



Tax Insights

ATO releases final instructions on public CbC reporting

On 3 March 2026, the Australian Taxation Office (ATO) released [final instructions](#) on completion of the public country-by-country (CbC) report required for reporting periods starting on or after 1 July 2024. The report must be submitted to the ATO within 12 months after the end of the reporting period, and the ATO will publish the information on a government website. This means that the first public CbC reports are due on 30 June 2026 (for the reporting period ended 30 June 2025), while December year-end groups that are in scope will need to submit their first public CbC reports to the ATO by 31 December 2026.

The instructions address issues including (i) the information that must be included in the annual public CbC report, (ii) the level of detail expected in both quantitative and qualitative disclosures, (iii) the process for submission of the report to the ATO, and (iv) how to interpret and apply the legislation and accompanying guidance in practice.

The instructions provide additional guidance on the following topics:

- Residency;
- Permanent establishments (PEs);
- Publishing and validation;
- Statement on approach to tax;
- Before income tax profit or loss;
- Tangible assets;
- Currency; and
- Amending errors.

This article provides an overview of the requirements of the public CbC regime, together with highlights of the final instructions and other guidance to date.

The final instructions emphasise that the measures will operate separately and in addition to the existing CbC reporting provisions of subdivision 815-E of the Income Tax Assessment Act 1997 (ITAA 1997) (Australia's implementation of the OECD's CbC reporting requirements).

The penalties for noncompliance or late lodgment are significant—up to AUD 825,000 based on current penalty unit rates.

In-scope entities

The public CbC reporting measures apply to CbC reporting parents that are (i) constitutional corporations, (ii) trusts where each of the trustees is a constitutional corporation, or (iii) partnerships where each of the partners is a constitutional corporation. A “constitutional corporation” is not defined in Australian tax law and as such careful consideration may be required to determine if the measures apply to various forms of fiscally transparent entities.

A CbC reporting parent (as already defined in section 815-375 of the ITAA 1997):

- Is not an individual;
- Is not controlled by any other member of the same CbC reporting group; and
- Has annual global income of AUD 1 billion or more.

The CbC reporting parent is only required to publish if:

- It is a CbC reporting parent at any time during the preceding reporting period;
- It is a member of a CbC reporting group at any time during the current reporting period;
- At any point during the reporting period, it, or a member of the CbC reporting group, is an Australian resident or foreign resident with an Australian PE; and
- Its aggregated turnover includes at least AUD 10 million of Australian-source income.

The explanatory memorandum makes clear that a CbC reporting parent that is an Australian resident and has no foreign operations is in scope if it otherwise meets the requirements.

Registration

On 12 June 2025, the ATO published the [public CbC registration form](#) and accompanying [instructions](#), for entities to register for public CbC reporting and to appoint authorised contacts to deal with the ATO on their behalf.

A CbC reporting parent that does not have an Australian business number (ABN) will be issued with an ATO reference number (ARN) as part of this registration process, which will identify the CbC reporting parent in correspondence with the ATO in relation to applications for exemptions or exclusion, time extension requests, and the public CbC submissions. While the ATO has indicated that registration is not compulsory, administrative challenges remain for entities that are not registered, e.g., the ATO has required CbC reporting parents to register prior to progressing exemption requests, and an ABN or ARN is a mandatory field in the public CbC submission, which needs to be completed in accordance with the ATO's instructions to constitute the provision of the report to the ATO in an “approved form.”

Information to be published

The CbC reporting parent is required to provide the following general information:

- Its own name;
- The name of each entity in the CbC reporting group; and

- A description of the CbC reporting group's "approach to tax."

The following table summarises the jurisdictional information that is required to be provided, with the list of specified jurisdictions listed in appendix A:

Item	Australia and specified jurisdictions	Other jurisdictions
Name of the jurisdiction		Not required
Description of the main business activities		
Number of employees (on a full-time equivalent basis) at the end of the reporting period		
Revenue from unrelated parties		
Revenue from related parties that are not tax residents of the jurisdiction		
Profit or loss before income tax		
Book value at the end of the reporting period of tangible assets, other than cash and cash equivalents		
Income tax paid (on a cash basis)	Required on a jurisdictional basis	
Income tax accrued (current year)		
Reasons for difference between: <ul style="list-style-type: none"> • Income tax accrued (current year); and • The amount of income tax due if the income tax rate applicable in the jurisdiction were applied to the amount of profit or loss before income tax 		Not required
Currency used in calculating and presenting the above information		Required (with option to aggregate)

Where relevant in interpreting the requirements entities must publish, disclosures should be made so as to best achieve consistency with Global Reporting Initiative (GRI) 207: Tax 2019. In addition, regard should also be given to both the [OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations 2022](#) and the [OECD CbC reporting guidance](#). However, GRI 207 is to be treated as the primary source of guidance.

Instructions to complete public CbC reports

As indicated above, the ATO has now released final instructions. Some of the key instructions are highlighted below.

Compilation requirement

The final instructions now confirm that amounts reported by the entity must reconcile with the audited consolidated financial statements. In circumstances where the CbC reporting parent has not prepared audited consolidated financial statements for the reporting period, the information published must be based on amounts that reconcile with what would

be shown in such statements, had the entity been a listed company within the meaning of section 26BC of the Income Tax Assessment Act 1936 and been required to prepare them.

The final instructions note that information that can be reconciled to consolidated financial reports includes:

- Information that is reported at a more granular level than what is reported in the consolidated financial statements, for example the sum of all the public CbC reported information for separate jurisdictions equals the total amount reported in the audited consolidated financial statements; and
- Information in respect of transactions which are eliminated as part of the consolidation process when the information reported should align with the working papers for the transactions, for example details of related party transactions.

Residency for taxation purposes of a company, partnership, and trust

The ATO's final instructions contain additional guidance on residency, as follows:

- Tax jurisdictions are identified according to where the entities are resident for tax purposes, as recorded in the organisation's audited consolidated financial statements, or the financial information filed on public record.
- The ATO has set out definitions of a resident company, trust, and partnership.
 - A company is a resident of Australia for taxation purposes if it is either (i) incorporated in Australia or (ii) not incorporated in Australia, but carrying on business in Australia and has either its central management and control in Australia, or voting power controlled by shareholders who are residents of Australia.
 - A partnership is a resident of Australia for taxation purposes where there is at least one member that is an Australian resident.
 - A trust is a resident of Australia for taxation purposes where a trustee of a trust estate is an Australian resident, or the central management and control of the trust estate is in Australia.

The ATO's instruction goes on to state that the approach above to determining residency of companies, partnerships, and trusts should also be applied for the purpose of determining whether entities are residents of other jurisdictions where required. As the ATO's instructions represent an expansion to both the definition of "resident" in the Australian public CbC reporting legislation and the OECD CbC reporting guidance, the determination of residency for Australian public CbC reporting purposes should be carefully considered.

PEs

The ATO has provided guidance on the tax jurisdiction of a PE in the final guidance.

In the context of a public CbC report, a PE is treated as a separate entity to the entity of which it is a part. The PE is taken to have its location of operation as its tax jurisdiction provided that it prepares a separate financial statement for financial reporting, regulatory, tax reporting, or internal management control purposes. The remainder of the entity of which it is a part would then separately report in its home jurisdiction.

Approved form

On 20 February 2026, the ATO [released](#) a further final published specifications package (version 2.0) to be used in the development of software for the electronic lodgment of the public CbC reporting. The approved form is in XML and the current submission process is to email the file to the ATO at PublicCBCReports@ato.gov.au or as otherwise specified by the ATO in writing.

Importantly, the final instructions emphasise that providing information that is exempt or failing to provide required information means that the public CbC report has not been completed in the approved form or in accordance with instructions.

Similarly, information submitted in a different format, through alternative channels, or described in a way that does not align with the instructions will not satisfy the reporting obligations.

Once a public CbC report is provided to the ATO, the ATO will validate the information provided and then upload the report, in its unamended form. If the ATO cannot validate the report, the reporting entity will be asked to resubmit the correct report, noting the public CbC reporting obligation for the reporting period is only satisfied once the reporting entity has provided a complete report, suitable for publication, and the ATO has uploaded it to data.gov.au.

Reporting entity details

As noted above, the CbC reporting parent or reporting entity is required to provide its ABN or ARN (which is received upon registration with the ATO for public CbC reporting), email address, phone number, and street address.

Members of the CbC reporting group

The reporting entity is required to list all the members of their CbC reporting group in respect of the relevant reporting period. The instructions indicate the reporting entity should be able to rely on the list of members by jurisdiction included in their audited consolidated financial statements for the relevant reporting period. The list should include dormant entities.

Statement on approach to tax

The instructions indicate the statement on “approach to tax” should align with GRI 207, in particular GRI 207-1 Approach to tax. The ATO indicates the statement may define how the reporting entity balances tax compliance with business activities and outline the entity’s tax principles, attitude to tax planning, and approach to engaging with tax authorities, together with the degree of risk the organisation is willing to accept. When outlining its approach to regulatory compliance, the reporting entity can include information on statements in its tax strategy or equivalent documents regarding its intentions with respect to the tax laws. This includes whether the reporting entity aims to comply with both the letter and spirit of the law, and how its approach to tax supports its overall business objectives and sustainable development commitments in the jurisdictions in which the members of the public CbC reporting group operate.

The reporting entity may also provide examples that illustrate its approach to tax, such as:

- The use of tax incentives;
- Its approach to tax havens;
- Transfer pricing principles; and
- Its risk appetite in relation to tax.

The field is in the free text format with a maximum of 5,000 characters allowed. Further information may be provided in the form of a URL to a website by typing it in text format, with no link.

Description of main business activities

The reporting entity should provide a description of the primary activities conducted within the jurisdiction by the members of the CbC reporting group in that jurisdiction. An appropriate industry classification code may also be specified, such as ANZSIC, NACE, or another widely recognised industry or business activity code.

The final instructions note that if an industry classification code is used, there is a need to provide both the appropriate industry classification code and a concise description of the core activities undertaken in the relevant jurisdiction. The ATO included an example of ANZSIC 7000 Computer System Design and Related Services for an entity primarily engaged in providing IT consulting, software development, and systems integration services. Activities include designing and developing custom software, managing IT infrastructure, and offering cybersecurity and cloud computing solutions.

This free text field allows an input of a maximum of 4,000 characters.

Number of employees, on a full-time equivalent basis

The reporting entity should provide the total number of full-time equivalent employees for all members of the CbC reporting group located in the relevant jurisdiction as at the end of the year. Where appropriate, independent contractors involved in the entity's ordinary operations may be included as employees.

A consistent approach should be applied across all entities across the reporting period.

Revenue from unrelated parties and/or related parties that are not tax residents of the jurisdiction

The reporting entity should provide the total revenue earned by all members of the public CbC reporting group that are tax residents in the relevant jurisdiction from transactions with independent parties.

In relation to related party revenue, the reporting entity should provide the total revenue earned by all members of the public CbC reporting group that are tax residents in the relevant jurisdiction from transactions with related entities that are not tax residents of the same jurisdiction. The term "related parties" is defined as "associate enterprises" in the BEPS guidance.

In both instances, this includes revenue from sales of inventory and property, services, royalties, interest, premiums, and other amounts, but excludes payments from other members of the public CbC reporting group treated as dividends in the payer's jurisdiction.

Before income tax profit or loss

The profit or loss before income tax should include all extraordinary income and expense items but exclude payments from other public CbC reporting group members treated as dividends in the payer's jurisdiction.

Tangible assets

The final guidance notes that tangible assets exclude cash or cash equivalents, intangibles, and financial assets.

For PEs or branches, assets to be reported should be based on the jurisdiction in which the establishment is located.

Income tax paid, on a cash basis

The reporting entity should provide the amount of income tax paid on a cash basis, which is to be calculated as the amount of income tax paid during the relevant reporting period by all members of the CbC reporting group in that jurisdiction.

Taxes paid should include cash taxes paid to both the resident and other jurisdictions and must reflect not only advance payments for the current reporting period's tax obligations but also the payments for the previous year's tax obligations. This also includes withholding taxes paid by other entities—associated or independent—on payments to the member.

Reason for difference between income tax accrued and profit or loss before income tax multiplied by income tax rate

When reporting the difference between income tax accrued and the amount payable for a jurisdiction, the reporting entity should provide an explanation to account for any material discrepancies between the current year income tax accrued and the income tax actually payable or paid by all members of the public CbC reporting group for the reporting period. The explanation may include reasons such as timing differences, tax reliefs, allowances, incentives, or any special tax provisions where members of the CbC reporting group in the relevant jurisdiction benefited.

This free text field allows an input of maximum 4,000 characters.

Currency used in calculating and presenting the information for the jurisdiction

The final instructions state that there should be a single reporting currency, usually the currency used in the consolidated financial statements.

If it is necessary to translate an amount appearing in the audited consolidated financial statements to the currency used to report the above information, it must be translated at the average exchange rate for the year.

Amending errors

The final instructions confirm that material errors must be corrected within 28 days of the reporting entity becoming aware of the error. Whether an error is material is a matter of professional judgment. The relevant accounting standard must be used to determine whether an error in an item, or an aggregate of items is material and must be corrected.

An error is material if not correcting it means information is omitted, misstated, or obscured where this could be reasonably expected to influence the fair presentation of the public CbC report.

Reporting entities may choose to lodge an amendment to their public CbC report to correct nonmaterial errors by using the same public CbC reporting submission process.

Further guidance: ATO consideration of exemption/exclusion requests

Full or partial exemptions may be available in limited circumstances, with the explanatory memorandum citing factors such as:

- National security;
- Breach of Australian law (disregarding the requirements imposed by these amendments) or breach of the laws of another jurisdiction; and
- Substantial ramifications for an entity (by an objective standard) by revealing commercially sensitive information.

On 5 December 2025, the ATO released Practice Statement Law Administration [PS LA 2025/2 Public country-by-country reporting exemptions](#) which finalises the previously released draft PS LA 2025/D1. The final PS LA outlines the considerations relevant to the granting of an exemption and the information that applicants should provide with the application for exemption, specifying for example the type of harm that may occur in providing commercially sensitive information, how the publication of CbC information may result in the harm occurring and supporting evidence or documentation. The final PS LA notes that during legislative consultation, certain aspects of the public CbC regime design were not changed on purpose, such as requests for exempting private groups, legislative carve outs for commercially sensitive information, or exemptions by self-assessment. Where differences remain—for example, from the European Union regime—that is by design. There must be something unusual or different for an exemption to be granted.

Australian government-related entities may also apply to the ATO for an exclusion from the public CbC reporting measures.

Groups that are seeking exemptions or exclusions should make an application in writing using the form provided by the ATO ([Public CbC reporting exemption and exclusion application form](#)). An exemption for a specific entity or for particular information of a specific entity only applies for a single reporting period, requiring an annual request for such an exemption.

Exemptions should be applied for in a timely manner to allow sufficient time for the commissioner of taxation to consider and decide the application.

Reporting entities will only be exempt from publishing a partial or full public CbC report once the ATO has assessed the application and notified them in writing of the exemption that has been granted for that reporting period.

Considerations for potentially affected groups

Given the approaching deadlines, important steps for potentially affected groups will include:

- Registering for the public CbC reporting measures and appointing an authorised contact or agent who can assist in liaising with the ATO on behalf of the group;
- Considering if the group is in scope of the measures;
- Considering whether exemptions or exclusions may apply, and engaging early with the ATO on exemption/exclusion applications;
- Assessing whether the data sources and requirements are in line with the group's current CbC reporting approach; and
- Preparation and socialisation of the group's CbC data and statement on its approach to tax with relevant stakeholders.

Appendix A

Specified jurisdictions, per final determination		
Andorra	Gibraltar	Republic of the Marshall Islands
Anguilla	Grenada	Saint Kitts and Nevis
Antigua and Barbuda	Guernsey	Saint Lucia
Aruba	Hong Kong SAR	Saint Maarten (Dutch Part)
Barbados	Isle of Man	Saint Vincent and the Grenadines
Bahamas	Jersey	Samoa
Bahrain	Liberia	San Marino
Belize	Mauritius	Seychelles
Bermuda	Monaco	Singapore
British Virgin Islands	Montserrat	Switzerland
Cayman Islands	Nauru	Turks and Caicos Islands
Cook Islands	Niue	US Virgin Islands
Curacao	Panama	Vanuatu
Dominica		

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