

Senate Economics References Committee Inquiry into corporate tax avoidance

Written questions on notice—oil and gas companies

Related party financing arrangements

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

Answer: Yes

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?

Answer: The ATO has issued a position paper. ExxonMobil Australia has responded with additional information to facilitate further discussion with the ATO. We believe that on the basis of this information the ATO will revise its position.

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 discussion 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?

Answer: No

Thin capitalisation

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

Answer: Yes

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?

Answer: The ATO plans to commence a review of ExxonMobil Australia's thin capitalisation position.