



KPMG AEOI Updates & Tracking Service CARF/CRS Alert



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Australia: Issued Consultation on Implementation of CARF and CRS Amendments

In November 2024, the Australian Taxation Office (ATO) issued a public consultation on Australia's approach to implementing the OECD-developed rules for the Crypto Asset Reporting Framework (CARF) and related amendments to the Common Reporting Standard (CRS). The consultation will run through 24 January 2025.

This consultation follows Australia's commitment in November 2023, along with 47 other jurisdictions, to implement the CARF by 2027 (found [here](#)). The consultation paper outlines the following two options, both requiring Australia to sign either a Multilateral Competent Authority Agreement (MCAA) or a bilateral information exchange agreement to enable the automatic exchange of information regarding crypto assets with tax authorities:

- Option 1 proposes adopting the OECD CARF Model Rules as the basis for Australia's amended legislation. This would incorporate the same defined terms, concepts, due diligence procedures, de minimis thresholds, exclusions, and obligations on reporting crypto asset service providers (CASPs) as identified by the OECD. The benefits of this approach include:
 - Receiving information from other jurisdictions that have adopted the OECD CARF model, aiding in tax compliance and enforcement.
 - Preventing duplication and deviations from international norms, thereby supporting efficient reporting by entities and information exchanges by tax authorities.
 - Reducing compliance costs for entities operating in multiple jurisdictions.

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Notably, under this option, similar to the implementation of the CRS in 2016, Australia would reserve the right to make adjustments to adapt the OECD model to fit within its legal framework.

- Option 2 suggests a bespoke approach, aiming for the same policy goals as Option 1. This would require CASPs to gather transaction data that they facilitate and report it to the ATO, which could then be exchanged unilaterally with other jurisdictions where the taxpayer resides. The bespoke system would allow Australia to tailor reporting obligations to specific service providers whose customers' information is deemed most useful for ATO compliance activities, potentially including custom de minimis thresholds. While it could mirror the reportable information of the OECD CARF, it offers flexibility in excluding or adding data fields and transaction types, as well as prescribing unique reporting timelines. However, this approach risks losing the advantages of consistent global reporting, likely increasing compliance costs and potentially providing the ATO with less information than the OECD CARF model, as bespoke regimes might not align with OECD standards.

Furthermore, the consultation document outlines the five criteria set by the OECD model to establish a CASP's nexus to Australia, thereby subjecting them to reporting obligations under CARF rules. These criteria include:

- Being tax resident in Australia;
- Being incorporated or organized under Australian laws;
- Being managed from Australia;
- Having a regular place of business in Australia; and
- Conducting transactions through an Australian branch.

ATO also encourages key stakeholders to share additional comments on potential issues related to implementing the CRS amendments and the impacts on entities resulting from the adoption of DAC8 reporting requirements. Comments on the consultation can be sent via email to MNETaxTransparency@TREASURY.GOV.AU.

CARF reporting requirements are expected to commence in 2026, subject to a final government decision, allowing the first exchanges between the ATO and other tax authorities by 2027. This timeline is designed to provide sufficient lead time for reporting CASP and intermediaries to update their systems, though it remains subject to future legislative priorities.

Reference: [ATO Consultation Paper](#) [PDF 1,291KB]

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