

Recommendations

Recommendation 1

3.52 The committee recommends that the thin capitalisation rules be amended so that the worldwide gearing ratio is the only method by which interest related deductions should be calculated for the purpose of tax treatment in Australia.

Recommendation 2

3.68 The committee recommends that the government undertake an independent review into the detriment to Australian tax revenue that arises from the current transfer pricing regime, and explore options to modify transfer pricing rules, or other tax laws, to ensure multinational enterprises make the appropriate contribution to Australian tax revenue.

Recommendation 3

4.13 The committee recommends that all companies with a total income equal to or exceeding \$100 million for an income year be required to release tax information of the level specified in the *Tax Laws Amendment (Combating Multinational Tax Avoidance) Act 2015*.

Recommendation 4

4.28 The committee recommends that:

- companies, trusts and other corporate structures be required to disclose information regarding their beneficial ownership;
- a publicly accessible, central register be maintained by a suitable government agency; and
- this information be included in the review as set out in Recommendation 6, with the intent to find ways to provide this information free of charge or at a reduced cost.

Recommendation 5

4.42 The committee recommends that the government require all companies, trusts and other financial entities with income above a certain amount to lodge general purpose financial statements with the Australian Securities and Investments Commission.

Recommendation 6

4.57 The committee recommends that the government undertake an independent, public review of the Australian Securities and Investments Commission's statutory fees and charges to explore options for reducing or eliminating fees to access company information, including financial statements.

Recommendation 7

4.68 The committee recommends that excerpts of Country-by-Country reports be made publicly available free of charge. Information to be released from Country-by-Country reports would include, at a minimum, high level data on how much revenue is collected and tax is paid in jurisdictions the firm operates in, and the number of employees.

Recommendation 8

4.78 The committee recommends that the existing voluntary tax transparency code be converted, as soon as practicable, to a mandatory code for all large and medium corporations operating in Australia, including subsidiaries of multinational corporations.

Recommendation 9

4.83 The committee recommends that the Australian Taxation Office include a dedicated section on the number and value of significant tax settlements of \$50 million or greater in its annual report.

Recommendation 10

5.141 The committee recommends that the government finalise and release its response to the Callaghan report into the Review of the Petroleum Resource Rent Tax.

Recommendation 11

5.142 The committee recommends that the government overhaul uplift rates for future Petroleum Resource Rent Tax eligible projects, so as to make them less generous.

Recommendation 12

5.143 The committee recommends that the ordering of deductions be rationalised for future Petroleum Resource Rent Tax eligible projects so that those with the highest compounding rates are used first for tax deduction purposes.

Recommendation 13

5.144 The committee recommends that the gas transfer pricing method for Petroleum Resource Rent Tax eligible projects be reformed to make it simpler and more transparent so as to ensure that it delivers a fair return to the community.

