

Australian Tax & Business Environment

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May 2016

PwC Australia

Vast range of services, including Audit, Tax, Advisory, International Assignment, Transfer Pricing, R&D related consultation, Legal services, etc.

*Approx. 6,500 people
11 offices in 8 states
& territories*



1. Canberra
2. Sydney
3. Newcastle
4. Brisbane
5. Townsville
6. Adelaide
7. Melbourne
8. Perth

Business considerations

- Choice of Entity:
 - Corporation (private/public)
 - Branch
 - Joint Venture (JV)
 - Partnership
 - Representative Office

- Immigration Issues:
 - Visas

Operations – Tax Considerations

- Taxes for corporation (not an exhaustive list):
 - Federal taxes:
 - Corporate income tax
 - Capital gains tax
 - Dividends (franked/unfranked)
 - Royalties
 - State taxes:
 - No state or municipal taxes on income
 - Stamp duty
 - Land tax
 - Municipal taxes (sewerage, water, etc.)
 - Goods and Services tax
 - Payroll tax
 - Customs duties & excise

Australian Tax System - General Information

Corporate Income Tax

- Generally 30% (28.5% for small businesses).
- Non-Resident corporations taxed on “Australian – sourced income” only.
- Tax Consolidation
- No state or municipal taxes on income.

Transfer Pricing (TP) Considerations

- Country-by-Country (CBC) reporting – multinational companies with a global revenue of AUS\$ 1 billion (US\$ 736 million).
- Diverted Profit Tax (DPT)

Australian Tax System – In-direct Taxes

Goods and Services tax (“GST”)

- Generally 10%.
- Some supplies may be “GST-free” (*e.g.*, export of goods, health & education services, etc.).

Customs duties/import tariffs

- Australian Customs Tariff - Up to 5%.

Australian Tax System - General Information

Diverted Profit Tax (DPT)

- Aimed at multinational companies that artificially divert profits from Australia, which result in less than 80% of tax being paid than would otherwise have been paid in Australia.
- The government will apply a 40% penalty on the DPT.
- Will apply from 1 July, 2017.

Australian Tax System

Tax Incentives

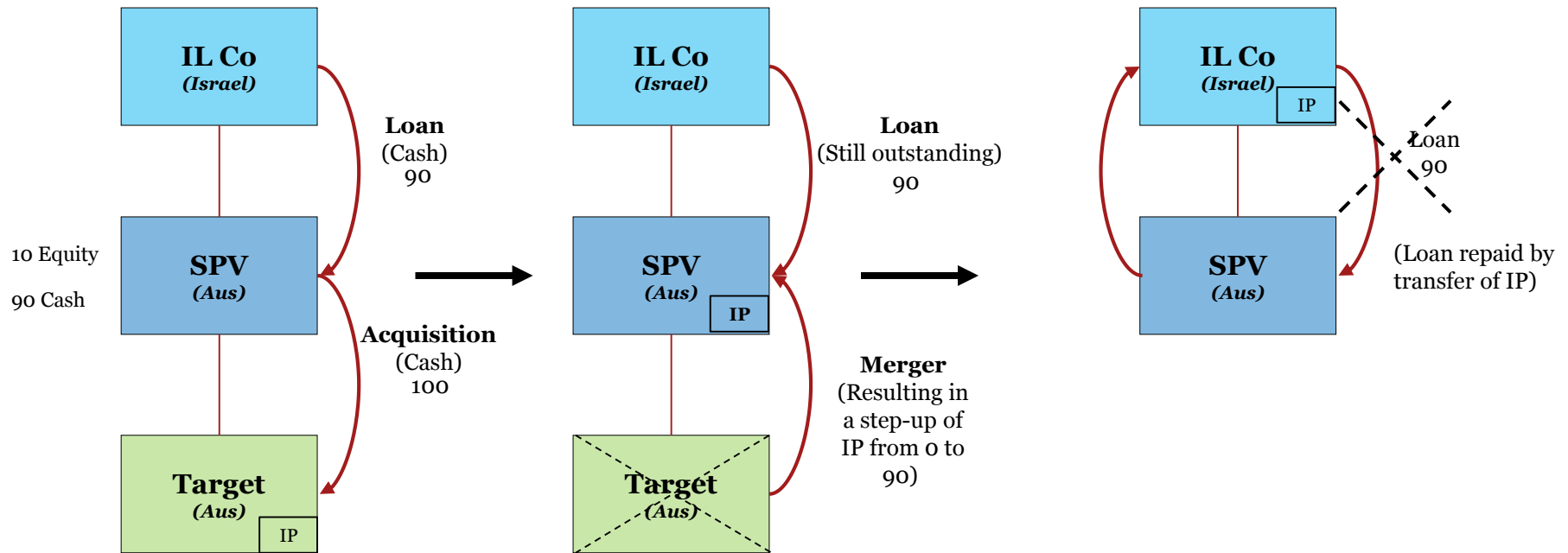
- State & territory refund of state related taxes (stamp duty, land taxes, etc.) for investments in Australia.
- Capital investments incentives (inter-alia, with regards to investments in venture capital).
- R&D tax credits.

*Australian Tax System – Withholding Taxes under the Australian DDTs**

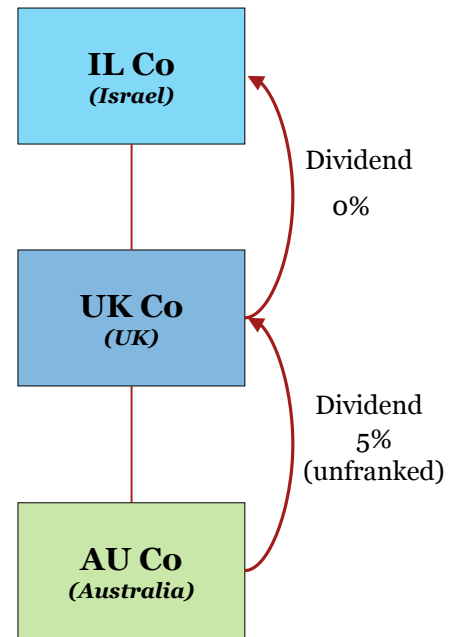
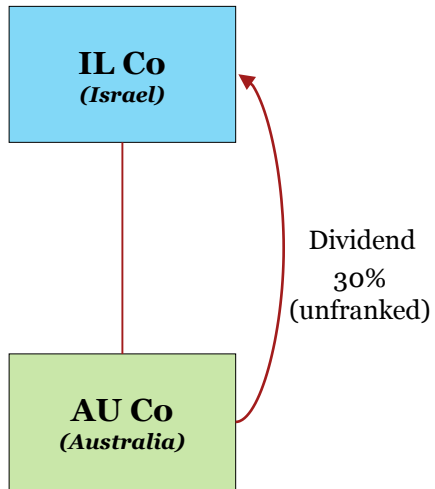
	Dividends		Interest	Royalties
	Franked	Unfranked		
Australian domestic tax law	30%		10%	30%
Israel (no treaty)	30%	30%	10%	30%
US	5%	30%	10%	5%
UK	5%	30%	10%	5%
Switzerland	5%	30%	10%	5%

* General rates. Different rates may apply, depending on the facts and circumstances of the relevant case.

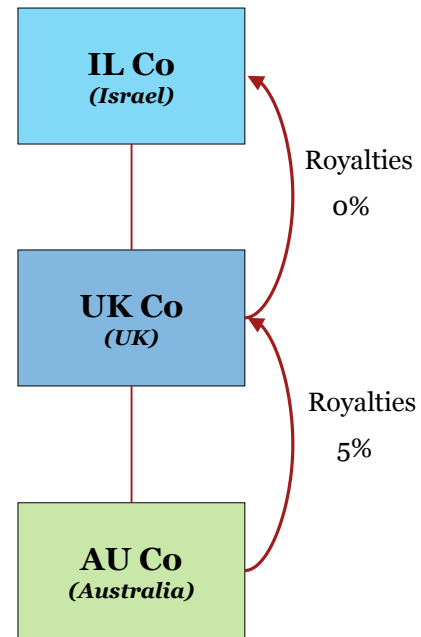
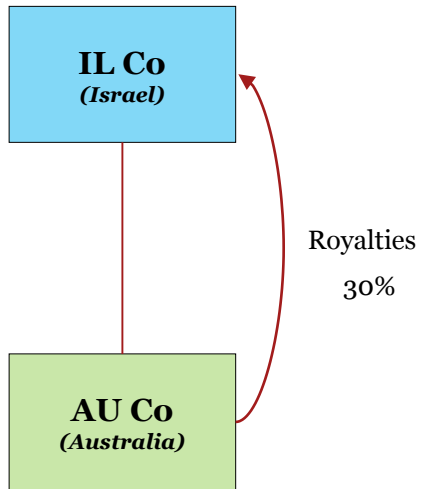
Australian Tax System - IP



Australian Tax System – Alternative Structures



Australian Tax System – Alternative Structures



Thank You



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