



**Comments from CICTAR and Tax Justice Network – Australia on  
Practice Statement Law Administration PS LA 2025/D1  
Public country-by-country reporting exemptions**

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To: Simon Weiss, ATO Contact Officer  
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Thank you for the opportunity to comment on this Practice Statement in relation to applications for exemptions from public country-by-country reporting requirements. We are pleased to have any comments we provided be used publicly in any appropriate format. Overall, we believe that the draft practice statement meets with the primary purpose of enhancing corporate tax transparency and providing clear guidelines for limited and justifiable exemptions under the legislation.

CICTAR, Tax Justice Network – Australia and its supporters and member organisations have been actively engaged in relation to the public Country-by-Country reporting (pCbCR) requirements for many years in public discourse and in numerous submissions to both Treasury and the Australian Parliament. We commend the Australia government for the pCbCR requirement which currently leads the world in increasing the tax transparency of multinational corporations. We anticipate that the pCbCR data to be reported will enhance the public's knowledge and understanding of multinational corporate tax practices and inform future debates and reform efforts in Australia and internationally. Through our international networks, we will continue to push for stronger pCbCR requirements in other jurisdictions, including through the developing United Nations Tax Convention.

While not directly related to the PS LA 2025/D-1 we will continue to advocate for regulatory changes to expand the list of required reporting jurisdictions, including:

- home country of the multinational corporation (already largely publicly available for most public companies, which would greatly enhance the quality of remaining aggregated reporting for non-required jurisdictions),
- Puerto Rico (a foreign jurisdiction of US federal tax purposes, as is the US Virgin Islands, which is included, but less used by multinational corporations),
- Ireland,
- Luxembourg and
- the Netherlands (these 3 jurisdictions are covered by EU reporting requirements that are generally not as strong as Australia's pCbCR regime).

We also anticipate that some multinational corporations will opt to voluntarily report full global pCbCR reporting (following GRI-207), rather than on the just the mandatory required jurisdictions with aggregated amounts for the rest of the world. The ATO's reporting guidelines and formats should strongly encourage and facilitate full global pCbCR reporting.

We believe this Practice Statement is balanced, clear and thorough in terms of explaining the requirements for applying for and receiving full or partial exemption for pCbCR reporting requirements in the limited circumstances in which they may be justified. We offer a few modest suggestions that may provide further clarity on the exemption application process.

With regards to possible exemptions for breach of law of another jurisdiction, **paragraph 55** states that it must be taken “into account whether the design of that foreign law may have been to frustrate the operation of Australia’s Public CBC reporting regime.” We recommend that it be clear and explicit that no exemption will be automatically granted with respect to any foreign legislation enacted following the pCbCR legislation in Australia, if the passage of the foreign legislation has the effect of attempting to frustrate Australia’s enhanced tax transparency reporting requirement.

With regards to possible exemptions for revealing commercially sensitive information, we appreciate the statement in **paragraph 30** acknowledging changes made and not made during the extensive law design process. In particular, private groups were not excluded and a carve-out for commercially sensitive information was not legislated. While there was vocal advocacy from corporate lobbyists for such exemptions for “commercially sensitive” information, we are not aware of any concrete evidence regarding possible negative impacts on businesses from pCbCR disclosure. By contrast, the pCbCR assists investors and builds tax morale by making transparent what taxes corporations are paying and where.

We firmly agree that “design choices indicate that the parliamentary pursuit of transparency outweighed broad commercial sensitivity concerns and that the government intended businesses to engage with us to have their specific circumstances considered.” We believe that **paragraphs 58-68** strike the right balance on this issue and concur that “the onus is on the applicant to provide their reasons and evidence.”

We accept the reasonable exemption considered in **paragraphs 68-70** where an entity may fall below reporting requirements under a ‘home’ jurisdiction pCbCR regime and is only required to report in Australia due to fluctuations in the value of foreign currencies.

With regards to the process for application for exemption in **paragraph 71**, the language reads: “Entities are encouraged to register with us for Public CBC reporting prior to lodging an application for an exemption.” We suggest that following change, “Entities can lodge an application for an exemption after registering with us for Public CBC reporting.” Related to this issue and the statement in **paragraph 78** that the “confidentiality of information provided to us in support of an exemption request is protected by statute”, we offer some minor additional suggestions not currently included in the draft Practice Statement.

The application for exemptions should be confidential; however, we strongly suggest that there be a publicly available annual list of entities which have been granted either

full or partial exemptions in the period. No information on the reasons for exemption would be required. This would assist in the stated objective “to enhance multinational tax transparency by improving the quality of information disclosed by multinationals” and ensure the general public remains confident in the implementation of Australia’s pCbCR requirement and to monitor the level of discretionary exemptions granted. It would be fair to include in the Practice Statement that the applications for exemptions will remain confidential, but that a successful application will permit the publication of a list of entities that have received a full or partial exemption.

Further, to ensure public confidence that the exemption application process is not being unduly used, we request that the ATO publish annually how many applications for exemptions have been made and how many were rejected.

Thank you for the opportunity to comment and please contact us if you have any questions or require any further information.

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