

Related party financing arrangements

1. *Has your company had any discussions with the Australian Taxation Office (ATO) regarding related party financing arrangements?*

BHP, like many key taxpayers, is part of the ATO's Key Taxpayer Engagement ("KTE") program (<https://www.ato.gov.au/business/large-business/compliance-and-governance/key-taxpayer-engagement/>). BHP has had discussions with the ATO on its related party financing arrangements as part of this program.

2. *Is your company in agreement with the ATO regarding the pricing of related party loans and other related party financing arrangements?*
 - *If your company is not in agreement, what is the difference between your company's assessment and the ATO's assessment of the value of tax in dispute?*

As part of the KTE process, the ATO are currently in the process of reviewing BHP's related party financing arrangements. BHP has no current disputes with the ATO regarding related party loans and financing arrangements.

3. *The ATO's written submission to this inquiry (submission 139) notes the importance of related party financing to the oil and gas industry. On page 19, paragraph 76, the ATO notes that it has issued amended assessments to some taxpayers, and is having settlement discussions with others.*
 - *Has your company received an amended assessment from the ATO, or is your company involved in settlement discussions with the ATO, as a result of their compliance activity in respect of related party financing?*

BHP has not received any amended assessments from the ATO in respect of related party financing and BHP is not involved in any settlement discussions with the ATO as a result of compliance activity in respect of related party financing.

Thin capitalisation

4. *Has your company had any discussions with the ATO regarding thin capitalisation limits?*

BHP has had discussions with the ATO on its thin capitalisation position as part of the KTE program.

5. *Is your company in agreement with the ATO regarding thin capitalisation limits?*
 - *If your company is not in agreement, what is the difference between your company's assessment and the ATO's assessment of the value of tax in dispute?*

As part of the KTE process, the ATO are currently in the process of reviewing BHP's thin capitalisation position. BHP has no current disputes with the ATO in relation to thin capitalisation.