

**Senate Economics References Committee Inquiry into
corporate tax avoidance**

Shell Australia response to questions on notice

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Related party financing arrangements

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

Shell response: 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?

Shell response: The ATO has issued amended assessments to Shell for the period 2009-2013 to the value of approximately \$295 million. Shell disagrees with the amended assessments.

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?

Shell response: Please refer to the response to question 2 above. Shell is involved in discussions with the ATO, with a view to cooperatively resolving differences in the technical interpretation of the law.

Thin capitalisation

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

Shell response: Yes, as part of Shell's ongoing cooperative engagement with the ATO.

5. Is your company in agreement with the ATO regarding thin capitalisation limits?

Shell response: Following these discussions, Shell is not aware of the ATO having any concerns with Shell's compliance with the 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?