

AUSTRALIAN TRANSFER PRICING ALERT



EXTENSION OF TIME TO LODGE COUNTRY-BY-COUNTRY REPORTING STATEMENTS

On 23 November 2017 the ATO released a communication in relation to December balancers and the lodgement of Country-by-Country (CbC) reporting statements.

As this is the first reporting year, December balancers will have until 15 February 2018 to lodge their CbC reporting statements, being the Local File, Master File and CbC report as applicable under the law.

The ATO is working to ensure this deferred due date is reflected in their system and has advised that if taxpayers receive an auto-generated letter regarding lodgement of CbC reporting statements, this letter can be disregarded.

As part of this communication the ATO has advised that "Failure to lodge penalties will not apply to statements that are lodged by 15 February 2018".

It is therefore important that taxpayers lodge the relevant CbC reporting statements by the relevant due date and/or extended due date (if applicable).

BDO COMMENT

This is welcome news particularly for taxpayers that have prepared or are in the process of completing their Local Files however will require time for their head office to finalise the CbC report and/or the Master File.

Where necessary, taxpayers can use this additional time to ensure that the CbC reporting statements are well considered and to increase awareness of any areas that may increase the likelihood of ATO enquiry.

For those taxpayers who are on track to finalise their CbC reporting statements before 31 December the lodgement can proceed as planned.

If you have any questions in relation to the above, please feel free to contact your usual BDO adviser.

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