

PS LA 2015/4 - Advance Pricing Arrangements

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! This practice statement is being updated and moderated for consistency with the APA Review recommendations. During the interim period where current ATO public guidance materials are being updated, any inconsistencies will be disregarded and the APA Review recommendations will be applied (available at [Findings report APA program review](#)). Further guidance can be obtained by emailing internationalsgatekeeper@ato.gov.au , if required.

! This document has changed over time. This version was published on *30 September 2021*



This Law Administration Practice Statement provides guidance to staff on Advance Pricing Arrangements.

This Practice Statement is an internal ATO document and is an instruction to ATO staff.

Taxpayers can rely on this Practice Statement to provide them with protection from interest and penalties in the following way. If a statement turns out to be incorrect and taxpayers underpay their tax as a result, they will not have to pay a penalty. Nor will they have to pay interest on the underpayment provided they reasonably relied on this Practice Statement in good faith. However, even if they don't have to pay a penalty or interest, taxpayers will have to pay the correct amount of tax provided the time limits under the law allow it.

This Practice Statement is being updated and moderated for consistency with the APA Review recommendations. During the interim period where current ATO public guidance materials are being updated, any inconsistencies will be disregarded and the APA Review recommendations will be applied (available at [Findings report APA program review](#)). Further guidance can be obtained by emailing internationalsgatekeeper@ato.gov.au, if required.

1. What this Practice Statement is about

1A. This Practice Statement sets out the Commissioner's practice and procedures and provides guidance to ATO staff in dealing with requests from taxpayers to enter into an advance pricing arrangement (APA).

1B. While this Practice Statement deals primarily with APA requests covering cross-border dealings between separate entities, ATO staff are to apply the principles in this Practice Statement to requests for APAs involving the attribution of profits to permanent establishments.

2. What is an APA?

2A. An APA is:¹

an arrangement that determines, in advance of controlled transactions, an appropriate set of criteria (e.g. method, comparables and appropriate adjustments thereto, critical assumptions as to future events) for the determination of the transfer pricing for those transactions over a fixed period of time.

An APA is entered into by:

- in the case of a unilateral APA, the ATO and the taxpayer
- in the case of a bilateral APA, the competent authority (CA) of the relevant tax administration and the ATO CA

- in the case of a multilateral APA, the CA of each of the relevant administrations and the ATO CA.

2B. An APA deals with conditions operating between entities that satisfy the cross-border test in subsection 815-120(3) of the *Income Tax Assessment Act 1997* (cross-border dealings). The term of an APA will usually be between three and five years.

3. What is the context for entering into APAs?

3A. Many Australian-based entities participate regularly in the ever-evolving dynamic market that is world trade. Multinational entities and cross-border dealings are critical to this global dynamic. As a necessary consequence, there has been an increasing focus and emphasis on transfer pricing and its impacts for revenue authorities. The ATO recognises that taxpayers face transfer pricing risks internationally and domestically. In particular, Australian-based taxpayers face transfer pricing risks given Australia's transfer pricing rules are self-executing as part of the self-assessment regime.

3B. Charged with administering Australia's tax system, the ATO also faces risks posed by profit shifting and transfer pricing. By entering into APAs, the ATO places an explicit emphasis on assuring Australia's tax base by working with Australian-based taxpayers to ensure corporate profits are reflective of the true economic contribution made by the Australian-based enterprise.

3C. The ATO and most taxpayers will seek to manage and mitigate their respective transfer pricing risks. APAs provide an opportunity for all parties, on a

¹ Paragraph 4.134 of the *OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations 2017*.

prospective basis, to mutually manage and mitigate transfer pricing risks. The APA should be a practical and commercial outcome for the Australian entity and for the ATO having regard to the totality of the cross-border dealings between the entities involved, while also achieving an outcome that is consistent with the transfer pricing legal framework.

3D. ATO staff are to be mindful of this context during the APA process, including reviews of Annual Compliance Reports (ACRs). For the ATO, APAs are a mechanism for mutual management and mitigation of risk by providing taxpayers and the ATO alike with greater certainty for covered dealings during the term of the APA.

4. Why enter into an APA?

4A. As indicated in section 3 of this Practice Statement, parties enter into APAs for various reasons but primarily to mitigate risk. In so doing, the ATO commits to fostering constructive working relationships with mutual trust through early engagement, full and frank disclosure and negotiation in a cooperative environment.

4B. APAs also provide tangible benefits by decreasing the costs of compliance over the term of an APA. In this way, APAs contribute to government efforts to reduce red tape.

4C. APAs are a pragmatic strategy that foster cooperative tax compliance and prevent escalation of transfer pricing issues into disputes. An APA channels resources towards a preventative mechanism rather than a reactive one, such as an audit. Hence, an APA delivers further cost savings to the tax system.

4D. APAs are part of the ATO's:

- focus on proper tax administration
- program of providing taxpayers with advice, and
- maintaining tax system integrity through its assurance work.

4E. APAs give taxpayers the opportunity to reach agreement with the ATO on the method of application of the arm's length principle to their covered cross-border dealings on a prospective basis. APAs can assure the ATO that the taxpayer's actual conditions, in respect of which the commercial or financial relations operate, are consistent with the arm's length conditions on a prospective basis.

4F. Entering into bilateral or multilateral APAs minimises the potential for double taxation, reduces the need to enter Mutual Agreement Procedure (MAP) negotiations to eliminate economic double taxation, and provides greater certainty for all stakeholders.

4G. ATO staff are to tailor an APA to address the taxpayer's circumstances in a practical way with a view to providing the taxpayer with certainty as to their

Australian tax position in relation to their covered cross-border dealings.

5. What mutual expectations are there in developing APAs?

5A. The APA process is a cooperative one, requiring mutual trust between the parties to achieve an effective outcome. In building that mutual trust as part of a constructive relationship, expectations that stakeholders may have of each other include:

- all parties will cooperate fully with each other, including undertaking open and ongoing dialogue in the development of the APA
- each APA request will be treated on its merits according to its own facts
- each party will act transparently, in particular each party is to disclose all relevant and material facts
- each party will provide prompt and complete replies to any reasonable queries.

5B. ATO staff are to approach APA requests on this basis. The mutual expectations in paragraph 5A of this Practice Statement extend to the resolution of collateral issues (refer to section 13 of this Practice Statement).

5C. If these mutual expectations are not met, it may be appropriate for the ATO to withdraw from the APA process.

6. What makes the ATO more likely to enter into an APA?

6A. ATO staff are to consider each APA request having regard to all the relevant facts and circumstances in the context described in section 3 of this Practice Statement.

6B. The ATO may be more likely to enter into an APA where one or more of the following indicators are present:

- the transfer pricing method proposed best achieves consistency with the *OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations 2017* (as amended 19 May 2017 or later)
- the cross-border conditions between entities (actual conditions) that are the subject of the proposed APA have already been entered into and the actual conditions are unlikely to change significantly in the period of the APA

- a proposed arrangement is under serious contemplation² and the proposed actual conditions are unlikely to change significantly in the period of the APA
- the transfer pricing issues are complex and there is uncertainty as to how the transfer pricing rules apply
- the transfer pricing has been assessed as low risk in accordance with Practical Compliance Guideline PCG 2019/1 *Transfer pricing issues related to inbound distribution arrangements*
- the ATO has attained a high level of assurance of the taxpayer's compliance with tax laws
- the probability of economic double taxation is high without an APA.

No one indicator is, of itself, determinative. However, transparency as to the material facts is essential.

7. What makes the ATO less likely to enter into an APA?

7A. Following on from section 6 of this Practice Statement, the ATO may be less likely to enter into an APA where one or more of the following indicators are present:

- the actual conditions are simple or routine with arm's length conditions being relatively certain
- the value of the cross-border dealings is not material³
- the cross-border dealings to be covered by the APA are only a small portion in terms of value of the total cross-border dealings
- the proposed APA would not ensure there is alignment between true economic activity and profit outcomes in Australia (refer to section 4 of this Practice Statement)
- collateral issues exist that affect the ATO's ability to enter into the proposed APA
- the arrangements that are the subject of the proposed APA appear to lack commerciality or be primarily tax-driven. For example, the proposed APA covers activities which involve structures, restructuring or 'greenfields arrangements'⁴, where the commercial benefits to the Australian entity are questionable.

² That is, the proposed arrangement will be entered into at a future point.

³ Refer to paragraph 41 of Taxation Ruling TR 2014/8 *Income tax: transfer pricing documentation and Subdivision 284-E* for the meaning of the term 'material'.

⁴ For example, direct investment where a parent company starts a new venture in a foreign country from the ground up.

7B. Where a taxpayer meets the eligibility criteria in Practical Compliance Guideline PCG 2017/2 *Simplified transfer pricing record-keeping options* this does not preclude the ATO and the taxpayer from entering into an APA.

7C. The availability of carried forward losses also does not preclude the ATO and the taxpayer from entering into an APA. Where carried forward losses are available to a taxpayer, the APA team is to treat this aspect as a collateral issue (refer to section 13 of this Practice Statement) and understand the reasons behind those losses being incurred prior to acceptance into the APA program.

8. What happens if anti-avoidance provisions may apply to the taxpayer requesting the APA?

8A. In identifying arm's length conditions, consideration is to be given to factors in addition to pricing. This can include consideration of the global value chain, structures, functions, assets and risks, transfer pricing method, etcetera.

8B. The APA team may need to consider whether the cross-border dealings to be covered by the proposed APA might lead to the application of:

- the general anti-avoidance provisions contained in Part IVA of the *Income Tax Assessment Act 1936* (Part IVA)⁵ including the multinational anti-avoidance law (MAAL) and diverted profits tax (DPT), or
- other specific anti-avoidance provisions, such as the anti-hybrid mismatch rules or a principal or main purposes test included in any of Australia's double-tax agreements.

8C. Where the possible application of Part IVA or other specific anti-avoidance provisions may arise in relation to the cross-border dealings to be covered by the proposed APA, the ATO will consider these matters concurrently with the transfer pricing issues arising as part of the APA request. This may result in the APA team making further enquiries in the early engagement stage.

8D. Analysis of the transfer pricing issues in tandem with the issues referred to in paragraphs 8B and 8C of this Practice Statement can potentially assist in the resolution of those issues. ATO staff are to use the most appropriate strategy and intervene as early as possible to resolve such issues and thereby reduce the potential for dispute.

⁵ Decisions in relation to the application of Part IVA need to be made in consultation with the Tax Counsel Network. Refer to Law Administration Practice Statement PS LA 2012/1 *Engagement of Tax Counsel Network on high risk technical issues*.

8E. The ATO will also concurrently resolve issues where Part IVA or other specific anti-avoidance provisions may apply to transactions other than those to be covered by the proposed APA.

8F. The APA team is to discuss the resolution of such issues with the taxpayer and factor it into the development of agreed plans (refer to paragraph 10D of this Practice Statement).

8G. Where it is not practicable to resolve a risk relating to an anti-avoidance provision during the APA process, the ATO will not proceed with the APA and the matter may be referred internally for further consideration.

8H. As part of the APA analysis, the APA team will consider the application of the DPT to covered transactions. At the request of the taxpayer, the APA team will consider inserting a clause addressing the DPT into the final APA agreement.

9. What stages does the APA process have?

9A. The APA process has three stages⁶:

- Stage 1 – early engagement
- Stage 2 – APA application
- Stage 3 – monitoring compliance.

9B. An APA request enters an early engagement stage before progressing to a formal APA application. Once the formal APA application is received, it passes into the APA application stage. After the parties have entered into an APA, there is a further stage of monitoring compliance.

9C. Stages 1 and 2 consist of a number of steps (refer to sections 10 and 11 of this Practice Statement for the steps in these stages).

9D. It may be necessary for the ATO to repeat certain steps where insufficient information is provided to support the APA request.

10. What happens in Stage 1, the early engagement stage?

10A. Throughout the early engagement stage, ATO staff are to build the cooperative relationship essential to the entire APA process in order to reach mutually-agreed outcomes. In building this type of relationship, it is necessary to align taxpayer and ATO expectations as much as possible.⁷

10B. For the ATO, this stage involves a robust and holistic strategic-level review of the APA request and supporting documentation, including an examination of the relevant global value chain. In later steps of this stage, the ATO and the taxpayer will discuss the proposed APA in more detail.

10C. One of the initial steps in the early engagement stage is that the APA/MAP Program Management Unit (PMU) allocates a completed early engagement form⁸ (containing the APA request) to an Engagement & Assurance team in PG&I (APA team).

10D. In the early engagement stage, the APA team will:

- explain the APA process
- provide feedback on the APA request
- evaluate whether the taxpayer should be invited to apply formally for an APA
- develop agreed plans with the taxpayer, one for the APA request to proceed through the early engagement stage, and the other to conclude the APA itself.

10E. The steps in Stage 1 are:

- triage workshop (see paragraphs 10F to 10M of this Practice Statement)
- preliminary discussions (see paragraphs 10N to 10P of this Practice Statement)
- APA request review workshop (see paragraphs 10Q to 10V of this Practice Statement).

Triage workshop

10F. The triage workshop assists the PMU in determining whether an APA request can and should proceed further. Triage identifies whether there are material impediments to the ATO entering into an APA with the taxpayer by examining the information supplied by the taxpayer and the APA team (refer to section 10H of this Practice Statement). Where necessary, the APA team may request further information, for example, where the APA team needs further clarification in respect of the cross-border dealings or the global value chain.

10G. In preparation for triage, the APA team allocated with the APA request undertakes preliminary research. The APA team analyse and collate this research and

⁶ Refer to the process map at Attachment 1 of this Practice Statement.

⁷ Refer to section 5 of this Practice Statement and the website content on APAs on (on www.ato.gov.au for more information regarding the mutual expectations for the APA process.

⁸ An early engagement form, available on www.ato.gov.au, is the ATO's preferred method for taxpayers to initiate an APA request. Alternatively, taxpayers can supply a document containing equivalent information.

the information supplied in the APA request⁹ for the purpose of making a presentation at triage.

10H. The preliminary research is a profiling exercise which may include the following:

- the tax and compliance history of the taxpayer
- identifying any current interactions between the ATO and the taxpayer
- the taxpayer's performance under any prior APAs
- the taxpayer's transfer pricing documentation for the latest income year(s) lodged, including, if applicable, transfer pricing method, comparable prices or margins, or the expected range of results
- the value of the taxpayer's total cross-border dealings
- the value of the cross-border dealings proposed to be covered by the APA
- other tax issues requiring consideration as part of the APA process.

10I. Whether taxpayer representations are made to the APA team in person prior to triage is at the discretion of the APA team leader.

10J. Triage participants will include, as appropriate:

- a representative from the PMU who will chair the triage workshop (the PMU representative)
- APA team members
- a representative from the Economist Practice
- a Competent Authority
- a representative of the International Risk Owner
- other relevant risk managers, technical experts, or Senior Executive Service officers if required.

10K. As part of providing advice to the PMU representative, the triage participants may:

- provide high-level technical and risk advice
- examine preliminary technical analysis and review the related-party transactions, the collateral issues and any relevant existing precedential ATO view documents
- identify issues that may require referral to specialists, such as the Economist Practice or other domestic and international tax risk experts

- identify other important considerations and provide intelligence to the APA team, including on any emerging risks or issues.

10L. The PMU representative decides whether the request will proceed further based on the information and advice they have received from the triage participants. The preliminary discussion step is triggered if the PMU representative considers that the APA request can progress past the triage step.

10M. Where the PMU representative decides that the request is not to proceed further, the APA team leader will provide written reasons for that decision and notify the taxpayer that they can request an internal review if they are dissatisfied with the decision (refer to paragraph 11AE of this Practice Statement).

Preliminary discussions

10N. Preliminary discussions are held with the taxpayer to explore avenues for the appropriate treatment of the covered cross-border dealings and any collateral issues. Both parties will then know what to expect if and when the taxpayer lodges a formal APA application.

10O. Openly discussing the taxpayer's APA request should stimulate a free flow of information between all parties and lead to a more robust review of the request and any supporting documentation. Such discussions should better facilitate lodgment of a formal APA application and subsequent agreement to a workable and practical APA.

10P. During preliminary discussions, the APA team should:

- confirm the scope of the APA
- classify the APA (unilateral, bilateral or multilateral)
- ensure appropriate ATO stakeholders are involved in the APA process
- review and confirm the worldwide structure of the taxpayer group and the role of the Australian entity or entities within the global value chain
- identify the preferred transfer pricing method, methods or combination thereof for each party
- identify and confirm any collateral issues and agree with the taxpayer on the approaches to resolve those issues. For example, roll-back of the APA result to income years prior to those covered by the proposed APA (refer to section 15 of this Practice Statement)

⁹ See the website content on APA on www.ato.gov.au for details of the information that should be included in an APA request.

- consider whether the taxpayer may need to address the exceptions to the basic rule in section 815-130 of the *Income Tax Assessment Act 1997* (ITAA 1997). If the APA team considers that it is possible that one of the exceptions to the basic rule in section 815-130 might apply, the APA team needs to discuss with the taxpayer whether this aspect needs to be addressed in the APA application
- agree with the taxpayer or their representatives on an early engagement case plan up to lodgment of the formal APA application
- agree with the taxpayer on a draft plan for completion of the APA after lodgment of the formal APA application
- in a bilateral or multilateral APA, keep the taxpayer informed, to the extent possible, of any discussions held with CAs of the other tax authorities.

Once the scope of an APA is agreed, ATO staff are not to change it other than in exceptional circumstances, which may include one or more of the following:

- changes to the taxpayer's cross-border dealings
- identification of a new issue with significant tax risk
- the need to interpret how the transfer pricing provisions apply to new cross-border dealings
- new issues raised by the CA of a tax treaty partner.

The APA team leader or CA as appropriate is to make any such change in consultation with the taxpayer.

APA request review workshop

10Q. The main purpose of the APA request review workshop is to assist the PMU to make a decision on whether the taxpayer will be invited to lodge a formal APA application based on the terms previously discussed. The workshop is an assurance process that facilitates consistency of approach across all APA requests. The workshop will be chaired by a PMU representative and participants will include the APA team, the CA, a representative of the Economist Practice, a representative of the International Risk Owner and any other relevant risk managers or technical specialists.¹⁰

10R. In developing the position to be outlined at the workshop, the APA team considers the information contained in the early engagement form, their preliminary research and the greater detail provided during preliminary discussions. The PMU

representative will decide whether the taxpayer will be invited to make a formal APA application based upon the information provided and the position of the APA team.

What does the PMU representative consider when deciding whether the ATO will invite the taxpayer to submit a formal APA application?

10S. In determining whether the ATO will invite the taxpayer to submit a formal APA application, the PMU representative should consider the taxpayer's relevant facts and circumstances in the context of the global value chain and other arrangements with which they might be linked.

10T. The PMU representative should not restrict their analysis to the cross-border conditions that are the subject of the proposed APA but should also consider any other relevant matters, including the matters listed in paragraph 10U of this Practice Statement.

10U. In addition to the indicators in sections 6 and 7 of this Practice Statement, the matters the PMU representative is to consider include whether:

- the information provided allows for a full and proper consideration of the APA request by the ATO
- there is an explanation that demonstrates that the actual conditions are relevant and material to the taxpayer's business¹¹
- the transfer pricing risks and issues arising from the actual conditions warrant the allocation of resources required for an APA
- an APA is a suitable product for the taxpayer, given their classification in the Action Differentiation Framework (ADF), the taxpayer's compliance history (locally and globally), and its performance under any previous APA
- one of the parties to the cross-border dealings or an associate is likely to get a tax benefit from the structures, transactions or actual conditions that are the subject of the proposed APA and that tax benefit may be obtained to the detriment of another party to the dealings
- the transfer pricing method (TPM) proposed under the APA is unlikely to result in the taxpayer getting a transfer pricing benefit and the TPM best achieves consistency with the guidance material for the purposes of section 815-135 of the ITAA 1997

¹⁰ Where possible, this will include those who participated in the triage workshop.

¹¹ Refer to paragraphs 41 and 47 of TR 2014/8 for the meaning of the terms 'relevant' and 'material'.

- in the absence of an APA, there is a likelihood that the actual conditions may result in double taxation or in a dispute
- a significant part of a limited life project has not yet been completed
- the ATO anticipates that the parties will agree on all aspects of the APA in a timely manner
- collateral issues are capable of being resolved prior to or in parallel with the APA (refer to section 13 of this Practice Statement).

10V. This list is not exhaustive. No one matter is determinative and one matter does not have any greater weighting relative to another. The PMU representative's decision is to be made on balance after considering all relevant circumstances.

What happens after the APA request review workshop?

10W. If the APA team leader agrees with the decision of the PMU representative, the APA team will notify the taxpayer of the decision.

10X. If the APA team leader does not agree with the decision of the PMU representative, the APA team leader will refer the matter to the head of the PMU for resolution.

10Y. If the decision is to proceed to the next stage of the APA process, the APA team will extend a written invitation to the taxpayer to submit a formal APA application.

10Z. If it is decided that the APA request should not proceed to submission of a formal application but before this decision is formally notified, the APA team will allow the taxpayer to make further representations to the APA team leader.

10AA. Where the taxpayer is subsequently not invited to submit an APA application, the APA team is to:

- provide written reasons for that decision, and
- notify the taxpayer that, if they are dissatisfied, they can request an internal review of the decision (refer to paragraph 11AE of this Practice Statement).

11. What happens in Stage 2, the APA application stage?

11A. Once the ATO invites the taxpayer to submit an APA application, the APA application stage commences. In this Stage:

- the APA team critically analyses and evaluates the APA application, including any associated documentation and comparability analysis
- the APA team develops an APA document containing the initial ATO position with which to enter negotiations
- the initial ATO position is quality-assured at a workshop
- the terms and conditions of the APA are negotiated with a view to reaching agreement (refer to paragraphs 11O to 11P of this Practice Statement)
- where agreement is reached, the relevant parties enter into an APA (refer to paragraphs 11X to 11AD of this Practice Statement).

11B. Accordingly, the steps in Stage 2 are:

- analysis and evaluation (refer to paragraphs 11D to 11N of this Practice Statement)
- negotiation (refer to paragraphs 11O to 11W of this Practice Statement).
- agreement (refer to paragraphs 11X to 11AF of this Practice Statement).

11C. The first two steps in Stage 2 are iterative in that any initial ATO position may be developed further through the quality assurance (QA) workshop and the negotiation step.

ANALYSIS AND EVALUATION

How does the APA team analyse and evaluate the APA application?

11D. The APA team critically analyses and evaluates the APA application and the information in support¹² with the aim of verifying that:

- the proposed APA results in arm's length outcomes for the cross-border dealings to be covered, thereby mitigating any transfer pricing risk
- there is sufficient information in support of the APA application so as to allow the ATO to fully evaluate it
- the proposal in the APA application is consistent with the taxpayer's request and preliminary discussions in the early engagement stage.

11E. To verify that the aims stated in paragraph 11D of this Practice Statement are satisfied, the APA team, in consultation with the Economist Practice, checks the APA application in respect of the following matters:

¹² Refer the website content on APA on www.ato.gov.au for the list of information to be provided.

- transactions to be covered by the APA
- structures and the allocation of functions within different parts of the global group
- taxpayer's analysis of its functions, assets and risks
- resultant characterisation of the relevant cross-border dealings
- TPM proposed
- comparability analysis
- arm's length outcome proposed
- critical assumptions proposed

11F. The APA team can be guided by TR 2014/8 as to the extent of the documentation that the team can expect to be reviewing.

11G. If the APA team considers the aims listed in paragraph 11D of this Practice Statement are satisfied, further enquiry may not be necessary.

11H. However, when verifying whether the proposed APA results in an arm's length outcome and having regard to the totality of the cross-border dealings between the entities, the APA team may need to make further enquiries of the taxpayer, such as:

- additional information requests to the Australian business, offshore business, or both
- interviews with key personnel of the taxpayer or the tested party.

11I. Where the proposal in the formal APA application is not consistent with details arising from preliminary discussions, the APA team may request from the taxpayer an explanation as to the differences. Where there is insufficient information for the APA team to conduct a full evaluation of the APA application, the APA team is to request the information it needs.

11J. The APA team reviews the taxpayer's functional analysis, comparability study and, where applicable, suggested arm's length range. In verifying that the outcomes arising from the APA application are consistent with the arm's length principle, the APA team may seek assistance from relevant specialists.

How does the QA panel examine the APA team's draft position on the APA?

11K. The APA team is to request a QA panel when they are ready to enter into negotiations. The APA team will present their draft position to the QA panel, along with any relevant information gathered during the early engagement and APA application stages.

11L. The purpose of the QA panel is to assist the APA team to progress the APA request and to

recommend negotiation parameters to the APA team leader; for example, the upper and lower limits of the pricing to be included in the APA. The panel will be organised by the PMU. It will comprise the PMU representative as chair of the panel and, depending on the complexity of the case, one to two other members. The QA panel will consider input from the APA team, the EP, the CA, the International Risk Owner and, if appropriate, other technical specialists.

11M. The QA panel will:

- review the draft ATO position and the information used by the APA team in the development of that position to verify that the content of the APA request demonstrates an arm's length outcome
- accept the APA team's proposed negotiation parameters or recommend changes to the negotiation parameters
- review progress on the resolution of collateral issues to ascertain whether these issues provide any impediment to entering into the APA.

11N. If the APA team leader disagrees with the QA panel's recommendation, the APA team leader must escalate the matter to the APA team's Assistant Commissioner (AC) for resolution. Where the AC endorses the APA team leader's decision to depart from the QA panel's recommendation, the APA team leader will provide written justification for this decision to the QA panel and proceed with negotiations on the basis of the endorsed position.

NEGOTIATION

What approach is used in negotiating an APA?

11O. In negotiating the terms of the APA, the APA team or the CA are to apply the skills and attributes of an effective negotiator. These include:

- full, frank and open communication
- consideration in the sense of being able to appreciate the perspective of others
- problem solving, being the ability to creatively generate possible solutions and assess their appropriateness for the actual situation
- flexibility, in the sense of being open to adaptation or modification and having the willingness to yield at appropriate times, rather than having a fixed view or rigid attitude
- planning and organising by becoming familiar with the relevant information and determining the objectives
- acting professionally, including in particular exercising good judgment and appropriate discretion

- assertiveness, being the willingness to state the ATO's objectives and strive to reach agreement in a constructive and positive way.

11P. In negotiating an APA with each of the relevant parties, the APA team needs to have regard to the totality of the arrangements between the entities and the APA being:

- one method by which a perceived risk of a transfer pricing benefit can be managed and mitigated in the self-assessment regime
- an inherently commercial and practical outcome for the Australian entity to which the ATO will commit.

Who negotiates an APA?

11Q. In the case of a unilateral APA, the APA team leader will negotiate with the taxpayer, endeavouring to reach agreement on the terms of the APA.

11R. In the case of a bilateral or multilateral APA, the CA, in consultation with the APA team leader, will negotiate with the CA of the tax treaty partner(s).

11S. Any exchange of information between CAs during the course of their negotiations is conducted in accordance with the Exchange of Information Article of the relevant taxation treaty. Exchanges between CAs of position papers in the course of negotiations are considered to be part of government-to-government business. Although the APA team will explain to the taxpayer the ATO's position, the position paper(s) of the CA of the tax treaty partner will not be supplied to taxpayers.

What happens if no agreement can be reached?

11T. If agreement cannot be reached within the original negotiation parameters, the APA team leader or the CA, as appropriate, is to seek further guidance from the QA panel with a view to resetting the negotiation parameters (refer to paragraphs 11K to 11N of this Practice Statement). This includes where the APA team leader has proceeded on the basis of a position endorsed by their AC.

11U. However, if the CAs cannot reach agreement on the terms of a bilateral or multilateral APA in a reasonable timeframe despite their best endeavours, the CAs may request review by a senior official of the respective tax authorities.

11V. Similarly, if the ATO and the taxpayer do not reach agreement on the terms of a unilateral APA, despite their best endeavours, the ATO will withdraw from negotiations and finalise the APA request.

11W. In instances where agreement is not reached, the ATO may subsequently use the factual information disclosed during the APA process. ATO staff are not to use non-factual information provided by the taxpayer in

the course of the APA process in any subsequent risk or compliance activity. This non-factual information includes opinions, lines of argument, judgments or conclusions about the operation and effect of the APA.

AGREEMENT

What does an APA contain?

11X. After negotiating the terms and conditions of a proposed APA with the relevant parties, the parties will usually have reached agreement on the following matters:

- the names, addresses and countries of residence for taxation purposes of the parties to the APA
- terms of the APA
- the cross-border dealings covered by the APA
- the agreed TPM and how it is to be applied
- the arm's length amount, rate, range or other arm's length outcome
- critical assumptions, any breach of which need to be notified to the ATO in writing
- a definition of each of the key terms in the APA
- a statement of the accounting standards on which the taxpayer's financial statements are based, for example, Australian International Financial Reporting Standards
- procedures for making a compensating adjustment, if necessary.

11Y. This agreement is recorded in the APA. The APA or other associated agreement(s) will also state the taxpayer's documentation obligations for its ACR (refer to section 12 of this Practice Statement).

11Z. An APA will define in advance any factors or assumptions that are so significant that neither party to an arm's length situation would continue to be bound by the APA if any of them changed. A critical assumption can be a fact about the taxpayer, an affiliate, a third party, an industry, or general economic conditions that, if changed, would significantly affect the appropriateness of the substantive terms of the APA.

11AA. The APA team determines the suitability of a particular transfer pricing method and its application on the basis of the facts, including projected facts.

11AB. If the APA team considers that any changes in particular circumstances would materially affect the suitability of the transfer pricing method or its application under the APA, the APA team must include in the APA these circumstances as 'critical assumptions'. Critical assumptions should be included

in the APA even where they are not within the taxpayer's or the ATO's control. This may include the APA team using a range of 'profit level indicators' (PLIs) to test whether or not the level of profit implied by the application of the entity's transfer pricing method results in outcomes that are replicated by outcomes observed in the open market. In formulating or reviewing proposed critical assumptions, the APA team needs to have regard to the areas within the global group that contribute to its profit, including the profit forecasts over the APA term.

11AC. The APA needs to contain terms requiring a compensating adjustment where the tested party's actual results fall outside the agreed arm's length outcome, but otherwise there is no breach of any critical assumptions. These compensating adjustments are made to the tax position to achieve a price, point in the range or result that reflect the agreed arm's length outcome(s).

11AD. Where necessary in the negotiation step, the APA team will have discussed with the taxpayer how a compensating adjustment is to be effected and the tax consequences of that adjustment.

What happens if the taxpayer is dissatisfied with a decision made by the APA team leader or the PMU?

11AE. Where a taxpayer is dissatisfied with a decision of the APA team leader or the PMU representative and the issue cannot be resolved by the parties, the taxpayer may seek internal review. For example, where the:

- ATO does not accept the APA request
- ATO and the taxpayer do not reach agreement on the scope of the APA
- ATO withdraws from the APA
- ATO and the taxpayer reach a standstill in the APA process.

11AF. This review is undertaken by the head of the PMU, or another senior officer with no prior involvement in that APA process. If the taxpayer is still dissatisfied after this internal review, they can seek a further review by the head of the APA program.

Flexibility of the APA process

11AG. The APA process does not have to be conducted in a linear manner. Steps may be combined or repeated where this is appropriate. However, whether a flexible approach is appropriate is to be determined by the APA team leader, in consultation with the PMU, on a case-by-case basis.

11AH. Situations in which flexibility may be appropriate include where:

- the ATO has attained a high level of assurance of a taxpayer's compliance with tax laws as the result of the ATO's risk assessment/assurance procedures
- an APA is recommended as the result of a risk assessment and there are no other tax risks identified
- the taxpayer is a medium or emerging taxpayer and they
 - have a simple business structure and simple covered transactions, or
 - are seeking a unilateral APA
- the taxpayer is seeking to renew their APA (refer to section 17 of this Practice Statement).

12. What happens in Stage 3, the monitoring compliance stage?

12A. Under the terms of the APA, the taxpayer prepares and lodges annually an ACR signed by the public officer for each income year covered by the APA. The ACR needs to contain only sufficient information to detail the actual results for the relevant year and to demonstrate compliance with the terms of the APA. This level of documentation should provide cost savings to taxpayers.

12B. The ACR is reviewed within a PG&I Engagement & Assurance team (ACR reviewer). This review includes:

- checking whether any of the critical assumptions listed in the APA have been breached
- confirming that the terms of the APA have been met.

12C. Where the ATO is of the opinion that one or more critical assumptions or terms of a bilateral or multilateral APA have been breached, the CA¹³ will inform the tax treaty partner CA that the ATO is of that opinion. The CAs will discuss how to treat the breach under the MAP article of the relevant tax treaty.

12D. If a critical assumption or a term of a unilateral APA is breached, the ACR reviewer will inform the taxpayer and enter into discussions to obtain an explanation. The ACR reviewer determines how to treat the breach. In appropriate instances, the APA may be modified, suspended or cancelled, for example, where the breach is a material one.

¹³ The CA may consult the officer reviewing the ACR and, if necessary, the APA team, in coming to this opinion.

12E. The ACR reviewer should examine the ACR to determine:

- if the taxpayer is reporting results below or at the low end of any ranges specified in the terms of the APA without sufficient evidence demonstrating that external factors have caused this to occur
- whether the taxpayer has made compensating adjustments so as to effect a move to the closest point in the relevant ranges, where their results are outside of the agreed range.

12F. The ACR reviewer examines these compensating adjustments to verify they achieve a price, point in the range, or result that is consistent with the agreed arm's length outcomes; for example, where profits fall outside the agreed arm's length range under the transactional net margin method.

12G. The ACR reviewer also needs to check whether the type of results specified in paragraph 12E of this Practice Statement are occurring consistently over the term of an APA. In such instances, the ACR reviewer is to note this for an APA team to take into account when dealing with any renewal request on similar terms.

12H. If the ACR reviewer believes that it is appropriate to modify, suspend or cancel the APA, the ACR reviewer is to request the PMU to organise a QA panel.

12I. The QA panel will provide a recommendation to the ACR reviewer on how to address the breach of the terms of the APA. If the ACR reviewer disagrees with this recommendation, they are to escalate the matter to the head of the PMU.

13. What is a collateral issue and how does the APA team deal with these?

13A. A collateral issue is:

- an administrative or tax issue in relation to the taxpayer's affairs
- in addition to the cross-border dealings the subject of the APA
- relevant to, and can potentially affect, the outcomes of the APA.

13B. The existence of collateral issues (for example, the possible applicability of anti-avoidance rules) may make it inappropriate for the ATO to proceed with an APA.

13C. Where possible, collateral issues should be addressed and resolved in parallel with the development of the APA. The APA team should attempt to ensure that any collateral issues are resolved on or before the ATO enters into the APA. If

this is not possible, the APA team must ensure that the issue is being dealt with appropriately within the ATO.

13D. The taxpayer and the ATO will need to discuss at the preliminary discussion step how collateral issues are to be addressed. Options for the APA team in getting collateral issues addressed may include:

- recommending that a request for a private ruling, or other advice and guidance product, be lodged by the taxpayer
- referral to Tax Counsel Network (TCN)
- referral for risk assessment according to normal business line procedures.

13E. Where the taxpayer requests a private ruling in relation to a collateral issue, the APA team is to ensure they are aware of any implications the outcomes of the private ruling may have on the APA request. The APA team should consult with TCN on whether a private ruling is appropriate for Part IVA issues.

13F. Where there is no ATO view in respect of a collateral issue or that issue has implications beyond the APA under consideration, the APA team leader is to escalate the technical issues using normal business line procedures.

14. What are the roles of the officers involved in developing an APA?

14A. Many ATO staff, who effectively form a multidisciplinary team, contribute to the development of APAs. In performing their role, each staff member needs to focus on using a pragmatic approach to develop an APA. Entering into an APA not only enables all parties to mitigate potential transfer pricing risks but it also delivers mutual benefits such as cost savings and enhanced relationships over the term of the APA.

14B. In order to reach agreement, officers must build collaborative relationships with each of the relevant stakeholders based on mutual trust and transparency.

A description of some of the roles of such officers is set out in paragraphs 14C to 14K of this Practice Statement.

APA team leader

14C. The APA team leader has overall responsibility for the APA request. Specific roles and responsibilities of the APA team leader include:

- analysing the APA proposal and seeking further information to support the APA request in the early engagement stage, if required
- communicating the ATO position, reasoning and status of the APA application to the taxpayer

- determining if a flexible approach to the APA process is appropriate and developing a tailored APA case plan for the early engagement and APA application stages
- being accountable for the APA team actively managing the request and application, ensuring milestones, timeframes and assurance and reporting requirements are met
- involving and coordinating the input of technical specialists or other senior ATO staff¹⁴, as required
- undertaking analysis and evaluation of the taxpayer's APA request or application, including performing a functional analysis
- requesting QA panels, as required, to consider the progress of the APA request
- developing the negotiation parameters subsequent to the recommendation of the QA panel
- negotiating the terms and conditions of unilateral APAs with the taxpayer and assisting the CA in negotiations of bilateral APAs, within the set parameters
- providing written justification to the QA panel where the APA team leader has decided not to follow the QA panel's recommendation and this decision has been approved by the relevant AC
- coordinating the resolution of collateral issues with the APA process
- drafting the content of the APA agreement for signing by the CA.

The APA team

14D. The APA team performs the day-to-day activities of developing the APA. The members of the team assist the APA team leader in carrying out the tasks involved in developing an APA as listed in paragraphs 10F to 10H, 10P and 14C of this Practice Statement. See also the tasks at paragraphs 10W to 10AA and 11D to 11J of this Practice Statement.

The economist

14E. An economist from the ATO's Economist Practice assists the APA team leader, the APA team and, where applicable, the CA to critically analyse whether the taxpayer's proposed actual conditions are likely to be consistent with arm's length conditions. More specifically, an economist may assist by:

- evaluating the related-party transactions in the context of the taxpayer's business, industry and global value chain
- analysing the arrangement's important functions, assets and risks and other factors of comparability that may affect arm's length conditions
- advising on the transfer pricing method (and its application) that best achieves consistency with the OECD Guidelines
- where necessary, select and apply the most appropriate transfer pricing method and performing related benchmarking analyses
- identify any other economic aspects that may affect the alignment of a taxpayer's Australian economic activity with its profit outcomes.

14F. The extent of involvement of an economist is determined on a case-by-case basis in accordance with Law Administration Practice Statement PS LA 2013/2 *Economic advice and the Economist Practice*.

The senior tax official/CA

14G. The CA is authorised to enter into a bilateral or multilateral APA. The CA negotiates the terms of the APA with the CA of the relevant tax treaty partner within the parameters set by the APA team leader.

14H. In a unilateral APA, an ATO staff member, authorised as a CA, but acting in their capacity as an ATO employee, can endorse the decision of the APA team leader and sign the APA. The CA's role is to ensure the APA is consistent with the negotiation parameters and is otherwise an acceptable outcome. The CA will also support the APA team leader by providing analysis and advice on the resolution of the case, in particular the negotiation process.

14I. If there is disagreement between the APA team leader and the CA, rather than the endorsement referred to in paragraph 14H of this Practice Statement, the matter should be escalated to the head of the PMU or the head of the APA program, as appropriate.

The PMU

14J. The PMU has overarching responsibility for the administration of APAs. This includes:

- allocating an APA request to an APA team

¹⁴ For example, the economist practice, special advisors or TCN.

- identifying participants, convening and chairing the triage and APA request review workshops
- determining whether the request can progress past the triage and APA request review workshops
- forming and chairing the QA panel for each APA request
- recommending negotiation parameters to the APA team leader at the QA panel
- assisting the APA team to decide whether a case is suitable for a flexible approach
- convening workshops to monitor the progress of an APA request and to assist teams in resolving any issues or to make key decisions.

14K. The head of the PMU reviews decisions regarding suitability for an APA if required.

15. When will the ATO apply the transfer pricing method used in an APA to prior income years?

15A. Transfer pricing issues that arise in income years prior to the commencement of the APA should be treated as collateral issues (refer to section 13 of this Practice Statement).

15B. Where the principles developed in concluding an APA provide a reasonable basis, one approach to dealing with such issues may be to apply the principles or method used in the APA to the prior income years (roll-back). The APA team leader should consider whether the principles developed in concluding an APA provide a reasonable basis for a roll-back. This would depend on the availability of all relevant information in respect of the prior years and whether there are any material changes in the taxpayer's circumstances in those years.

15C. Any decision on whether roll-back is available for years prior to an APA is made on a risk assessment basis. APA team leaders considering roll-back, subject to the facts and circumstances of the particular case, should:

- not seek roll-back where the transfer pricing issues for prior years are rated as low risk under ATO risk assessment procedures
- be more likely to seek roll-back for a lesser number of years in the case of a voluntary APA request than it would be for a case resulting from ATO compliance activity
- be more likely to seek roll-back for issues rated as high risk.

15D. The APA team leader, the taxpayer and, where applicable, the audit team leader should agree how and when the prior years' issues should be resolved.

15E. ATO staff are to treat as a voluntary disclosure any amendment to prior years arising from roll-back where the following are satisfied:

- the ATO has not initiated compliance or risk activity with respect to the prior-year returns
- there is a need to amend a prior-year return as a result of providing information for an APA.

15F. If there are unresolved non-transfer pricing related issues arising in prior years, these should be addressed through an active compliance product.

16. What are the interactions between APAs and ATO audits?

16A. An APA does not preclude a taxpayer from a risk review or audit (active compliance product) of its business overall. ATO staff are to treat active compliance products and APA development separately, unless the taxpayer's facts and circumstances are sufficiently similar to enable the methodology used in the APA to be applied to the income years under active compliance review.

16B. However, leaving aside the annual compliance review process (refer to section 12 of this Practice Statement), the ATO will not undertake active compliance in relation to cross-border dealings which are the subject of an APA unless it has reason to believe that the taxpayer has omitted or provided incorrect information that is material and relevant. Furthermore, the ATO will not duplicate in an active compliance product work already undertaken as part of the annual compliance review process.

16C. Where an APA does become part of the focus of an active compliance product, ATO staff may verify that the:

- taxpayer has complied with the terms of the APA
- agreed transfer pricing methodology has been correctly applied
- taxpayer's APA application and associated documentation reflect appropriately the material facts.

16D. ATO staff undertaking such active compliance products are not to consider the acceptability of the transfer pricing method agreed as part of an APA unless the omitted or incorrect information affects such matters.

16E. ATO staff are, generally, not to discontinue or postpone active compliance activity in respect of certain income years where the taxpayer applies for an APA in respect of subsequent income years.

16F. However, the active compliance product may be deferred or discontinued where all parties agree that the APA will assist in resolving these issues.

16G. The active compliance case manager, in consultation with the APA team leader, will make this decision after consideration of:

- the taxpayer's facts and circumstances
- any advice and recommendations from the APA team
- the cooperation and assistance provided by the taxpayer
- the stage of completion of the active compliance activity
- the issues in question
- the similarities between the facts and circumstances in respect of the income years under active compliance review and the APA request
- the relevance of information supplied as part of the APA request to the prior income years
- whether there is likely to be any significant differences between the outcomes under the active compliance activity and the APA and the reasons for any differences
- whether it is possible to finalise part of the active compliance activity and leave the issues related to the APA in abeyance
- whether entering into an APA will assist in resolving the issues in the active compliance activity.

17. What does the APA team do when they receive a renewal request?

17A. While an APA renewal request goes through the same stages and steps outlined in this Practice Statement for an initial request, the APA team is, where appropriate and as much as possible, to streamline the process so as to reduce the time involved and documentation provided in dealing with such requests.

17B. The circumstances where it may be appropriate for the APA team to streamline an APA renewal process include:

- there have been no material changes to the covered cross-border dealings or the role of the Australian entity or entities within the global value chain
- there are no proposed changes to the terms of the APA
- it is unlikely there will be material changes to the dealings over the course of the period of the renewed APA.

17C. In a streamlined process, generally the APA team would only need to assure itself that:

- entering into an APA with the taxpayer is still appropriate, including the proposed APA producing arm's length outcomes
- the previous APA produced arm's length outcomes
- there have been no material changes to the covered dealings
- the updated benchmarks are appropriate
- the taxpayer has complied with the terms of the existing APA, as evidenced by the ATO's review of the ACRs lodged.

18. When might the ATO use independent experts?

18A. ATO staff are to seek independent expert advice only in exceptional circumstances, for example, where all parties agree that a greater understanding of the relevant industry is needed. The APA team will discuss this aspect with the taxpayer in the triage step or application stage.

The APA team can share the expert's advice with the taxpayer. However, its release depends on finalisation of the ATO position in respect of the expert's advice and any confidential third-party information in that advice.

19. When might the ATO revise or cancel an APA?

19A. Despite the cooperative environment built on mutual trust being an essential part of the APA process, taxpayers may in rare instances omit or not provide correct information.

19B. Where ATO staff have reason to believe that the taxpayer has provided information or made statements in relation to material matters that are false or misleading or has omitted matter(s) without which the information or statement is false or misleading, ATO staff are to review the APA with a view to determining whether it should be revised or cancelled.

20. What is the authority for entering into an APA?

20A. The Commissioner can enter into a unilateral APA by virtue of the general power of administration conferred on the Commissioner by section 1-7 of the ITAA 1997.

20B. An authorised CA signs and enters into a bilateral or multilateral APA under the MAP Article of the relevant tax treaty.

20C. The Commissioner has delegated his power to act as a CA to officers in specified positions under

written instruments. Those delegated officers have also authorised nominated officers to exercise the power as CAs on his or her behalf. This power includes the ability of the CA to negotiate an APA directly with the CA of a tax treaty partner.

21. Process map

21A. An end-to-end map of the APA process is contained in Attachment 1 of this Practice Statement.

22. More information

22A. For further information, refer to the web content on the [APA page](#) at www.ato.gov.au

Date issued 23 July 2015

Date of effect 23 July 2015

Amendment history

| Date of amendment | Part | Comment |
|-------------------|--------------|--|
| 30 September 2021 | Paragraph 8B | Updated second dot point to include a principal or main purposes test included in any of Australia's double-tax agreements. |
| 3 December 2020 | Throughout | Updates made to improve clarity of the process, enhance governance at decision-making points, revise out-of-date references and make general improvements to readability |
| 16 March 2017 | Paragraph 7B | Updated reference to PCG 2017/2 |
| 23 July 2015 | All | First published |

References

| | |
|------------------------------------|---|
| Legislative references | ITAA 1997 1-7 ITAA 1997 815-120(3) ITAA 1997 815-130 ITAA 1997 815-135 ITAA 1936 Pt IVA |
| Other references | Organisation for Economic Cooperation and Development, 2017, <i>OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations 2017</i> , OECD Publishing, Paris. PCG 2019/1 |
| File references | 1-6D9JZ2H |
| Related public rulings | TR 2014/8; TR 2014/8 |
| Related practice statements | PS LA 2012/1 PS LA 2013/2 |
| ISSN | 2651-9526 |

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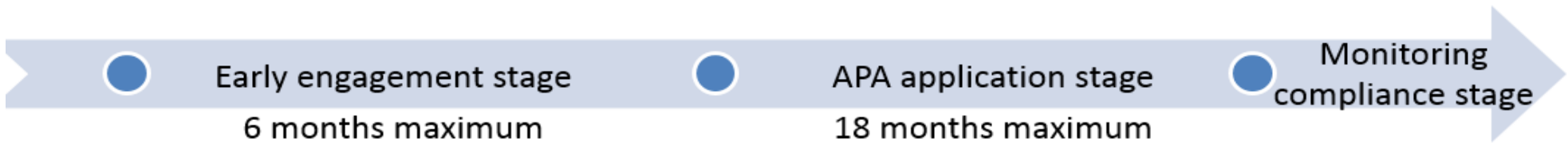
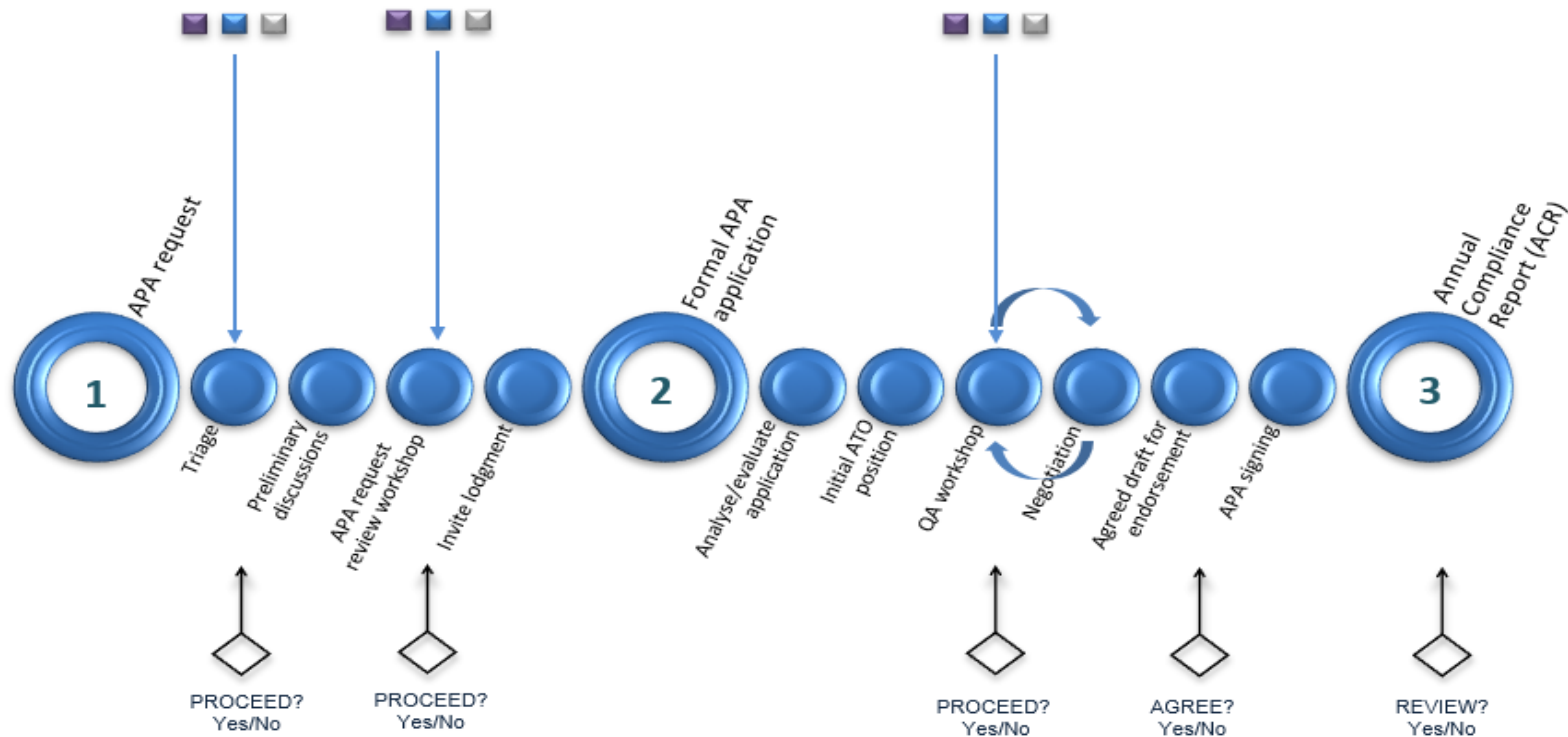
APA PROCESS: OVERVIEW

APA team

Economist Practice

Exit/escalation point

Other stakeholders (PMU, competent authority, etcetera)



APA process – Stage 1

Applicant

Contact ATO at
InternationalsGatekeeper@ato.gov.au

- Taxpayer/advisor to provide summary of APA request including:
 - outline of application
 - global group structure
 - role of Australian entity in MNE
 - parties involved
 - covered cross-border dealings
 - extent of all cross-border dealings
 - transfer pricing method and arm's length price
 - collateral issues

- Commit to mutual roles/responsibilities
- Ensure appropriate client personnel in attendance
- Documentation to be provided
- Arrange discussions/meetings as required to progress application in line with agreed case plans
- Issues/concerns communicated in a timely manner

- Provide additional information if required
- Focus is on timely, comprehensive and relevant information/documentation

- Have resources available to prepare APA application
- Focus is on timely lodgment of APA application with relevant information/documentation

- APA application lodged with agreed accompanying documentation
- Sufficient information to enable ATO to fully understand the transactions and the context in which they occur



APA process – Stage 2

Applicant

- Provide additional information if required
- Focus is on timely, comprehensive and relevant information/documentation
- Arrange discussions/ meetings as required to progress application in-line with agreed case plans
- Issues/concerns communicated in a timely manner
- Provide additional information if required
- Ensure all requirements for dealing with collateral issues have been met
- Ensure that foreign affiliates meet the requirements of the APA process in the other jurisdiction
- Issues/concerns communicated in a timely manner
- Provide additional information if required
- For unilateral APAs, the taxpayer will use their best efforts to arrive at an agreement for the APA
- Provide the same information to each treaty partner
- Cooperate fully with the ATO and the other treaty partner in the negotiation of the APA
- Issues/concerns communicated in a timely manner
- Provide additional information if required
- Taxpayer to consider negotiated APA and sign or reject APA



APA process – Stage 3

Applicant

Taxpayer/advisor to provide an Annual Compliance Report for each year of the APA by the agreed due date including:

- actual results for the year
- information to demonstrate compliance with the terms of the APA
- Annual Compliance Report summary document in the approved format
- statements and any supporting documents to demonstrate that critical assumptions are still applicable
- any further information requested by the ATO if required

Annual Compliance Report

ATO

Review Annual Compliance Report with focus on whether the:

- taxpayer has complied with the terms of the APA
- critical assumptions were met or adhered to

