



## Australian Government

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### Department of the Prime Minister and Cabinet Office of Best Practice Regulation

Reference: 18734  
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CC: Mr Paul McCullough  
First Assistant Secretary  
Deregulation Division  
The Treasury

Michael Cranston  
Acting Second Commissioner of Taxation  
Australian Taxation Office

Dear Mr Cranston

### **Transfer Pricing Record Keeping**

Thank you for your letter of 9 April 2015 concerning the Regulation Impact Statement (RIS) requirements for the Transfer Pricing Record Keeping proposal. I note that the Australian Taxation Office (ATO) has decided to implement changes to Transfer Pricing Record Keeping requirements.

It is your assessment that the process undertaken by the ATO and the Division 815 Technical working group in implementing the transfer pricing record keeping simplification options has undertaken a process and analysis equivalent to a RIS as set out in 'The Australian Government Guide to Regulation'.

Therefore, the ATO is compliant with the Government's RIS requirements on the basis that:

- the ATO's self-assessment is that the process undertaken by the ATO in developing the transfer pricing simplified record keeping options addresses the seven RIS questions set out in the 'The Australian Government Guide to Regulation'; and
- the regulatory costs have been agreed with the OBPR.

However, it is best practice that self-assessment and agreement to the regulatory costs with the OBPR are done prior to a final decision. I note this did not occur and therefore the ATO has not followed best practice.


#### *Publication requirements*

The OBPR maintains a RIS website and RISs, including Independent Reviews, are posted as soon as practicable after a regulatory decision has been publicly announced. We would appreciate you forwarding a final copy of the discussion paper in Microsoft Word .doc format in a form meeting the Australian Government's *Web Content Accessibility Guidelines*. We suggest liaising with your web services team to ensure these guidelines are met. The website provides a public comment facility on RISs and Independent Reviews

posted on the site. The OBPR moderates this facility for offensive content but does not moderate debate.

Please retain this letter as a record of the OBPR's advice. Our reference number for this issue is 18734. If you have any further queries, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'T. Simovski', with a long horizontal flourish extending to the right.

Tony Simovski  
A/g Deputy Executive Director  
28 April 2015