



Australian Government
The Board of Taxation

BoT.

Consultation Guide

Updating and Simplifying the Voluntary Tax Transparency Code

June 2025

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Proposed Updates to the Voluntary Tax Transparency Code (VTTC)

Objective

The purpose of this consultation paper is to invite feedback on the design and content of the draft redesigned VTTC.

Background

The VTTC is an important element in Australia's approach to tax transparency. At the time of its introduction in 2016, the VTTC was the most comprehensive and advanced corporate tax transparency measure globally. However, the Australian and global tax transparency landscape has evolved significantly since 2016. Developments include the recent commencement of comprehensive mandatory public country-by-country reporting (public CbCr) of tax information in Australia for certain large multinational enterprises.

In August 2024, the Treasurer, the Hon Dr Jim Chalmers MP, requested the Board to provide its views on how the VTTC can supplement these policy developments and encourage best practice tax transparency reporting for large and medium sized businesses. Following consultation, the Board considered that the VTTC should be updated and simplified. The Board commenced the redesign and update of the VTTC in January 2025.

The Board established a working group to undertake the review. Board members Mr. Andrew Mills and Ms. Andrea Laing were appointed to oversee this work.

Changes in the tax transparency landscape

Australia has a number of transparency measures, many of which have commenced since the VTTC was originally introduced in 2016. These include:

- The ATO Corporate Tax Transparency (CTT) Report;
- The R&D Tax Incentive Transparency Report;
- Consolidated Entity Disclosure Statements (CEDs) included as part of an Australian public company's annual financial report;

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- OECD developed confidential country-by-country reporting (CbCr) to tax authorities;¹
- Mandatory public CbCr (legislated in Australia with effect from 1 July 2024); and
- General purpose financial statements disclosures (GPFS).
- Internationally, since 2016, there have been a number of developments in the global tax transparency landscape, including standards such as the Standard GRI 207: Tax 2019, issued by the Global Sustainability Standards Board (GRI 207) and the EU Directive 2021/2101.² GRI 207 is a voluntary standard that contains disclosures for organisations to report information about their tax-related impacts, and how they manage those impacts. The EU Directive is a public CbCr (targeting multinational groups with consolidated revenue of EUR 750 million or more).

Process timeline

The Board is currently at stage 5 of the VTTC redesign process:



¹ We note some companies choose to publish their confidential CbCr.

² [Directive - 2021/2101 - EN - EUR-Lex](#)

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Review phase

The Board conducted targeted consultations between August 2024 to October 2024 to assess how the VTTC fits into the current tax transparency landscape. These consultations were undertaken with a broad range of stakeholders including large business, professional bodies, investor and finance groups, advisors, academics, civil society groups and government bodies. Feedback from the consultations was mixed and included:

- The qualitative aspects of the VTTC are valued by VTTC preparers for its flexibility and usefulness as a tool to provide a narrative on their tax approach and additional context around tax data;
- The VTTC objectives should be redefined with due consideration to how the VTTC fits within the evolving tax transparency landscape and how the VTTC can effectively supplement the public CbCr and other mandatory public tax transparency reporting measures. Some businesses were uncertain of the value of continuing to allocate resources to the VTTC, given these developments; and
- Updates were recommended to increase the comparability between VTTC reports of different businesses and improve access to reports for VTTC users.

The Board concluded that the VTTC continues to play an important and positive role in encouraging tax transparency and promoting community confidence in the tax system. The Board considers an update and simplification of the VTTC will better align the VTTC with the current tax transparency landscape.

Design phase

In January 2025, the Board commenced redesigning the VTTC and is committed to working with relevant stakeholders to update and simplify it. The Board's objectives include:

- Revisiting and clarifying the objectives of the VTTC.
- Developing streamlined informational requirements to allow for differentiation based on whether entities are within scope of the public CbCr regime.
- Ensuring that any duplication with other transparency regimes, including public CbCr, is identified and reduced as far as possible to minimise compliance costs.
- Considering the presentation of the VTTC to aid users with comparability and consistency:
 - Updating the guidance in the VTTC to ensure it is contemporary, and with a view to encouraging consistency and comparability in reporting.
 - Monitoring best practice developments internationally.
 - Considering transitional issues associated with the implementation of any changes.

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- Developing a plan to promote greater adoption of and engagement with the VTTC.
- Exploring a range of practical options to encourage increased transparency by taxpayers about dispute settlement outcomes and their approach to engagement with tax authorities, leveraging GRI 207 as the appropriate benchmark.

The Board acknowledges that the ATO is yet to release its Draft Law Administration Practice Statement (PSLA) on the public CbCr regime which may result in changes to the draft redesigned VTTC. The publication of the PSLA is anticipated for mid-2025.

Overview of VTTC updates

The following updates have been made to the VTTC:

- Updated objectives and design;
- Separation of reporting requirements based on whether or not a business reports under the public CbCr regime,³ and simplification to minimise reporting duplication;
- A new requirement to provide a reconciliation of the VTTC to the ATO CTT Report; and
- Guidance including an example template format for VTTC reporting, for both ‘Public CbC reporters’ and ‘Non-public CbC reporters’ based on fictitious businesses and a self-assessment reporting checklist.

See [Annexure A](#) for the draft redesigned VTTC.

³ VTTC definition of a ‘CbC reporter’: Any entity that is required to publish information under the requirements in sections 3D and 3DA of the *Taxation Administration Act 1953* (Cth) and is a country-by-country reporting entity under section 815-370 of the *Income Tax Assessment Act 1997* (Cth).

Review and consultation process

The Board is seeking views on the proposed updates to the VTTC as set out in this Consultation Paper, and the annexed draft redesigned VTTC.

Written submissions can be made until **11 July 2025**.

How to participate

Written

The Board invites all interested parties to make written submissions to this review until **11 July 2025**. Submissions can be made to taxtransparency@taxboard.gov.au or addressed to the Treasury as follows:

Board of Taxation Secretariat
The Treasury – Sydney Office
Level 29, 201 Kent Street
Sydney NSW 2000
taxtransparency@taxboard.gov.au

In person/virtual

In addition to written submissions, the Board has arranged targeted consultation sessions to assist in identifying feedback in relation to the draft redesigned VTTC.

Providing a confidential response

All information (including name and address details) contained in formal submissions will be made available to the public on the Board of Taxation website, unless it is indicated that you would like all or part of your submission to remain confidential. Automatically generated confidentiality statements in emails do not suffice for this purpose. Respondents who would like part of their submission to remain confidential should provide this information marked in a separate document. A request made under the *Freedom of Information Act 1982* for a submission marked 'confidential' to be made available will be determined in accordance with that Act.

Consultation questions

The Board encourages stakeholders to reflect on the following consultation questions to assist in formulating feedback on the draft redesigned VTTC. You should not feel obliged to address all the questions and we encourage you to raise any other relevant issues.

Structure, design and usability

1. Is the structure and design of the draft VTTC clear and simple to follow, particularly for new VTTC participants?
2. Do you consider the design of the VTTC, with reporting separated between 'Public CbC reporters' and 'Non-public CbC reporters', clear and logical to follow?
3. How can the VTTC design and structure be improved?
4. How should the guidance material be presented within the VTTC for the best user experience? Should guidance be included under each respective reporting requirement or removed and captured in a separate Appendix?
5. Does the inclusion of the example template format for VTTC reporting and the self-assessment reporting checklist sufficiently support VTTC participants and encourage consistency in reporting? Is there any additional guidance that the Board can provide?

Objectives

6. Do you consider the objectives of the VTTC to be clearly articulated?
7. Do the updated objectives meet your understanding of the purpose of the VTTC?
8. Are there any elements of the objectives that could be revised?

Disclosure criteria

9. Has the draft redesigned VTTC met the objective of reducing the reporting duplication and compliance burden, particularly for 'Public CbC reporters' who are required to report under the public CbCr regime?
10. For current VTTC participants who are required to publish reports under the public CbCr regime, do you intend to continue publishing VTTC reports as a 'Public CbC reporter' under the draft redesigned VTTC?

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11. Do you consider the updated VTTC reporting requirements for 'Non-public CbC reporters' to be sufficiently simple and clear to encourage participation in the VTTC?
12. When reviewing the updated VTTC reporting 'requirements' and the 'optional elements', do you consider:
 - 12.1. The requirements and optional elements interact appropriately with other global and domestic tax transparency measures?
 - 12.2. Any requirements or optional elements should be removed or revised? If so, please specify.
 - 12.3. Any additional reporting requirements or optional elements should be included? If so, please specify.
13. Do you agree, for simplicity, that the VTTC optional elements should align with the GRI 207, or should the VTTC leverage other international reporting guidelines further?

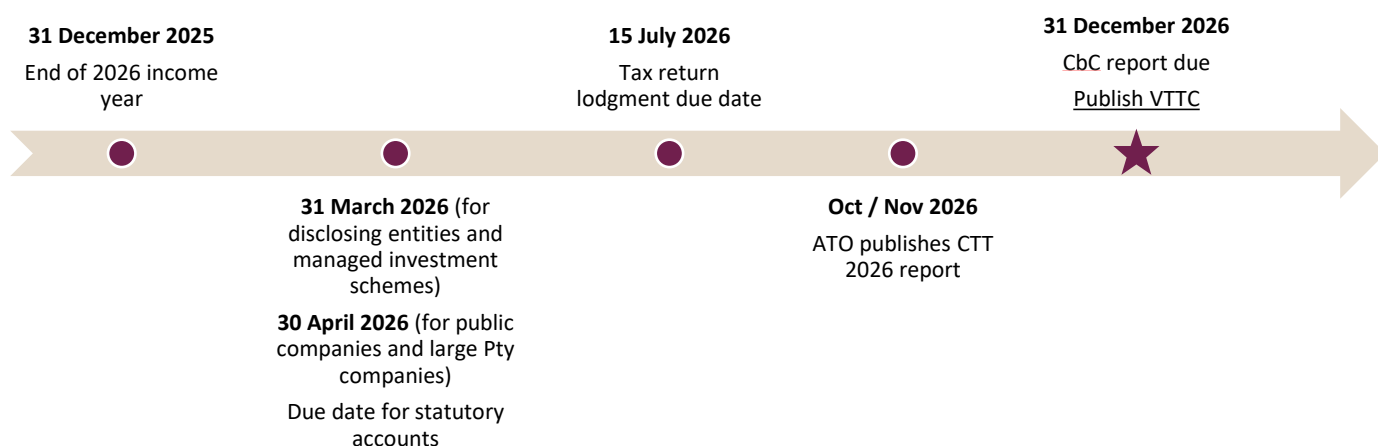
Timing and transitional issues

14. For 'Public CbC reporters', does aligning the preparation and publication of the VTTC with the public CbC report provide the most beneficial and efficient timing option? Are there other preferred timings for publication of the VTTC?
15. Noting the first public CbC reports are due by 30 June 2026 (for 30 June reporters), what are your views or preferences for when the redesigned VTTC should first take effect?
16. Do you consider inclusion of the 'reconciliation to ATO CTT' in the draft redesigned VTTC to be of value noting the proposed VTTC publication timing is likely to be prior to the ATO CTT Report publication (see below timelines)? Potential approaches to deal with this timing include:
 - 16.1. The VTTC requires a reconciliation of the data as an addendum to the current year VTTC report, once the ATO CTT Report is published; or
 - 16.2. The VTTC requires the current year data to be reconciled in the following year VTTC.

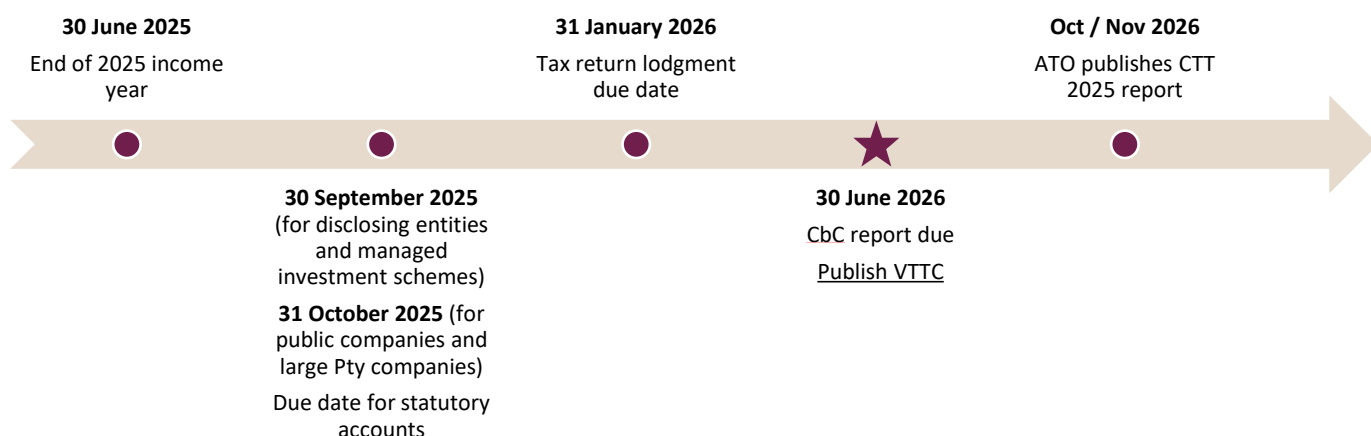
Do any issues arise with respect to the above approaches and which approach is preferable?

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Timeline 1: VTTC due date for entity with approved substituted accounting period of 31 December 2025



Timeline 2: VTTC due date for entity with 30 June 2025 year end



17. What methods can the Board use to promote greater awareness and increase VTTC participation, particularly for 'Non-public CbC reporters'? Some of the ideas previously raised during consultation include:
 - 17.1. Promoting the profile of the VTTC via collaborative engagements with professional associations, investment bodies and the ATO;
 - 17.2. Behavioural economics techniques, such as issuing letters to companies subject to the ATO's corporate tax transparency reporting appealing to social norms;
 - 17.3. Promoting the reputational benefits of the VTTC; and
 - 17.4. Linking VTTC participation to the award of Commonwealth Government contracts.
18. Do any other transitional or implementation issues need to be considered?

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Annexure A: Draft Redesigned Tax Transparency Code