



Shape the future
with confidence

Tax Alert

Specified jurisdictions list for Australia's public country-by-country reporting regime issued

At a glance

- ▶ Australia's PCbCR regime passed Parliament in late November 2024, without amendment to the Bill introduced in June 2024, and has received Royal Assent.
- ▶ The final legislative instrument which lists the specified jurisdictions for disaggregated reporting under the regime has now been published.
- ▶ The list of jurisdictions largely remains unchanged from the February 2024 draft list with only Liechtenstein removed and no additions.
- ▶ The PCbCR rules are very wide in scope and groups must understand now if they will be subject to the disclosures. This includes both Australian and Multinational companies and some partnerships and trusts.
- ▶ How EY can help.

The final legislative instrument which lists the specified jurisdictions for disaggregated reporting under Australia's public country-by-country reporting (PCbCR) regime has now been published.

The list of jurisdictions largely remains unchanged from the February 2024 draft list with only Liechtenstein removed and no additions, and is below. Notably Hong Kong, Singapore and Switzerland remain on the list.

Andorra	Anguilla	Antigua and Barbuda	Aruba
Barbados	Bahamas	Bahrain	Belize
Bermuda	British Virgin Islands	Cayman Islands	Cook Islands
Curacao	Dominica	Gibraltar	Grenada
Guernsey	Hong Kong	Isle of Man	Jersey
Liberia	Mauritius	Monaco	Montserrat
Nauru	Niue	Panama	Republic of Marshall Islands
Saint Kitts and Nevis	Saint Lucia	Saint Maarten (Dutch Part)	Saint Vincent & the Grenadines
Samoa	San Marino	Seychelles	Singapore
Switzerland	Turks and Caicos	US Virgin Islands	Vanuatu

The regime passed Parliament in late November 2024, without amendment to the Bill introduced in June 2024, and has received Royal Assent¹. It applies to financial reporting periods commencing on or after 1 July 2024.

Australia's PCbCR regime will require foreign-owned multinational enterprises that have a presence in Australia, Australian multinational enterprises and also purely domestic Australian groups (CBC reporting groups), that have annual global consolidated income of AU\$1b or more in the previous year (however a de minimis exception applies if <AU\$10m Australia-sourced income) to publish selected tax information. The regime applies to companies and some partnerships and trusts. The AU\$1b threshold (approximately US\$650m and €620m) is significantly lower than the CbCR threshold in the European Union (EU), United States (US) and many other countries.

The list of specified jurisdictions is important as reporting under the regime is required on a disaggregated country-by-country basis for those listed countries, if the CBC reporting group operates in that jurisdiction, as well as for Australia. Reporting may be made on an aggregated basis for the rest of the world.

The legislative instrument is now operative but must be tabled in Parliament when it returns (Parliament is scheduled to next sit from 4 February 2025 and the instrument is subject to disallowance). The instrument may be amended by the Minister to add or delete jurisdictions.

¹ Included in *Treasury Laws Amendment (Responsible Buy Now Pay Later and Other Measures) Bill 2024*

The Australian PCbCR regime is the most encompassing globally and applies to financial reporting periods commencing on or after 1 July 2024, with reporting due 12 months after the financial period end. The information is to be published on an Australian government website, with publication facilitated by the Commissioner. Exemptions from disclosing some or all information may be granted on a class or entity basis. Significant penalties (up to A\$825,000 at current rates) apply for late reporting or failure to report and if material errors are not corrected within 28 days.

Further information on the PCbCR rules are set out in our previous Tax Alert available [here](#).

The Australian Tax Office (ATO) has published initial web guidance on the rules and has confirmed that it will now develop:

- ▶ A PCbCR registration form and instructions
- ▶ The necessary information collection and publishing platform (using an XML schema to publish on data.gov.au) with forms and instructions
- ▶ A Law Administration Practice Statement to set out guidelines and the process for applying for exemptions - this is under development with a draft expected in February 2025
- ▶ Further general guidance on the rules
- ▶ Guidance on extension of time requests to provide the report.

EY are involved in the consultation process with the ATO in relation to the above.

Implications

The PCbCR rules are very wide in scope and groups must understand now if they will be subject to the disclosures.

Affected multinational and purely domestic Australian groups will need to ensure systems are in place to comply with these new reporting obligations. Multinational groups will need to develop a worldwide approach to comply with other reporting regimes, notably including the EU's CbCR directive that is now being enacted by member states.

This additional public reporting will also require covered entities to educate their boards, align this reporting with their current environmental, social and governance (ESG) policies and prepare for transparency to have a potential impact across a wider group of stakeholders, including tax authorities, corporate regulators (in Australia and overseas), investors, short sellers, journalists and nongovernmental organizations.

How EY can help

EY can help you with end-to-end PCbCR tax and data services:

- ▶ We can assist groups to carry out a preliminary assessment of how the reporting requirements in both Australia and the EU will apply to your organisation and if you are in scope of these transparency measures. This may include an assessment of your Australian sourced income, the availability of any relevant exemptions and how the notionally listed group rules may apply where your organisation is not currently required to consolidate for accounting purposes.
- ▶ We can help you to define the data requirements, assess your data readiness, review your information sources, assess how to best obtain the information from your data sources including alignment with your Action 13 CbCR process and provide automation options.
- ▶ We can assist in analysing your data disclosures to perform a risk assessment and visualisation of your reporting and how different these will look for Australian and the EU reporting.
- ▶ We can help prepare or review your tax strategy and governance frameworks (locally and globally) to consider the current approach to tax in light of the transparency measures.
- ▶ We can assist you in determining how the transparency measures sit alongside your ESG commitments and communication strategies on the measures with stakeholders including investors, the Board and management.
- ▶ We can assist with exemption requests and engagement with the ATO.
- ▶ We can help you to prepare and lodge the registration form and PCbCR in the approved form issued by the ATO.

For more information please contact your usual EY advisor or:

Transfer Pricing Sydney:

Danielle Donovan
danielle.donovan@au.ey.com

Tony Do
tony.do@au.ey.com

Karol Fernandez
karol.fernandes@au.ey.com

Sam Lavender
sam.lavender@au.ey.com

Kelly Richmond
kelly.richmond@au.ey.com

Jarrold Thomas
Jarrod.thomas@au.ey.com

David Tracey
david.tracey@au.ey.com

Jason Vella
jason.vella@au.ey.com

Rose Wen
Rose.Wen@au.ey.com

Transfer Pricing Perth:

Joe Lawson
joe.lawson@au.ey.com

Caroline Walker
caroline.walker@au.ey.com

Transfer Pricing Brisbane:

Kevin Griffiths
kevin.griffiths@au.ey.com

Andrew Christy
andrew.christy@au.ey.com

Transfer Pricing Melbourne:

Jean Paul Donga
jean.paul.donga@au.ey.com

Michael Jenkins
michael.jenkins@au.ey.com

Jessica Uchida
jessica.uchida@au.ey.com

Transfer Pricing Adelaide:

Michelle Fardone
michelle.fardone@au.ey.com

Mitch Cramey
mitchell.cramey@au.ey.com

Tax Controversy and Governance:

Craig Jackson
craig.w.jackson@au.ey.com

Emily Marsden
emily.marsden@au.ey.com

Fiona Moore
fiona.moore@au.ey.com

Tax Policy:

Alfonso J Capito
alf.capito@au.ey.com

Tony Merlo
tony.merlo@au.ey.com

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

About EY's Tax services

Your business will only succeed if you build it on a strong foundation and grow it in a sustainable way. At EY, we believe that managing your tax obligations responsibly and proactively can make a critical difference. Our global teams of talented people bring you technical knowledge, business experience and consistency, all built on our unwavering commitment to quality service – wherever you are and whatever tax services you need.

We create highly networked teams that can advise on planning, compliance and reporting and help you maintain constructive tax authority relationships – wherever you operate. Our technical networks across the globe can work with you to reduce inefficiencies, mitigate risk and improve opportunity. Our 50,000 tax professionals, in more than 150 countries, are committed to giving you the quality, consistency and customization you need to support your tax function.

For more information, please visit www.ey.com/au

© 2024 Ernst & Young, Australia.
All Rights Reserved.

Liability limited by a scheme approved under Professional Standards Legislation.

SCORE NO: 010969-24-AUNZ
ED None

This communication provides general information which is current at the time of production. The information contained in this communication does not constitute advice and should not be relied on as such. Professional advice should be sought prior to any action being taken in reliance on any of the information. Ernst & Young disclaims all responsibility and liability (including, without limitation, for any direct or indirect or consequential costs, loss or damage or loss of profits) arising from anything done or omitted to be done by any party in reliance, whether wholly or partially, on any of the information. Any party that relies on the information does so at its own risk.