**Tax risk management & governance framework.**
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1. **Introduction**

We set out below the tax risk management and governance framework for [Business Co] (“the framework”). This framework has been designed to capture all key elements of the Australian Taxation Office’s (“ATO”) Tax Risk Management and Governance Review Guide dated 20 July 2015, although tailored to meet the specific requirements and tax risk appetite of [Business Co].

This framework is a “living” document and will be updated as and when required based on changing ATO requirements, business changes and stakeholder needs and requirements.

The framework has been endorsed by the Board of Directors and signed off by the Chairman of the Board.

2. **Tax code of conduct – summary**

1. [Business Co] is committed to being a responsible corporate taxpayer and to acting with integrity in complying with all prevailing tax laws.

2. As a good corporate citizen, [Business Co] views tax as an important part of its social responsibility.

[Section removed]
3. **Board level responsibility for tax and tax risk management**

3.1. **Assignment of Board level responsibility for tax**

The assignment of responsibilities amongst Board members is documented in the [Board Charter]. The skills required of each Board member is set out in the skills matrix contained in the Board Charter.

The Board has assigned the responsibility for oversight of taxes and tax risk management for [Business Co] to the [Group Chief Financial Officer (“CFO”) or “Group Finance Director”].

3.2. **Tax risk management and governance framework to be determined by [CFO] and agreed with Board**

[section removed]

4. **Management responsibility for taxes**

4.2. **Scope and allocation of taxes**

Responsibility for the management of all taxes will be delegated by the [CFO/FD] to the relevant internal function. Details of current allocation, including the key individuals responsible, are set out in the *Taxes Responsibility Matrix* (refer to Appendix 4). In summary, responsibility is allocated as follows:

1. Corporate tax (including PAYG instalments) – [Tax Function]
2. FBT – [Tax Function, in conjunction with HR]
3. GST - [Tax Function]
4. PAYG withholding (non-employee) – [Tax Function]
5. PAYG withholding (employees) – [HR/Payroll]
6. Payroll tax and Superannuation Guarantee Charges – [HR/Payroll]
7. Duties, levies, custom and excise – [Legal]
8. Other Taxes – [Finance/Operations]

[section removed]
4.3. **Relationship with ATO and other tax authorities**

It is the responsibility of the Head of [Tax/Finance] to manage the relationship of [Business Co] with the various tax authorities with which it has dealings/obligations.

As set out in the Tax Code of Conduct, [Business Co’s] mandate from the Board is to maintain an open, honest and professional relationship with tax authorities. All dealings with the tax authorities shall be conducted in a transparent, proactive, and timely manner.

Where possible, the Tax Function should establish a strong open relationship with [Business Co’s] key contact at the relevant tax authorities, and maintain communication lines.

4.4. **Management of Tax audits, reviews, and enquiries**

The Tax Function is responsible for the professional management of all tax audits, reviews, and enquiries from tax authorities, auditors, and regulators.

A formal project structure should be put in place to register and manage all queries and information requests from tax authorities and ensure they are properly considered and responded to in a timely manner and by the due date.

The status of any audit or review must be reported to the CFO on at least a monthly basis.

Any issues or proposed tax adjustments must be fully considered and reported to the CFO.

The decision whether to accept adjustments, or challenge/object/appeal rests with the [CFO] and in his/her discretion, the Board.

Any settlement with a tax authority exceeding [$xxx] must be approved by the Board.

Similarly, any decision to proceed to litigation on a tax matter must be approved by the Board.

[section removed]

Signed:

Chairman of the Board

Dated
1. **Tax Code of Conduct.**

This Tax Code of Conduct for [Business Co] summarises the fundamental principles to which the Group subscribes, and which the Tax Function is mandated by the Board to discharge.

1.1. **Principle 1: Comply fully with tax laws in a principled manner**

As an overarching principle, [Business Co] is committed to fully comply with its obligation under all applicable tax laws and regulations in all jurisdiction. Where there is uncertainty as to the requirements or application of the tax laws, [Business Co] seeks to resolve the uncertainty on a principles basis. The Tax Function will make a determination on how the relevant laws apply to the circumstances, informed as appropriate by external advisers. [Business Co] may seek agreement with the tax authority on the tax treatment of certain transactions, products or services. [Business Co] will only adopt tax return filing positions which the Tax Function considers to be technically supportable interpretations of the tax law to a "strong should" level.

1.2. **Principle 2: Business Co will manage its tax affairs in a manner that is consistent with maximizing long-term shareholder value**

[section removed]
2. **Tax responsibility matrix.**

<table>
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<tr>
<th>Tax</th>
<th>Action, product or service</th>
<th>Primary responsibility</th>
<th>Secondary support</th>
<th>Oversight responsibility</th>
<th>Escalation point</th>
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<td>Corporate tax returns</td>
<td>Head of Tax – Group Tax</td>
<td>Financial Controller – Group Finance</td>
<td>Chief Financial Officer</td>
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</tr>
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3. CFO attestation to Board.

Attention: [Chairman of the Board / Board of Directors]

To the best of my knowledge and belief, and in my opinion,

(a) the tax balances in the financial records have been properly maintained;

(b) the tax balances disclosed in the financial statements comply with appropriate accounting standards and give a true and fair view of the tax position of the entity; and

(c) this opinion has been formed on the basis of a sound system of tax risk management, tax governance and internal controls which are operating effectively.

..............................................
Chief Financial Officer

..............................................
Dated

[section removed]