cost-sharing and the potential reduction of future compliance costs.

**Transparency** – the valuer will include both you and the ATO in communications throughout the engagement.

**Control** – we will work with you to jointly select and instruct the valuer, and provide factual comment on the draft report before finalisation.

**Early resolution** – having jointly appointed and instructed the independent valuer the parties will have greater confidence in the valuation outcome, thereby reducing the likelihood of ongoing dispute.

**Note:** Undertaking a joint valuation does not affect your review and appeal rights under the law.

## What happens next?

Once a joint valuation is proposed:

- We will invite you to a facilitated teleconference to discuss and answer your queries about the process.
- We will notify you within 28 days of the teleconference on whether your proposal has been accepted.
- We will work together to select and instruct a professional valuer. We may agree to approach more than one firm for a quote.
- We will host a teleconference, involving you and the valuer, to discuss the instructions as a way to ensure common understanding of the information required and scope of work to be undertaken.
- The valuer will provide a quote, which will contain:
  - the cost for their work
  - the time it will take to provide the valuation report
  - any additional information they require to complete the work.
- For complex valuation cases, the valuer may need to do the work in stages. In these situations, they will provide a quote for each stage, before starting work on that stage.
- Once you have agreed to proceed, we will issue you with an invoice specifying your share of the valuation cost.
- You need to pay us the amount within 28 days of receiving the invoice, and provide the additional information the valuer has requested.

- Once we have received your payment, the ATO will:
  - ask the valuer to start the work
  - send you a receipt for your payment.

As the cost of the valuation work is considered to be a cost of managing your tax affairs, it may be deductible for income tax purposes. If registered for GST, you may also be able to claim the GST included in the valuer's fee as a GST credit.

- During a joint valuation, the scope of work can only be changed if you and the ATO agree in writing.
- We will ask the valuers to notify us before undertaking any valuation work beyond the original scope.
- In the event that extra work has been performed or additional work is required, we will collaborate with you to determine how the extra cost can be met.
- After the valuer has provided the draft valuation report, all parties will be given the opportunity to consider its contents, and provide information to rectify any factual errors.
- If required, we may organise a further teleconference with the valuer to discuss factual feedback.
- After receiving the final valuation report, we will organise a teleconference with you to discuss the next step in the pre-lodgment engagement, review, audit, or objection.
- We will:
  - refund any extra amount you paid, or
  - ask you to pay any shortfall.
- If there is a shortfall, you need to pay this before the valuer provides the report.

## Discontinuing the process

You are able to discontinue the joint valuation process at any time if you do not want to proceed with it. However, if this is after the valuation work has started, you will need to pay for the work already done by the valuer.

If you decide to discontinue the joint valuation process, the ATO may continue to engage the professional valuer.

To discontinue the process, contact us and quote your case reference number. We will confirm the discontinuation in writing.

## More information

For more information, see

- [Market valuation for tax purposes](#)
- [Private rulings and valuations](#)
- [Market valuation disputes](#)

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### Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information in this publication and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it but we will not charge you a penalty. Also, if you acted reasonably and in good faith we will not charge you interest.

If you make an honest mistake trying to follow our information in this publication and you owe us money as a result, we will not charge you a penalty. However, we will ask you to pay the money, and we may also charge you interest. If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

This publication was current at December 2018.

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Published by:  
Australian Taxation Office  
Canberra



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