

Tax Dispute Resolution and Controversy

Does your organisation have a review and audit readiness strategy?

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As patient treatment becomes more personalised, access to quality treatment data and information will be one of the key drivers of success in the Life Sciences sector. Similarly, access to adequate documentary and oral evidence which supports your organisation's tax positions is key to a successful outcome in an Australian Tax Office (ATO) review, audit or dispute.

We've seen a heightened focus by the ATO on the Life Sciences sector, particularly pharmaceutical and medical devices, along with a surge in the number of information gathering notices issued in recent years and increased use by the ATO of its information access powers. Your organisation's ability to respond with compelling and objective facts, evidence and sound technical arguments, along with proactive management of engagement with the ATO throughout the process, is fundamental to your review and audit readiness strategy.

Questions to consider

- How confident are you about our organisation's readiness to proactively manage engagement with the ATO in event of a review, audit or dispute?
- Do you have access to sufficient documented and/or oral evidence throughout the period under review or audit?
- Are you able to provide compelling facts and objective evidence to support positions taken?
- Has evidence been collected and documented on a timely basis? Are relevant witnesses available and willing to assist?
- Have you obtained relevant tax technical advice and do you have a reasonably arguable position?
- Are you in a position to respond within tight deadlines to requests for information, keeping in mind that extensions are rare in the case of certain notices?

How KPMG can help

The KPMG Tax Dispute Resolution & Controversy Team works with clients to prepare for, manage, and resolve disputes with tax authorities.

Our national team of specialists has extensive experience assisting organisations resolve tax disputes, whilst maintaining an effective working relationship with revenue authorities.

We can assist you with the following:

- Objectively assessing tax positions taken 'from the revenue authority's perspective' to objectively identify evidentiary and technical risks.
- Preparing documentation/evidence and files to support taxation positions in anticipation of future tax authority requests for information.
- Working through the relevant processes to obtain rulings and /or to provide opinions with a view to ascertaining certainty as to your position.
- Responding to tax authority demands for information or documentation including deploying sophisticated proprietary software to collect, organise and review evidence relevant to a taxation dispute.
- Making informed decisions on preferred options for resolving difficult disputes, e.g. alternative forms of dispute resolution, settlement and litigation.
- Managing dealings with the ATO during ATO risk reviews and audits (throughout the tax dispute resolution process) in a non-confrontational and effective manner
- Using all available procedures and processes to help bring closure to disputes - effectively and efficiently.

Early engagement and proactive management is important – having a solid review and audit readiness strategy in place now will put your organisation in a better position for its next interaction with the ATO.

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