



**ATLAS**  
BY BNP PARIBAS

**CASH MANAGEMENT**

[www.cashmanagement.bnpparibas.com/cg](http://www.cashmanagement.bnpparibas.com/cg)



**BNP PARIBAS**

The bank  
for a changing  
world

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Australia's economy is strong and resilient, consistently outpacing other advanced economies. During 2019 to 2024, its economy is forecast to have grown by 11.1%. Australia is forecast to continue to outperform its peers over the next 5 years to 2029. Other solid fundamentals include low taxes and the top ranked legal system in the world. This offers predictability and protection for investors.

Strong global ties make Australia a prosperous trading nation. Its healthy economic outlook partly reflects the prosperity of Asia. Australia also enjoys the trade benefits of being close to many of the fastest growing economies in the world. Its global ties have also led to significant growth in foreign investment in Australia over the past two decades.

Real GDP growth is projected to slow to 1.5% in 2024 before recovering to 2.2% in 2025. The Reserve Bank of Australia has kept the cash rate stable at 4.35% since November 2023. The projections assume that the cash rate will be held at this restrictive level until inflation is clearly declining to the target band, with 75 basis points of interest rate cuts assumed between the third quarter of 2024 and the end of 2025.

Australia is a global leader in renewable energy and critical minerals, with strong tech credentials. It has the highest global ranking for skills related to adopting and adapting frontier technologies.

## Summary

### BNP Paribas presence

BNP Paribas has been present in Australia since 1881, the only continental European bank to be located in the country. The bank's business centre is located in Sydney. With direct clearing system access and a strong partnership with the largest local bank, BNP Paribas offers comprehensive international cash management and trade finance solutions through multiple connectivity channels. BNP Paribas' Australian operation is also the gateway to New Zealand for both cash management and trade finance, with local processing outsourced to a major domestic bank.

BNP Paribas is a major player in trade finance throughout Asia, offering a full suite of traditional trade (letters of credit, bankers' guarantee, trade financing, standby letters of credit, etc.) and supply chain financing solutions (receivables purchase programmes, supplier financing etc.) products, including a unique inventory solution offered through its trade centres in Australia, China, Japan and Singapore, specifically for companies engaged in international trade, as part of a wider network of more than 100 trade centres globally. BNP Paribas has experienced trade finance advisors and personnel who deliver a range of customised trade solutions and advise on local market practices. These solutions are supported by the bank's ISO-certified trade services support team.

## Currency

### Currency

- Australian Dollar (AUD)

### Exchange rates

	2016	2017	2018	2019	2020
Exchange rate: AUD per USD	1.3452	1.3050	1.338	1.439	1.45

Source: IMF, International Financial Statistics, June 2021.

### Central Bank

- The Australian central bank is the Reserve Bank of Australia (RBA - [www.rba.gov.au](http://www.rba.gov.au)).

#### Bank supervision

- Australian banks are supervised by the Australian Prudential Regulation Authority (APRA – [www.apra.gov.au](http://www.apra.gov.au))

## Bank accounts

### Resident / non-resident status

- A company is resident in Australia if it is incorporated in the country, or if it carries on business in Australia, and either its central management and control are in Australia, or its voting power is controlled by shareholders who are residents of Australia.

## Bank accounts for resident entities

	Within AUSTRALIA	Outside AUSTRALIA
Local Currency	Permitted without restriction, fully convertible	Permitted without restriction, fully convertible
Foreign Currency	Permitted without restriction, fully convertible	Permitted without restriction, fully convertible

## Bank accounts for non-resident entities

	Within AUSTRALIA	Outside AUSTRALIA
Local Currency	Permitted without restriction, fully convertible	Permitted without restriction, fully convertible
Foreign Currency	Permitted without restriction, fully convertible	Not applicable

## Lifting fees

- Per-item-based charges are applied on payments between resident and non-resident bank accounts.

## BNP Paribas Cash Management Capabilities

## Collections

Cash collections	✓
Cheque collections	✓
Direct debit collections	✓
Domestic incoming transfers	✓



Virtual IBAN	<input type="radio"/>
Virtual accounts	<input checked="" type="checkbox"/>
International incoming transfers	<input checked="" type="checkbox"/>
Card acquiring	<input checked="" type="checkbox"/>

## Payments

Cash withdrawals	<input type="radio"/>
Cheque payments	<input type="radio"/>
Direct debit payments	<input checked="" type="checkbox"/>
Domestic outgoing transfers	<input checked="" type="checkbox"/>
Commercial cards	<input type="radio"/>
Virtual cards	<input type="radio"/>
International outgoing transfers	<input checked="" type="checkbox"/>
SWIFT gpi	<input type="radio"/>
Real-time international payments through BNP Paribas' network	<input type="radio"/>
Card issuing	<input checked="" type="checkbox"/>

## Channels

Local e-Banking	<input type="radio"/>
Global e-Banking - Connexis	<input checked="" type="checkbox"/>

SWIFT/ host to host	✓
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## Payments & collections

### Market overview

The New Payments Platform (NPP) is Australia's national fast payments infrastructure. More than 100 banks, credit unions, building societies, fintechs and other organisations use the platform to support real-time payments for consumers, businesses and government agencies. Over 130 million payments are now processed each month through the NPP.

With the expected decommissioning of the BECS clearing system toward the end of this decade, it is assumed that all banks processing domestic EFT payments that have not implemented NPP are now expected to schedule the implementation of NPP before 2030.

Electronic banking services are available from most banks. Bank-neutral standards for ATMs, EFTPOS terminals and telephone and internet banking have been developed by the Australian Bankers' Association.

BPAY is the Australian electronic bill presentment and payment service. Over 55,000 billers and over 150 financial institutions participate in BPAY.

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### Payment Systems

RITS	Type	<ul style="list-style-type: none"> <li>• Real-time gross settlement.</li> </ul>
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	Participants	<ul style="list-style-type: none"> <li>• 161 participants.</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>• High-value and urgent interbank credit transfers.</li> <li>• Net obligations from other payment systems.</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• 07:30-22:00 AEST/AEDT, Monday to Friday.</li> </ul>
	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> <li>• Payments are cleared and settled in real time during three cycles daily: 07:30–08:45, 09:15–16:30, and 17:25–22:00 AEST/AEDT.</li> <li>• Settlement of payment obligations deriving from low-value clearing systems takes place on a deferred net settlement basis.</li> <li>• The RITS Fast Settlement Service (FSS) is available for the settlement of NPP transactions 24/7/365.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>• RITS is closed on all Australian bank holidays.</li> <li>• Australia's bank holidays are:</li> <li>• 2nd half 2021 — August 2, October 4, December 27, 28.</li> <li>• 2022 — January 3, 26, April 15, 16, 18, 25, June 13, August 1, October 3, December 26, 27.</li> </ul>
HVC	Type	<ul style="list-style-type: none"> <li>• Multilateral net settlement.</li> </ul>
	Participants	<ul style="list-style-type: none"> <li>• 49 direct.</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>• High-value and urgent AUD-denominated interbank transfers.</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• 09:15–17:15/19:30/18:30/20:30 AEST/AEDT, Monday to Friday.</li> </ul>
	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> <li>• Payments are cleared in real time.</li> <li>• Cut-off time = 18:05/20:05 AEST/AEDT.</li> <li>• Final settlement takes place via RITS.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>• The HVCS is closed on all Australian holidays. (Dates as above)</li> </ul>
BECS	Type	<ul style="list-style-type: none"> <li>• Intraday exchange settlement.</li> </ul>
	Participants	<ul style="list-style-type: none"> <li>• 82 direct.</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>• 71 direct participants.</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• 08:00-18:30 AEST/AEDT, Monday to Friday.</li> </ul>



	Clearing cycle details(e.g. cut-off times)	<ul style="list-style-type: none"> <li>• Payments are settled on a same-day basis.</li> <li>• BECS processes payments in batches.</li> <li>• Final settlement takes place via RITS six times daily: 10:00, 13:00, 16:00, 18:30, 20:45 and 22:30 AEST/AEDT.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>• BECS is closed on all Australian holidays (Dates as above)</li> </ul>
APCS	Type	<ul style="list-style-type: none"> <li>• Deferred net settlement.</li> </ul>
	Participants	<ul style="list-style-type: none"> <li>• 68 direct.</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>• Cheques and paper-based instruments.</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• 08:30-17:30 AEST/AEDT, Monday to Friday.</li> </ul>
	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> <li>• Cheques are usually cleared within a three-day cycle, although it can take up to 10 days.</li> <li>• The APCS processes payments in batches.</li> <li>• Final settlement takes place via RITS from 09:00 AEST/AEDT.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>• The APCS is closed on all Australian holidays (Dates as above)</li> </ul>
IAC	Type	<ul style="list-style-type: none"> <li>• Deferred net settlement.</li> </ul>
	Participants	<ul style="list-style-type: none"> <li>• 18 direct.</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>• Proprietary <a href="#">debit card</a> payments.</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• 08:30-17:30 AEST/AEDT, Monday to Friday.</li> </ul>
	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> <li>• Payments are cleared and settled in batches on a next-day basis.</li> <li>• Cut-off time = 04:00 AEST/AEDT.</li> <li>• Final settlement takes place via RITS from 09:00 AEST/AEDT.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>• IAC is closed on all Australian holidays. (Dates as above)</li> </ul>
	Type	<ul style="list-style-type: none"> <li>• Real time via the RITS Fast Settlement Service.</li> </ul>
	Participants	<ul style="list-style-type: none"> <li>• 102 direct.</li> </ul>

	Transaction types processed	<ul style="list-style-type: none"> <li>• Low-value payments via an online or mobile application.</li> <li>• Osko is the first product to use the NPP infrastructure.</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• 24/7/365</li> </ul>
	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> <li>• Payments are cleared and settled in real time.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>• The NPP operates 365 days a year.</li> </ul>

## Credit transfers

- Credit transfers are available as both paper-based and electronic payment instruments.
- Credit transfers are used by companies to pay salaries and suppliers, and for treasury payments.
- High-value and urgent domestic AUD-denominated credit transfers can be settled in real time via the HVCS.
- Low-value, non-urgent and bulk AUD-denominated credit transfers are settled on an intraday-day basis via BECS or via the NPP.
- Low-value credit transfers can also be processed in real time via Osko, delivered by BPAY, which uses the NPP infrastructure.
- Paper-based credit transfers are processed via the APCS and manually exchanged on a next-day basis.
- Direct credit payments grew by 3.2% in 2022/23. Value of payments increased by 5.9%.
- Cross-border transfers can be made via SWIFT and settled through correspondent banks abroad.

## Direct debits

- Direct debits are used for regular payments, such as utility bills.
- Direct Debits are settled on a same-day intraday basis.
- Direct debit volumes grew by 4.9% in 2022/23. Value of payments increased marginally to AUD 4.4 trillion.

## Cheques

- The cheque is not a common cashless payment instrument, accounting for less than 0.1% of the total of non-cash payments in 2023. The Australian Government is phasing out cheques in Australia by 2030.

- Cheques are cleared via the APCS. Final settlement takes place via RITS with funds typically available to beneficiaries within three days.
- Total cheque payments continues to fall year on year and fell by 14% in 2022/23 to 25 million transactions, value fell by 14% to AUD 290 billion.

## Card payments

- Card payments are the most frequently used payment method.
- In 2022/23, card transactions grew by 14% year on year, to 14.2 billion.
- There were 46 million debit and 17 million credit and charge cards in circulation in 2023.
- In 2022/23 94% of in-person card payments were contactless. 1 in 3 in-person card payments were made with a mobile device.
- Visa and MasterCard-branded cards are the most widely issued.
- American Express, Diners Club and JCB credit cards are also available.
- Most debit cards are proprietary cards operating via the national EFTPOS system.
- Credit card payments are cleared via their respective international scheme.
- Proprietary debit card payments are cleared by the Issuers and Acquirers Community (IAC). Scheme debit card payments are cleared by Visa or MasterCard.
- All cards issued have EMV chips.

## ATM/POS

- There were 24,695 ATMs in Australia at the end of June 2023.
- There were 962,347 POS terminals in Australia at the end of June 2023.
- Proprietary debit card payments are settled via IAC.
- Visa and MasterCard card payments are settled by the relevant card issuer.
- All POS terminals are EMV-compliant.

## Electronic wallet

- The dominant electronic wallet schemes in Australia are pre-paid cards.
- 15.3 million cards were registered to mobile wallets in 2022.
- 2.4 billion wallet transactions processed in 2022.
- 60% of e-commerce payments are made using mobile wallets.

### Market overview

#### Interest payable on credit balances

- Interest-bearing current accounts are available.

#### Demand deposits

- Demand deposits denominated in AUD or major foreign currencies are available for various terms.

#### Time deposits

- Time deposits are available in AUD or major foreign currencies for terms ranging from one week to over a year.

#### Certificates of deposit

- Domestic banks issue certificates of deposit, usually with terms between one day and 6 months. They can be issued paying fixed or floating interest.

#### Treasury (government) bills

- The Australian Office of Financial Management auctions treasury notes twice a week.

#### Commercial paper

- Domestic companies issue discounted promissory notes with maturities ranging from one week to six months. The minimum investment amount is AUD 1 million.

#### Money market funds

- Managed mutual funds are available.

#### Repurchase agreements

- Repurchase agreements are available in Australia. Terms of one week are most common, but longer terms are available.

## Bankers' acceptances

- Bank bills are available in Australia with maturities of one week and one, three and six months.

## BNP Paribas Trade Finance Capabilities

### Trade payments

Documentary credits	✓
Documentary collections	✓

### Guarantees

Bank guarantees	✓
Standby letters of credit	✓

### Supply chain management

Receivables	✓
Payables	✓
Inventory	✓

### Trade channels

Connexis Trade	✓
Connexis Supply Chain	✓
SWIFTNet Trade for Corporates	✓
Connexis Connect	✓
Connexis Guarantee	●
SWIFTnet Supply Chain	●

- BNP Paribas Global Trade Solutions' (GTS) team in Australia comprises 3 trade professionals. This team finances significant flows in the Pacific corridor, and services the leading players in the natural resources sector.

## International trade

### General trade rules

- As a signatory of Australia New Zealand Closer Economic Relations Trade Agreement (ANZCERTA), Australia has agreed to standardise its trade and business regulations with New Zealand.
- As a member of the Asia-Pacific Economic Cooperation (APEC) forum, Australia has agreed to liberalise trade and investment rules between members.

### Trade agreements

- Australia has signed a number of free trade agreements. In November 2020, Australia signed the Regional Comprehensive Economic Partnership (RCEP), the world's largest free trade agreement.
- Australia is a member of the ASEAN–Australia–New Zealand Free Trade Area (AANZFTA). ASEAN comprises Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.
- Australia is conducting a number of FTA negotiations, including with the Gulf Cooperation Council (GCC) and the European Union. The country is also holding prospective FTA negotiations with the UK.



- Australia is a signatory of the Pacific Trade and Economic Agreement (PACER Plus) alongside New Zealand and 14 members of the Pacific Island Forum, under which imports from the Pacific Islands are subject to non-reciprocal preferential duty rates under the South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA). PACER Plus came into force on December 13, 2020.
- Australia and ten other Pacific Rim countries have signed the renamed Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).
- Australia is a signatory of the Regional Comprehensive Economic Partnership (RCEP).

## Imports / exports

Imports	Refined petroleum	Cars	Broadcasting equipment	Crude oil and petroleum products	Delivery trucks
Primary Import sources	China (25%)	USA (12%)	Japan (7.0%)	Thailand (5.0%)	Germany (5.0%)
Exports	Coal	Iron ore	Gold	Natural gas	Aluminium oxide
Export markets	China (39%)	Japan (15%)	South Korea (7.0%)	India (5.0%)	

## Import / export volumes

		2016	2017	2018	2019	2020
Exports	- goods USD m	192,910	231,566	257,849	271,441	250,660
	- services USD m	58,026	65,174	69,470	70,990	48,382
Imports	- goods USD m	198,711	221,064	236,906	223,427	210,721

- services USD m	62,468	68,474	73,319	72,035	38,347	
Current account as % GDP		- 3.3	- 2.6	- 2.1	+ 0.6	+ 2.5

Source: IMF, International Financial Statistics, July 2020.

## Trade finance - Imports

### Documentation

- The following documentation is required in order to import goods into Australia:
  - customs declaration
  - commercial invoice
  - bill of lading
  - packing list
  - packing declaration
  - release order
  - technical standard or health certificate.

### Import licences

- Licences are required when importing certain primary commodities and dangerous items.

### Import taxes and tariffs

- Tariffs vary according to the nature of the item.
- The maximum customs tariff for most manufactured goods is 5%.
- Most agricultural products are free from tariffs.

- Tariffs are not placed on imports from the world's least developed countries.

## Financing requirements

- None.

## Risk mitigation

- None.

## Prohibited imports

- Prohibited imports are published on a negative list.

## Trade finance - Exports

## Documentation

- The following documentation is required in order to export goods from outside Australia:
  - customs declaration
  - commercial invoice
  - packing list
  - bill of lading
  - technical standard or health certificate.

## Export licences

- Trade permits are required when exporting nuclear and nuclear-related items, radioactive materials, livestock and meat.

## Export taxes and tariffs

- None.

## Financing requirements

- None.

## Risk mitigation

- Export Finance Australia is Australia's official export credit agency, providing state-supported export credit insurance.
- Export credit insurance and financing are available from private companies.

## Prohibited exports

- Exports are prohibited in line with international treaty obligations.

## Regulatory requirements

## Reporting regulations

- Transactions between resident accounts and accounts held by non-residents must be reported to the Australian Bureau of Statistics (ABS) on either a quarterly or annual basis.

### Reporting method

- Resident companies must complete surveys when contacted by the ABS.

- Companies with the highest volumes of reportable transactions are surveyed quarterly. The remainder are surveyed annually.
- Some companies must also complete surveys on trade in services on a monthly basis.
- Surveys must be completed by the 15th business day of the month after they are issued.

## Exchange controls

- Australia does not apply [exchange controls](#).
- Capital controls are applied. This usually involves the notification of any sale of securities to non-residents to the relevant Australian regulator.
- Restrictions apply to inward investment funds in specific areas (financial services, telecoms and media, aviation and shipping, for example).

## Taxation

### Resident / non-resident

- A company is resident in Australia for income tax purposes if it is incorporated there.
- It is also resident in Australia if it carries on business in Australia, and either its central management and control are in Australia, or its voting power is controlled by shareholders who are residents of Australia.

### Tax authority

- Australian Taxation Office (ATO).
- States and Territories Revenue Offices.
- The Foreign Investment Review Board (FIRB) assists the Australian Treasurer in regulating foreign investment into Australia, including intra-group transactions. A transaction requiring FIRB approval can be unwound if such approval is not obtained.

## Financial instruments

- There are no specific financial transactions/banking services taxes.

## Interest and financing costs

- Please contact your tax advisor for further information.

## Foreign exchange

- Please contact your tax advisor for further information.

## Advance tax ruling availability

- The ATO can issue public and private rulings. Rulings generally are binding on the ATO where they apply to a taxpayer and the taxpayer relies on the ruling by acting in accordance with the ruling. Public rulings may apply to all entities or a class of entities, either generally or in relation to a particular arrangement. The ATO will issue a private ruling on the tax consequences of a specific scheme at a taxpayer's request. However, only the taxpayer requesting the private ruling can rely on it. The ATO also operates an advance pricing arrangement programme, under which taxpayers can obtain certainty on the application of the arm's length principle to their cross-border dealings with related parties.

## Capital gains tax

- Assessable income includes any capital gains after offsetting capital losses. Net capital gains derived by companies are taxed at the 30% corporate rate. Australian tax residents (excluding temporary residents) are liable for tax on worldwide capital gains (subject to double tax relief). Where a company holds a direct voting interest of 10% or more in a foreign company for a certain period, any capital gain or loss on the sale of the shares in the foreign company may be reduced (see Participation exemption). Foreign investors include capital gains in assessable income only for assets that are 'taxable Australian property' (e.g. the business assets of Australian branches or non-residents and direct and indirect interests in Australian real property).

## Withholding tax (subject to tax treaties)

Payments to:	Interest	Dividends	Royalties	Other income
Resident entities	0%	0%	0%	N/A
Non-resident entities	10%	0%/30%*& **	30% *	N/A

- \* Reduced to 15% for dividends and 10% for royalties under most tax treaties.



- \*\* Dividends are referred to as 'fully franked', 'partially franked' or 'unfranked' depending on the extent that a company has chosen to use its franking credits. Dividend payments are exempt from dividend withholding tax to the extent that they are franked, which may be reduced under a tax treaty.
  - Fund payments made to foreign residents by an MIT are subject to withholding at 15% when made to a foreign resident in a country which has an EOI agreement with Australia; otherwise, withholding is required at a rate of 30%.

## Tax treaties / tax information exchange agreements (TIEAs)

- Australia has concluded over 40 tax treaties.
- Australia is a signatory of the OECD Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI). The MLI entered into force on 1 January 2019.

## Thin capitalisation

- Interest deductions claimed against Australian assessable income for both foreign-controlled Australian investments (inward investors) and Australian entities investing overseas (outward investors) are restricted where an entity's debt exceeds a certain prescribed level. The maximum allowable debt generally is determined by applying one of the following tests:
  - For both inward and outward investors, under the safe harbour test, the prescribed debt-to-equity ratio is broadly 60% of total assets less non-debt liabilities and certain related party investments/receivables, as disclosed in the accounts. A separate test applies for financial institutions;
  - For both inward and outward investors, under the arm's-length debt test, the prescribed level of debt is the maximum amount of debt the entity could reasonably have borrowed from commercial lending institutions; and
  - Separate worldwide gearing tests are available to inward and outward investors.
- The rules apply to total debt, rather than just related-party foreign debt, and cover Australian multinational companies, as well as foreign multinational investors. Taxpayers, who together with their associates, have interest deductions of less than AUD 2 million or outward investing entities with 90% or more of their total average value of assets consisting of Australian assets, are exempt from the rules.

## Transfer pricing

- The transfer pricing rules may apply to any international transactions and do not necessarily require direct ownership between the two transacting parties (i.e. any connection between the parties is all that is required). The rules apply to international transactions/dealings between separate legal entities, as well as permanent establishments. Covered cross-border transactions include those involving tangible or intangible property, the provision of services and financing. The commonly accepted transfer pricing methods in Australia are the comparable uncontrolled price, resale price, cost plus, profit split and transactional net margin methods, out of which the most appropriate and reliable method should be applied. The ATO has powers to adjust the pricing of transactions that are considered not to be at arm's length. See also Disclosure requirements and Rulings.

## General anti-avoidance

- Australia operates a general anti-avoidance rule (GAAR) that supplements other specific anti-avoidance rules. The GAAR is a provision of last resort and applies where there is a scheme, the sole or dominant purpose of which is to obtain a tax benefit.
- The Multinational Anti-Avoidance Law (MAAL) targets the avoidance of permanent establishment status in Australia by foreign entities. Broadly, the MAAL will apply where a foreign entity supplies goods or services to Australian customers, an Australian affiliate performs activities in Australia directly in connection with those supplies and there is a relevant "principal purpose" to obtain a tax advantage.
- A 40% diverted profits tax (DPT) applies to SGEs, on profits transferred offshore through related-party transactions. All cross-border related party transactions where the relevant income is subject to foreign tax at a rate less than 24% potentially are within the scope of the DPT.
- Broadly, the DPT can apply in certain circumstances if a tax benefit is obtained in connection with a scheme and it can be concluded that the scheme, or any part of it, was entered into for the principal purpose of enabling a tax benefit to be obtained. There are limited carve-outs for nonapplication of the DPT. One such exemption is the "sufficient economic substance" test which tests whether the profit of each relevant entity reasonably reflects the economic substance.

## Stamp duty

- The states and territories impose stamp duty at rates of up to 5.95% on the transfer of real property and other business property. Rates vary depending on the state/territory and class of business property transferred.
- Stamp duty also is imposed on the indirect transfer of real property held by certain companies and unit trust schemes, at rates of up to 5.95%.

## Cash pooling

- There are no specific tax rules that apply to [cash pooling](#) arrangements, but the following tax provisions may be relevant: interest-[withholding tax](#), thin capitalisation, and goods and services tax. General [transfer pricing](#) principles apply to the allocation of intra-group interest.

- In relation to notional pooling or sweeping in Australia, an interest-withholding tax rate of 10% will apply to interest 'paid' by the Australian borrower to non-resident companies.
- The tax implications of cash concentration and zero/target/threshold balancing are similar to notional pooling.

## Financial transactions / Banking services tax

- There are no specific financial transactions/banking services taxes.

*All tax information supplied by Deloitte Touche Tohmatsu and Deloitte Highlight 2021 ([www.deloitte.com](http://www.deloitte.com)).*



**BNP PARIBAS**

The bank  
for a changing  
world