EXPOSURE DRAFT

Inserts for

Treasury Laws Amendment (Combating Multinational Tax Avoidance) Bill 2017: increasing penalties for significant global entities

Commencement information		
Column 1	**Column 2**	**Column 3**
Provisions	**Commencement**	**Date/Details**
1.		
2. Schedule #	The later of: (a) 1 July 2017; and (b) the day after this Act receives the Royal Assent.	
3.		

EXPOSURE DRAFT

Schedule #—Increasing penalties for significant global entities

Taxation Administration Act 1953

1 Subsection 3CA(2)

After "give to the Commissioner", insert "in the approved form".

2 Subsection 284-90(1) in Schedule 1

After "using this table", insert "and subsections (1A) to (2),".

3 After subsection 284-90(1) in Schedule 1

Insert:

(1A) The *base penalty amount in an item of the table in subsection (1) that applies to you is taken to be doubled if:

(a) on or before the following day (the ***trigger day***):

(i) if subsection 284-75(1), (2) or (4) applies to you—the day you made the relevant statement;

(ii) if subsection 284-75(3) applies to you—the day the relevant return, notice or other document was required to be given;

the Commissioner has made an assessment of your income tax for one or more income years; and

(b) you were a *significant global entity for the most recent of those income years.

(1B) If subsection (1A) applies to you, a part of the penalty may be remitted under section 298-20 if the Commissioner is satisfied that you are not, or will not be, a *significant global entity for the income year that includes the trigger day.

(1C) Subsection (1B) does not limit section 298-20.

4 Paragraph 286-80(1)(b) in Schedule 1

Omit "subsection (3) or (4)", substitute "subsection (3), (4) or (4A)".

5 After subsection 286-80(4) in Schedule 1

Insert:

(4A) Neither subsection (3) nor (4) applies to the entity, and the *base penalty amount is multiplied by 500, if:

(a) the failure referred to in subsection (2) is a failure to give a return, notice or other document, on time or in the *approved form, as mentioned in subsection 286-75(1); and

(b) on or before the day the return, notice or other document is required to be given, the Commissioner has made an assessment of the entity's income tax for one or more income years; and

(c) the entity was a *significant global entity for the most recent of those income years.

(4B) If subsection (4A) applies to the entity, a part of the penalty may be remitted under section 298-20 if the Commissioner is satisfied that the entity is not, or will not be, a *significant global entity for the income year that includes the day the return, notice or other document is required to be given.

(4C) Subsection (4B) does not limit section 298-20.

6 At the end of subsection 298-20(1) in Schedule 1

Add:

Note: See also subsections 284-90(1B) and 286-80(4B) for remittal of parts of penalties applying to significant global entities.

7 Application of amendments

(1) The amendment made by item 1 of this Schedule applies in relation to general purpose financial statements required to be given to the Commissioner at or after the commencement of this Schedule.

(2) The amendments made by items 2 and 3 of this Schedule apply in relation to any of the following:

(a) statements made at or after the commencement of this Schedule;

(b) returns, notices or other documents required to be given at or after the commencement of this Schedule.

(3) The amendments made by items 4 and 5 of this Schedule apply in relation to any returns, notices or other documents required to be given at or after the commencement of this Schedule.