**DEED OF SETTLEMENT**

**BETWEEN**

*<taxpayer's full name and address>*

(‘the taxpayer’)

**AND**

**THE COMMISSIONER OF TAXATION OF THE COMMONWEALTH OF AUSTRALIA**

### Context

1. The Commissioner and the taxpayer are in dispute as to the:
   1. [insert brief summary of issue1 - eg assessability as to income tax of certain amounts for the year ended 30 June [insert year]]
   2. [insert brief summary of issue2 - eg the tax deductibility of certain amounts for the year ended 30 June [insert year]]
   3. [insert brief summary of issue3 - eg imposition of penalty for the year ended 30 June [insert year]]

B. The Commissioner and the taxpayer (“**the Parties**”) nonetheless wish to settle their dispute, making no admissions as to liability, and have agreed on the terms set out in this deed.

1. Agreement

1.1. The Parties agree that for the purposes of the matters being the subject of this deed:

* + 1. [insert particulars issue1 – eg assessable income for the year ended 30 June [insert year] will be increased/reduced from $X to $Y]
    2. [insert particulars issue2 – eg tax deductions for the year ended 30 June [insert year] will be increased/reduced from $X to $Y]
    3. [insert particulars issue3 – eg the Commissioner will remit the administrative penalty applied to the tax-related liability shortfall for the year ended 30 June [insert year] to $[insert amount], being [insert no.] % of the tax related liability];
    4. General Interest Charges (“**GIC**”) and Shortfall Interest Charges (“**SIC**”) applicable to the year ended 30 June [insert year] will reduce proportionately.

2. Obligations of the Parties

2.1. The Parties will sign the request for a decision pursuant to section 42C of the *Administrative Appeals Tribunal Act 1975* (**“the AAT Act**”) to give effect to the adjustments identified at Clause 1 of this deed.

2.2. Upon the Tribunal making a decision pursuant to section 42C of the AAT Act, the Commissioner will within 60 days of that decision being finalised issue notices of amended assessment to the taxpayer for the relevant year(s) to give effect to the adjustments identified at clause 1 of this Deed (the “**Amended Assessments**”).

2.3. The taxpayer will not object to or request an amendment or any review of the Amended Assessment(s) or issues agreed to, such as that provided for under the *Administrative Decisions Judicial Review Act 1977* or administrative law generally. However, this does not prevent the taxpayer seeking review by the Inspector General of Taxation.

2.4. In relation to future obligations for returning income or claiming deductions, the taxpayer:

2.4.1 will calculate its taxable income for the <year/s>, on the basis that <obligation>

(and/or)

2.4.2 will claim no <deductions/carried forward losses> in respect of <issue> for the <year/s>.

2.5. In relation to discontinuance of litigation, the taxpayer:

2.5.1 will lodge a <name of notice> with the <Court name> in respect of the proceedings <case name> as soon as practical after the date this deed is signed or executed.

2.6. Any entitlement to interest will be provided to the extent that it is payable in accordance with the *Taxation (Interest on Overpayments and Early Payments) Act 1983.*

1. Taxpayer’s Warranty and acknowledgements

3.1. The taxpayer warrants that to the best of its knowledge and belief it has made a true disclosure of all relevant and material facts to the Commissioner which relate to the issue(s) prior to entering into this deed.

3.2. The taxpayer acknowledges that, if the warranty in clause 3.1 is incorrect in any material aspect, the Commissioner may in his absolute discretion take whatever further action(s) he considers appropriate.

1. General

4.1. This deed is confidential to the parties and shall not be disclosed by any of the parties, except:

4.1.1 as is required or permitted by any law

4.1.2 by the taxpayer to their related entities, auditors, bankers, tax advisers or legal advisers

4.1.3 by the Commissioner to his legal advisers.

4.2. Nothing in the confidentiality obligations is intended to prevent a taxpayer from providing information to a Commonwealth entity for the purposes of that entity undertaking a systemic review of the administration of the tax laws.

1. Date of operation

5.1. This deed takes effect from the date of the last relevant signature at the end of this deed.

**EXECUTED BY THE PARTIES AS A DEED**

**SIGNED, SEALED AND DELIVERED**

**[If executed by a company]**

Executed by:

.................................................................. ...................................................................

Name of Company Company ACN number

in accordance with section 127 of the Corporations Act 2001 by the authority of its directors

................................................................. ...................................................................

Signature of Secretary/Director Signature of Director/Sole Director

In the presence of

................................................................. ...................................................................

Signature of witness (not a party to the deed) Print name

on the ..….... day of .….……….……..……… 20….....

**[If executed by a taxpayer]**

Executed by:

<taxpayer>

<full address>

......................................................................  
Signature of taxpayer

in the presence of:

................................................................. ...................................................................

Signature of witness (not a party to the deed) Print name

on the ..….... day of .….……….…..………… 20……..

**[If executed by a liquidator]**

Executed by:

The Liquidator of

<XYZ LTD> (IN LIQUIDATION)

ACN <number>

Pursuant to his powers under section 477 of the *Corporations Act 2001*

................................................................. ...................................................................

Liquidator Print name

in the presence of:

................................................................. ...................................................................

Signature of witness (not a party to the deed) Print name

on the ..….... day of .….……….…..………… 20……..

**[If signed by a delegate]**

SIGNED by:

.................................................................... ...................................................................

Signature of delegate Print name

a delegate of the Commissioner of Taxation in the presence of:

.................................................................... ...................................................................

Signature of witness (not a party to the deed) Print name

on the ….….. day of .….……….…..………… 20……..

**[If signed by authorised officer]**

SIGNED for and on behalf of the Commissioner of Taxation by:

.................................................................... ...................................................................

Signature of Authorised Officer Print name

as Authorised by *<name of delegate>*

in the presence of:

.................................................................... ...................................................................

Signature of witness (not a party to the deed) Print name

on the ….….. day of .….……..….…………… 20……..

SCHEDULE A

REQUEST FOR A DECISION PURSUANT TO SECTION 42C OF THE *ADMINISTRATIVE APPEALS TRIBUNAL ACT 1975*

The parties, having reached an agreement that is acceptable to both of them, request that the Tribunal, pursuant to section 42C of the *Administrative Appeals Tribunal Act 1975*, make decisions according to the terms outlined on the attached pages:

........................................................................  
Print name

......................................................................  
Signature of applicant(s)

on the …….…. day of …..…..…….………..20…….….….

SIGNED for and on behalf of the Commissioner of Taxation by:

........................................................................  
Signature of Authorised Officer

........................................................................  
<print name of authorised officer by hand>

as Authorised by <name of delegate>

on the ….. day of .….……….……………20…...

|  |  |  |  |
| --- | --- | --- | --- |
| **IN THE ADMINISTRATIVE APPEALS TRIBUNAL**  **[insert State or Territory] REGISTRY** | | [insert tribunal number] | |
|  | **[insert name]**  Applicant  **COMMISSIONER OF TAXATION OF THE COMMONWEALTH OF AUSTRALIA**  Respondent | |
|  |
|  |
|  |
|  |
|  |  |  |

**TRIBUNAL:** Administrative Appeals Tribunal

**DATE:** [insert date]

**PLACE: [insert State or Territory]**

1. In accordance with subsection 42C(1) of the *Administrative Appeals Tribunal Act* 1975:
   1. the parties have reached agreement that is acceptable to the parties;
   2. the terms of the agreement have been reduced to writing, signed by or on behalf of the parties and lodged with the Tribunal; and
   3. the Tribunal is satisfied that the decision as agreed between the parties and set out below is within the powers of the Tribunal and is appropriate to make.
2. Pursuant to subsection 42C(2) of the *Administrative Appeals Tribunal Act* 1975, the Tribunal varies the decision as follows:
   1. in respect of the notice of assessment for the year ended 30 June [insert year], reducing the taxable income of the Applicant to $[insert amount];
   2. in respect of the notice of shortfall penalty for the year ended 30 June [insert year], reducing the penalty to $[insert amount];
   3. in respect of the notice of assessment for the year ended 30 June [insert year], reducing the taxable income of the Applicant to $[insert amount]; and
   4. in respect of the notice of shortfall penalty for the year ended 30 June [insert year], reducing the penalty to $[insert amount].
3. The proceedings have terminated in a manner favourable to the Applicant.