

AUSTRALIAN TRANSFER PRICING ALERT

GUIDANCE ON THE PROVISION OF GENERAL PURPOSE FINANCIAL STATEMENTS

ATO GUIDANCE ON LODGEMENT OF GPFS

Significant global entities (multinational entities with annual global income exceeding \$A1 billion as per their global financial statements) are now required to lodge general purpose financial statements (GPFS) to the Australian Taxation Office (ATO) with their tax return, unless the entity already lodged GPFS with the Australian Securities and Investments Commission (ASIC). This measure comes into effect for income years beginning on or after 1 July 2016. The ATO has issued its long awaited guidance on the matter on 28 September 2017.

WHO WILL BE IMPACTED?

As expected, there is clarification that in some cases the accounts do not need to be prepared using Australian Accounting Standards, thus allowing some of the Australian subsidiaries of multinationals to submit global consolidated accounts instead. To qualify, global consolidated financial statements must be prepared in accordance with prescribed accounting standards [i.e. either under Australian Accounting Standards or other commercially accepted accounting principles (CAAP)].

This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Please contact the BDO member firms in Australia to discuss these matters in the context of your particular circumstances. BDO Australia Ltd and each BDO member firm in Australia, their partners and/or directors, employees and agents do not accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

BDO refers to one or more of the independent member firms of BDO International Ltd, a UK company limited by guarantee. Each BDO member firm in Australia is a separate legal entity and has no liability for another entity's acts and omissions. Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omissions of financial services licensees.

BDO is the brand name for the BDO network and for each of the BDO member firms.

© 2017 BDO Australia Ltd. All rights reserved.

Once received by the ATO they will be published and made publicly available on the ASIC register, which may affect some company's decision as to whether to prepare stand-alone GPFS for an Australian subsidiary or to provide consolidated global GPFS. While GPFS do not need to be audited, the ATO considers it best practice to do so.

PENALTIES IF GPFS NOT LODGED WITH THE ATO BY THE RELEVANT DATE

For the purposes of transparency measures, GPFS is considered a taxation document and any failure to file on time or in the approved form may result in an administrative tax penalty. Such penalties in extreme cases can be as high as AUD 525,000 per document as outlined in previous [Transfer Pricing Alerts](#), issued on 9 December 2015 and 6 May 2017.

BDO COMMENT

The [October 2017](#) edition of the [BDO Accounting News](#) prepared by our International Financial Reporting Standards (IFRS) Advisory Services team contains an article that summarises the guidance provided by the ATO in detail.



SPECIALISATION

Transfer pricing

ZARA RITCHIE

Global Lead, Transfer pricing, Melbourne

+61 3 9605 8019

zara.ritchie@bdo.com.au

NATALYA MARENINA

Principal, Transfer pricing, Sydney

+61 2 8264 6649

natalya.marenina@bdo.com.au

ANTHONY HAYLEY

Associate Director, Transfer pricing, Brisbane

+61 7 3173 5412

anthony.hayley@bdo.com.au

NICK DRIZEN

Principal, Transfer pricing, Perth

+61 8 6382 4661

nick.drizen@bdo.com.au

MORE INFORMATION

1300 138 991

www.bdo.com.au

NEW SOUTH WALES

NORTHERN TERRITORY

QUEENSLAND

SOUTH AUSTRALIA

TASMANIA

VICTORIA

WESTERN AUSTRALIA