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**Australian Government**  
**Australian Taxation Office**

# **MEDIA RELEASE**

For Release: 29 September 2006

## **ANZ reaches agreement with Tax Office on innovative Forward Compliance Arrangement**

ANZ and the Australian Taxation Office (Tax Office) today announced an agreement had been reached on a Forward Compliance Arrangement, an innovative new compliance process designed to promote best tax practice and reduce tax compliance costs for both business and the Tax Office.

ANZ is the first Australian company to undertake such an initiative, which is designed primarily for large corporates.

The Forward Compliance Arrangement covers ANZ's Goods and Service Tax (GST) compliance. It follows an \$8 million investment by ANZ over the past three years to ensure the effectiveness of its tax compliance processes and systems and to establish a strong GST governance compliance framework within the Group's Corporate Governance framework.

The Forward Compliance Arrangement provides an alternative to traditional Tax Office audit activities and is viewed as an open and transparent forward looking approach to tax compliance. It requires a high standard of taxation self examination and a commitment to continuous disclosure to the Tax Office of actual and potential GST and governance risks.

ANZ Chief Financial Officer Mr Peter Marriott said: "In addition to reducing compliance costs, the Forward Compliance Arrangement would lower ANZ's tax risk profile and institutionalise best practice tax compliance.

"This establishes a new benchmark for our relationship with the Tax Office. We are now looking to extend the Forward Compliance Arrangement to other forms of tax," Mr Marriott said.

Commenting on the agreement with ANZ, Tax Commissioner Michael D'Ascenzo said the Forward Compliance Arrangement is a new way of working cooperatively to promote better practices to effectively manage taxation risks for the Tax Office and large companies.

"The aim is to reduce compliance costs for business and the Tax Office and to promote greater integrity and confidence in the tax system. We anticipate the learnings from the ANZ Arrangement will assist in delivering greater efficiencies for managing tax risks across the large business sector more widely," Mr D'Ascenzo said.

ANZ and the Tax Office have worked closely over the past year to bring about this arrangement. After extensive reviews, the Tax Office noted ANZ's strong commitment to achieving high levels of compliance and to ensuring that risk management and compliance are priorities in managing exposure to both operational and compliance risks.

The Forward Compliance Arrangement between ANZ and the Tax Office is effective immediately and will run for an initial trial period of three years.

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