



Country Solution Australia

IFSCLOUD24R2

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1 Taxable Payment Annual Report (TPAR)

1.1 What is Taxable Payment Annual Report (TPAR)

The Taxable Payment Annual Report (TPAR) allows:

- Payment made to contractors (or subcontractors) for services, or
- Grants paid by government entities to ABN holders.

to be reported where required under the Taxable Payments Reporting System (TPRS) and the Taxable Government Grants and Payments reporting measure.

The payments made to contractors for provision of the following services should be reported via TPAR.

- Building and Construction
- Courier
- Cleaning
- Information Technology (IT)
- Road Freight
- Security, investigation, or surveillance

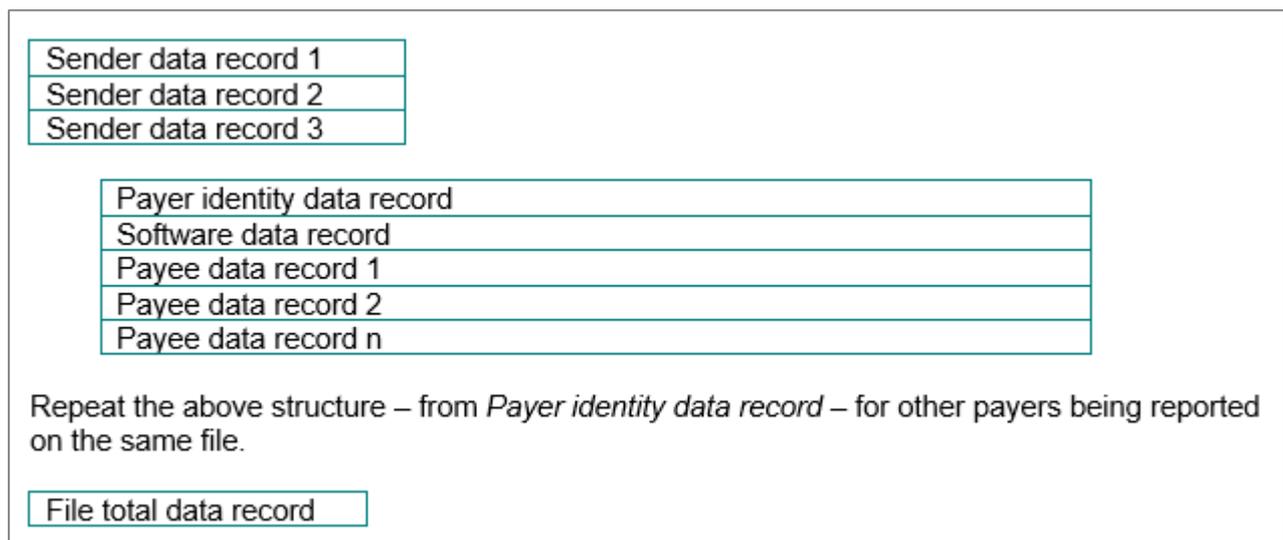
The annual report must be provided to the Commissioner of the Australian Tax Office (ATO) no later than 28 August after the end of the financial year electronically.

Under the Taxation Administration Act of Australia, payers must keep payment information for a period of five years. The information can be kept electronically.

Where the information is kept electronically, a copy of the data file provided to the ATO must be able to be regenerated on request by the ATO (<https://www.ato.gov.au/Business/Reports-and-returns/Taxable-payments-annual-report/>).

1.2 File Structure Overview of TPAR

The file structure must be in the following order:



Sender Data Record 1 to 3 and *Payer Data Record* sections include information relating to Payer's Australian Business Number (ABN), branch number, registered business name, address, contact name, phone number, and email address. The Sender Data Records must be reported once only and must be followed directly by the first Payer identity data record.

Software Data Record includes information about the software used to produce the report. It must immediately follow each Payer's identity data record.

Payee Data Record section includes information relating to the Payee's ABN, business name, contact details, address gross amount paid, total GST, and total tax withheld amount where the Payee has not quoted an ABN number. The *Payee data record(s)* must immediately follow each *Software data record*.

The *File total data record* must be the last record on the file (dataset) to indicate the end of the data. It contains the total number of records in the data file.

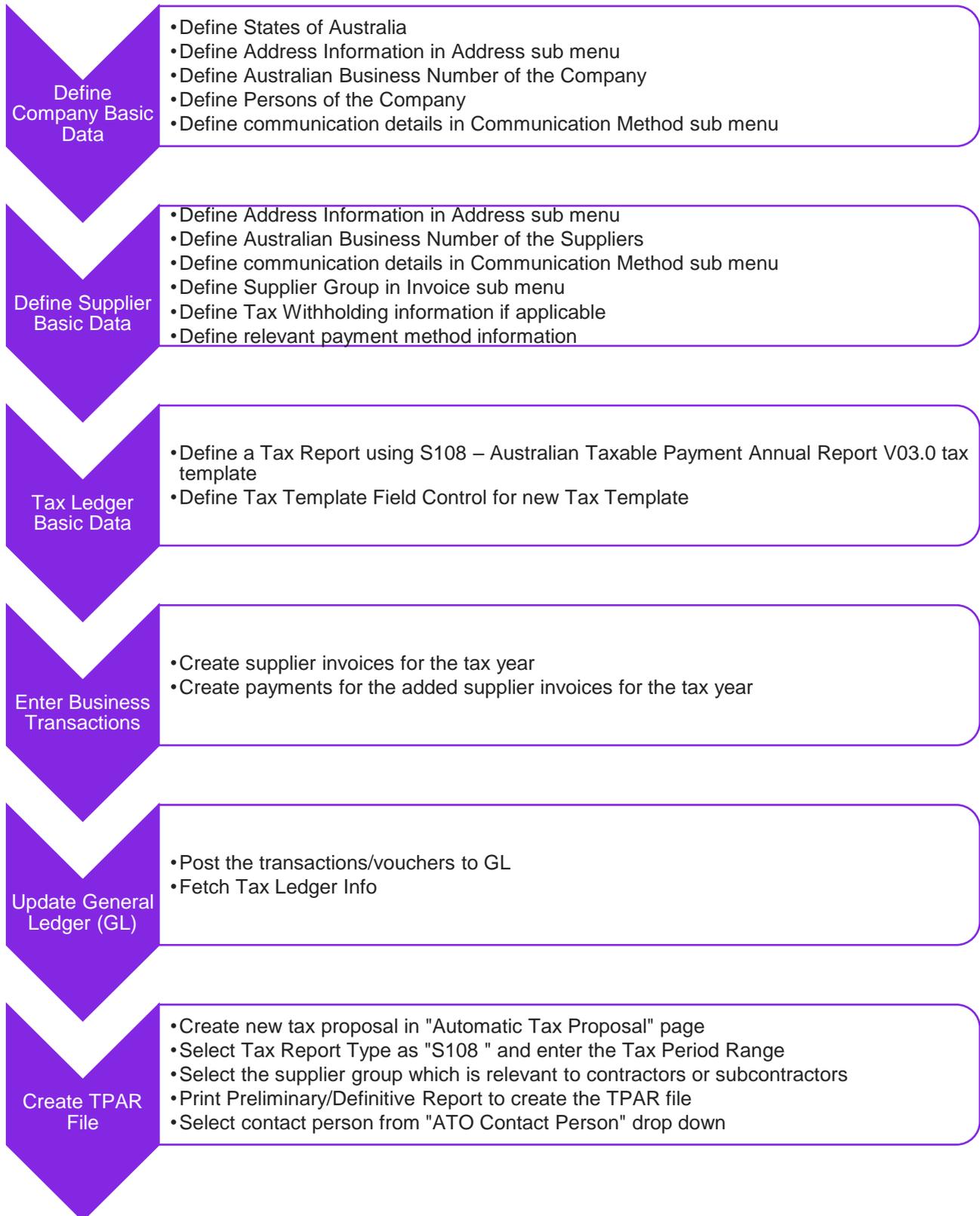
1.3 Solution TPAR File

The TPAR solution for Australia has been developed based on the IFS Core functionality - "Tax Ledger" which will enable the user to create and save the TPAR text file.

To support the TPAR requirements for country Australia, the following has been done:

1. New external file template and type as **TaxRepAuTpar** were added to support the TPAR report creation.
2. New tax template **S108 – Australian Taxable Payment Annual Report V03.0** added to the **Tax Template** page.
3. In **Tax Template** page, Template fields were added to *Field Control Basic* to show the TPAR data.
4. *Tax Template Field Control* should be defined to see the Information Fields added.
5. The *Automatic Tax Proposal* page can be used to create the TPAR file.
6. **Supplier Group** parameter was added to the **Automatic Tax Proposal** page to derive information and to filter/distinguish payment details of the contractors or subcontractors from other suppliers.
7. **ATO Contact Person** parameter was added to **Print Preliminary Report/Print Definitive Report (Print to File)** assistant and a corresponding Information Field on the **Automatic Tax Proposal** page was added.

Below are the steps to create a TPAR text file.



1.4 Prerequisites

The following prerequisites should be satisfied to generate a TPAR text file for tax purposes.

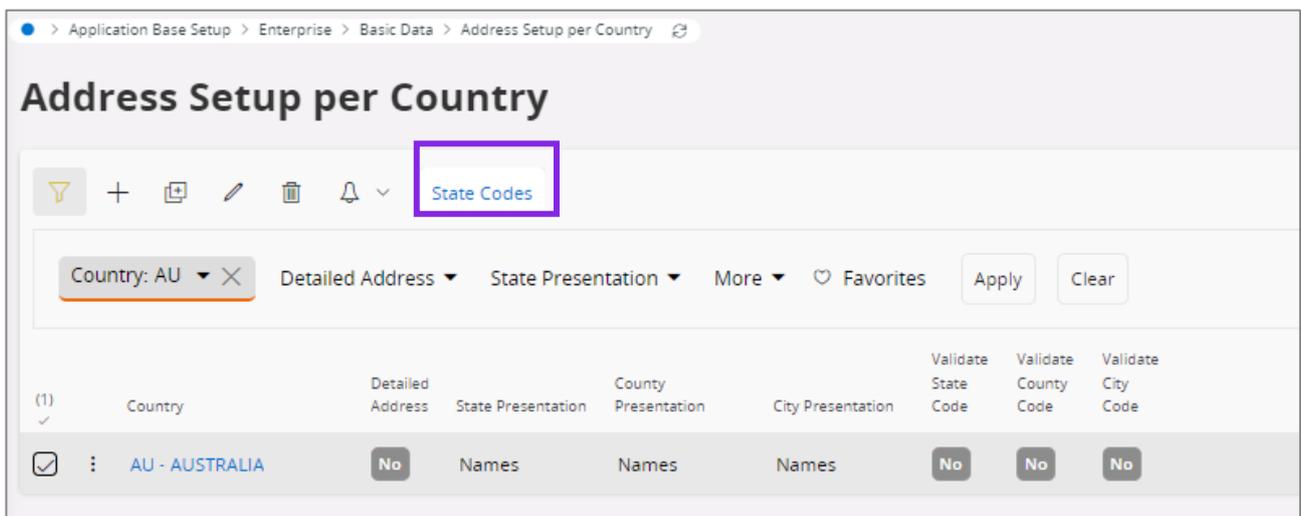
- It is recommended to create the company using Standard Template (STD).
- It is mandatory to define a Tax Report using the S108 – Australian Taxable Payment Annual Report V03.0 tax Template on the **Tax Report** page.

1.5 Define Company and Supplier Basic Data

1.5.1 DEFINE COMPANY BASIC DATA

1.5.1.1 Define Address Setup per Country and States

Open **Application Base Setup/Enterprise/Basic Data/Address Setup per Country** and add Australia Country.



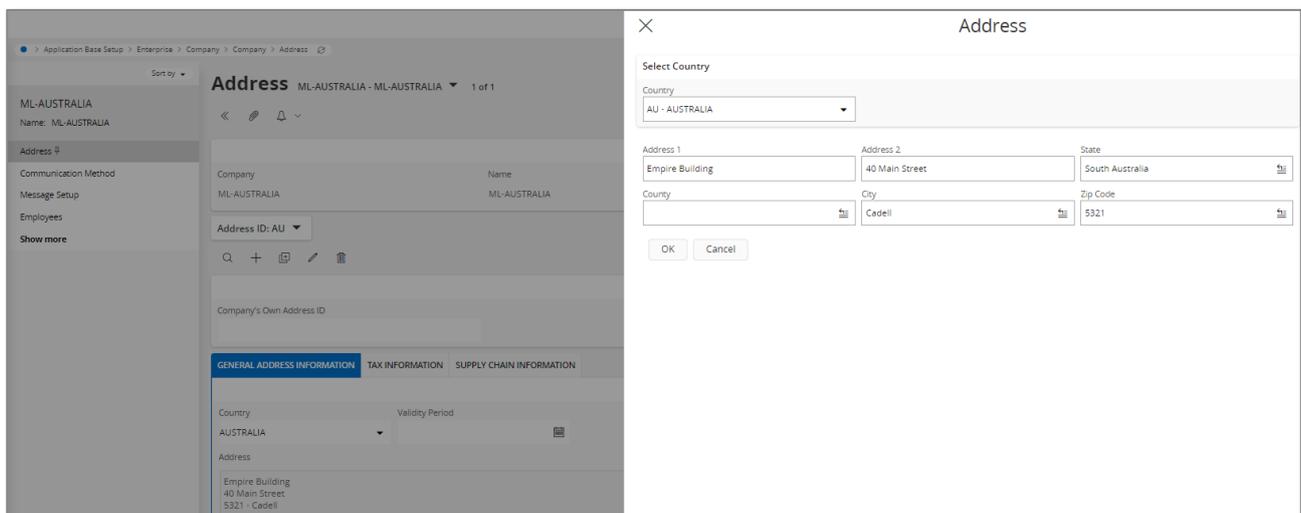
(1)	Country	Detailed Address	State Presentation	County Presentation	City Presentation	Validate State Code	Validate County Code	Validate City Code
<input checked="" type="checkbox"/>	AU - AUSTRALIA	No	Names	Names	Names	No	No	No

Then using the State Codes command, add below States of Australia or any State as mentioned in the Taxable Payment Annual Report Specification (Chapter 6) on the **States** page.

States AU - Australia 1 of 1	
Country	State Presentation
AU - Australia	Names
State Codes	
<input type="checkbox"/>	ACT Australian Capital Territor
<input type="checkbox"/>	NSW New South Wales
<input type="checkbox"/>	NT Northern Territory

1.5.1.2 Define Company Address Information

Open the **Company/Address** sub menu and add the address details such as Address 1, Address 2, State, City, and Zip Code. This address information will be filled in Sender Data Records 2, 3, and Payer Identity Data Record sections of the TPAR file.



1.5.1.3 Define Communication Methods of the Company

Open the **Company/Communication Method** sub menu and add information relating to Phone, Fax, and Email communication methods as required. This address information will be filled in Sender Data Records 2, 3, and Payer Identity Data Record sections of the TPAR file.

Application Base Setup > Enterprise > Company > Company > Communication Method

Sort by

ML-AUSTRALIA
Name: ML-AUSTRALIA

Address

Communication Method

Message Setup

Employees

Show more

Communication Method ML-AUSTRALIA - ML-AUSTRALIA 1 of 1

Company	Name	Association No	Created By
ML-AUSTRALIA	ML-AUSTRALIA	53004085616	MANLLK

Comm ID	Name	Description	Communication Method	Value	Default per Method	Address ID	Default per Method and Address	Validity Period
1	Phone		Phone	(02) 5551 5678	Yes	AU	No	1/1/2022 - 12/31/2030
2	Fax		Fax	(02) 5551 5679	Yes	AU	No	1/1/2022 - 12/31/2030
3	Email		E-Mail	manasha@ifsworld.com	No	AU	No	1/1/2022 - 12/31/2030

1.5.1.4 Define Persons for the Company

Open the **Person/Persons Per Company** page or **Company/Employees** sub menu and add the User IDs of employees related to the company. Then these User IDs will be suggested to the LOV of the ATO contact person on the **Automatic Tax Proposal** page where the Business User will select the contact person who corresponds with the Australian Tax Office. The LOV selection will be printed in the **Sender name** field in the Sender Data Record 2 section of the TPAR file.

1.5.1.5 Define Australian Business Number of Company

Define the Australian Business Number and Branch Number in either page mentioned below,

- Company/Tax Control sub menu/Invoice Tab/Tax Liability Countries or Company/Association No

Application Base Setup > Enterprise > Company > Company > Tax Control

Sort by

ML-AUSTRALIA
Name: ML-AUSTRALIA

Address

Communication Method

Message Setup

Employees

Accounting Rules

Tax Control

Invoice

Payment

Fixed Assets

Periodical Cost Allocation

Supply Chain Information

Localization Control Center

Show less

Tax Control ML-AUSTRALIA - ML-AUSTRALIA 1 of 1

Company	Name	Association No	Created By
ML-AUSTRALIA	ML-AUSTRALIA	53004085616	MANLLK

GENERAL INVOICE SUPPLY CHAIN EXTERNAL TAX SYSTEM

General Information

Amount Method Tax Rounding Level Invoice Fee Tax Code Tax Correspondence, Invoice Line - Manual Postings

Gross Amount Entry Line Level

Tax Amount Limit, Outgoing Invoice Lines Use Tax Invoice Correspondence, Invoice Net Amount - Tax Withholding Base Am... Supplement Tax Withholding

Post Preliminary Tax Withholding

Tax Liability Countries

Country	Tax ID Type	Tax ID Number	Tax ID Validated Date	Tax Registration Text	Branch	Valid From	Valid Until
AUSTRALIA	AU	53004085616			1	7/1/2022	12/31/2049

- Or Application Base Setup/Enterprise/Tax/Tax Office page

The Sender Australian Business Number (ABN) field will be printed in Sender Data Record 1 of the TPAR file. The branch number field will be printed in the Payer Identity Data Record of the TPAR file. If the payer does not have a branch number, this field will be set to 001.

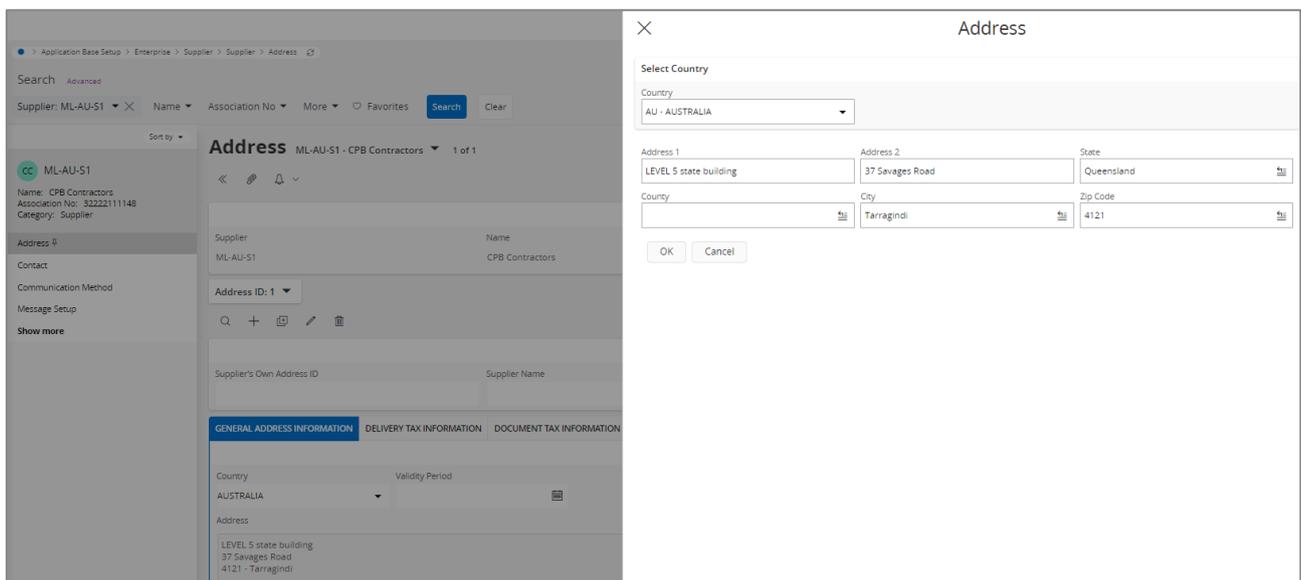
Priority is given as follows, Tax Office page, Company/Tax Control sub menu/Invoice Tab/Tax Liability Countries, and then Company/Association No field.

1.5.2 DEFINE SUPPLIER BASIC DATA

Set up Suppliers as per Standard Functionality in IFS Cloud.

1.5.2.1 Define Supplier Address Information

Open the **Supplier/Address** sub menu and add the address details such as Address 1, Address 2, State, City, and Zip Code. This address information will be filled in the Payee Data Record section of the TPAR file.

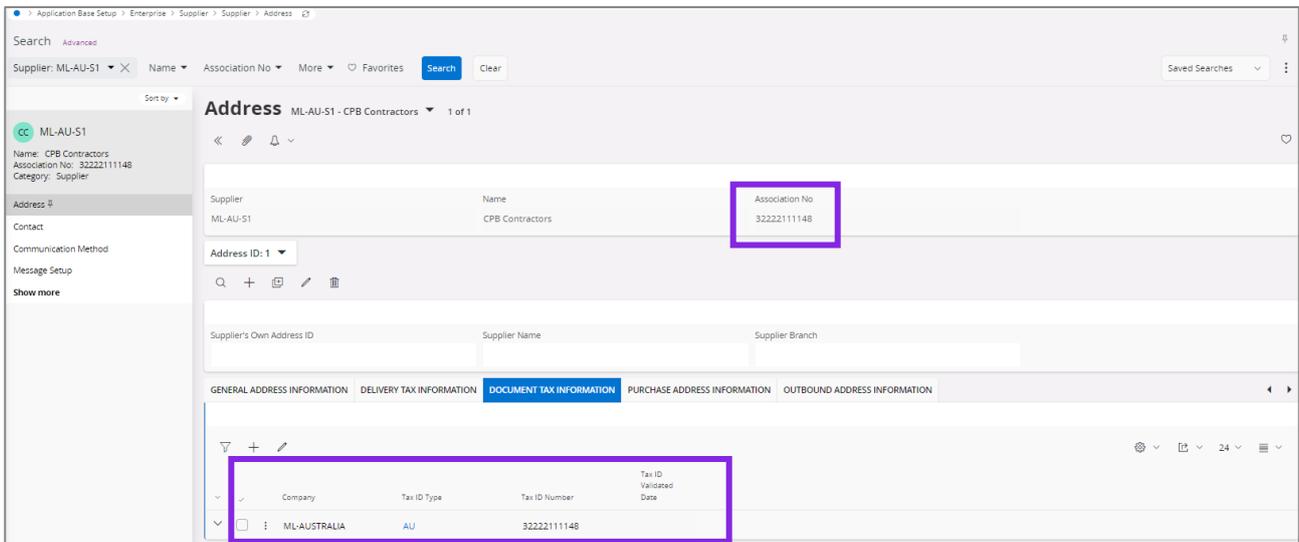


1.5.2.2 Define Australian Business Number of Suppliers

Define the Australian Business Number in either of the fields on the **Supplier** page as mentioned below (priority is given in the same order),

- Supplier/Address/Document Tax Information tab or

- Supplier/Association No



Supplier: ML-AU-51
Name: CPB Contractors
Association No: 3222211148
Category: Supplier

Address # ML-AU-51
Supplier: ML-AU-51
Name: CPB Contractors
Association No: 3222211148

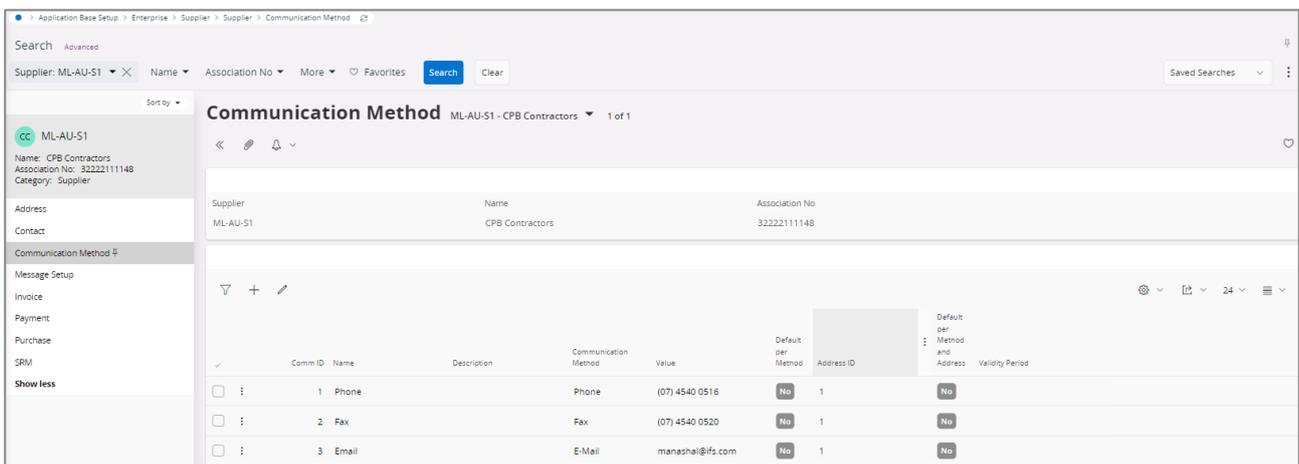
Address ID: 1

Company	Tax ID Type	Tax ID Number	Tax ID Validated Date
ML-AUSTRALIA	AU	3222211148	

The Payee Australian business number will be filled in the Payee Data Records of the TPAR file. If no ABN has been provided this field will be zero filled.

1.5.2.3 Define Communication Methods of the Suppliers

Open the **Supplier/Communication Method** sub menu and add information relating to Phone and Email communication methods as required. This address information will be filled in the Payee Data Record sections of the TPAR file.



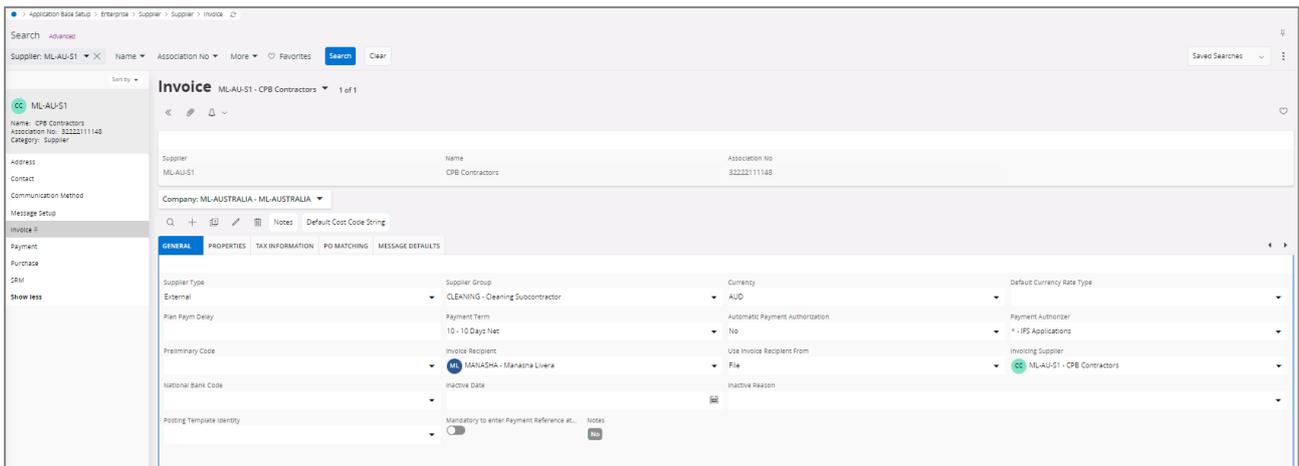
Supplier: ML-AU-51
Name: CPB Contractors
Association No: 3222211148
Category: Supplier

Communication Method # ML-AU-51
Supplier: ML-AU-51
Name: CPB Contractors
Association No: 3222211148

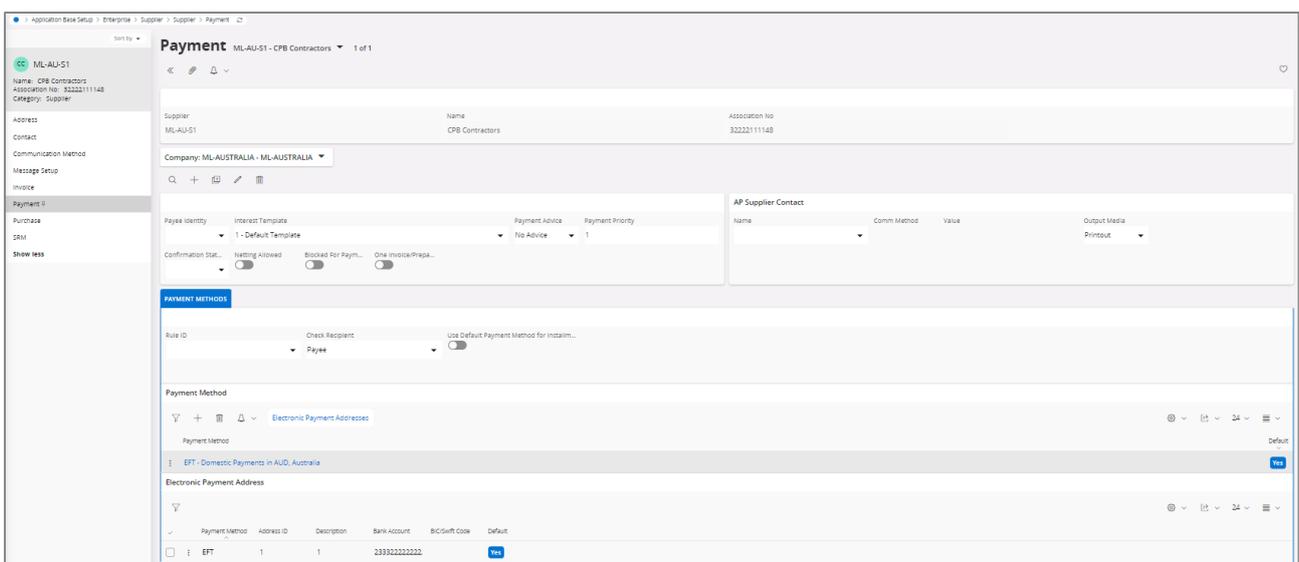
Comm ID	Name	Description	Communication Method	Value	Default per Method	Address ID	Default per Method and Address	Validity Period
1	Phone		Phone	(07) 4540 0516	No	1	No	
2	Fax		Fax	(07) 4540 0520	No	1	No	
3	Email		E-Mail	manashal@ifs.com	No	1	No	

1.5.2.4 Define Invoice and Payment Information of Suppliers

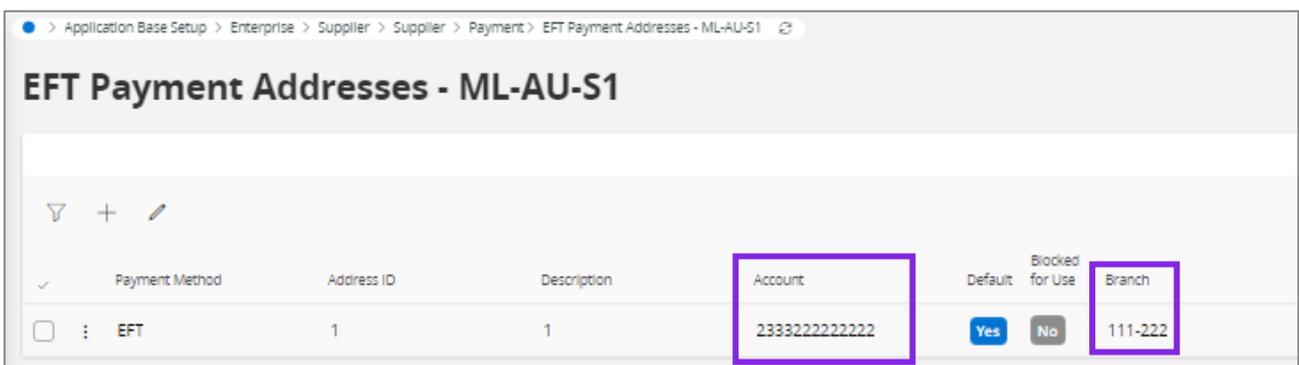
Open the **Supplier/Invoice** sub menu and add invoice-related information as per standard functionality. The Supplier Group should be defined for contractors (or subcontractors) uniquely or use an existing supplier group defined in the application. Supplier Group will be used to filter the payments made to subcontractors or contractors from other suppliers.



Open the **Supplier/Payment** sub menu and add payment-related information as per standard functionality.



The Account Number and Branch mentioned in the electronic payment address of the Payment Method will be printed in Payee financial institution BSB and Payee financial institution account number fields in Payee Data Records. If these are not present, these fields will be zero filled.

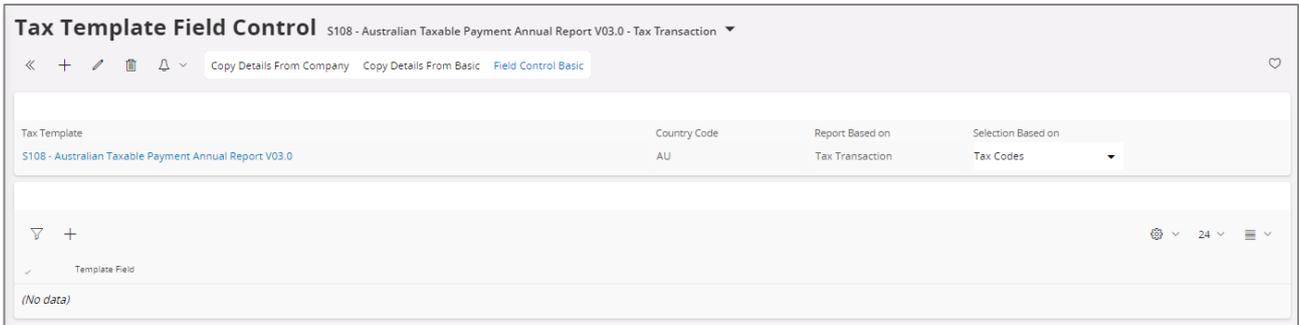


Payment Method	Address ID	Description	Account	Default	Blocked for Use	Branch
EFT	1	1	233322222222	Yes	No	111-222

1.5.3 DEFINE TAX LEDGER BASIC DATA

1.5.3.1 Define Tax Template Field Control

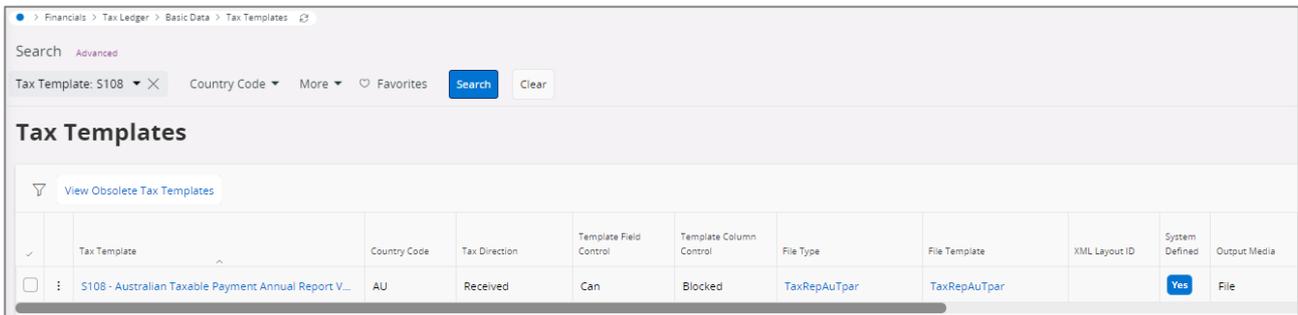
Open **Tax Ledger/Basic Data/Tax Template Field Control** and add S108 – Australian Taxable Payment Annual Report V03.0 tax template with Selection Based on as Tax Codes and save.



The screenshot shows the 'Tax Template Field Control' interface for 'S108 - Australian Taxable Payment Annual Report V03.0 - Tax Transaction'. The 'Selection Based on' dropdown is set to 'Tax Codes'. Below the main form, there is a table with one row: 'Template Field' with '(No data)' below it.

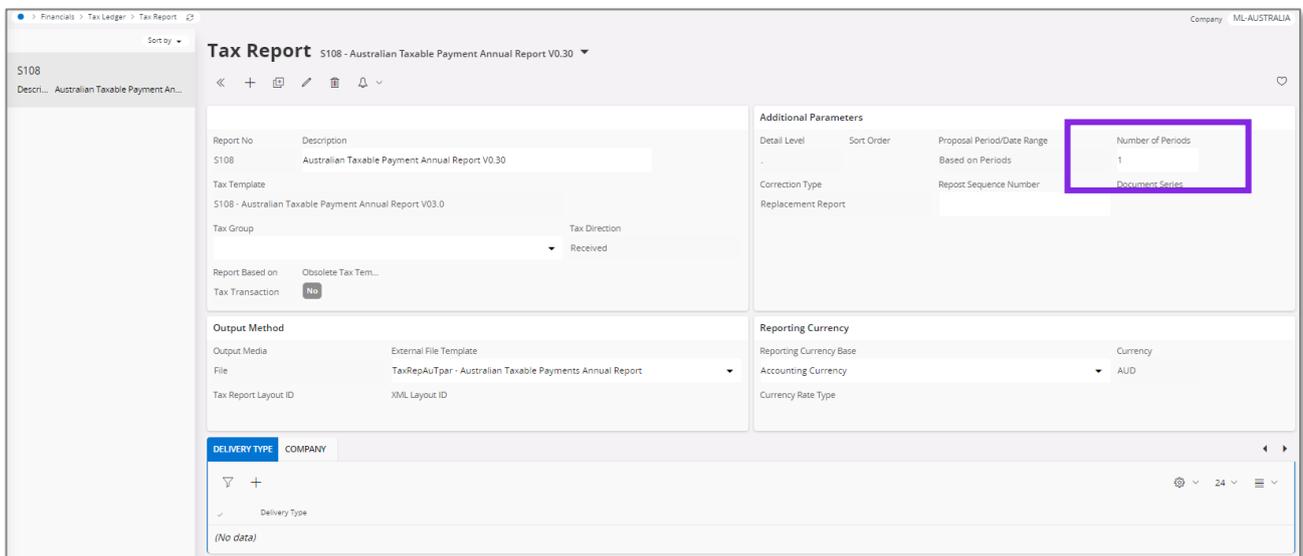
1.5.3.2 Define Tax Report

Open **Tax Ledger/Tax Report** and define a new tax report using the new tax template introduced for taxable payment annual report – S108 – Australian Taxable Payment Annual Report V0.30.



The screenshot shows the 'Tax Templates' list in the system. The table contains the following data:

✓	Tax Template	Country Code	Tax Direction	Template Field Control	Template Column Control	File Type	File Template	XML Layout ID	System Defined	Output Media
<input type="checkbox"/>	S108 - Australian Taxable Payment Annual Report V...	AU	Received	Can	Blocked	TaxRepAuTpar	TaxRepAuTpar		Yes	File



The screenshot shows the 'Tax Report' configuration for 'S108 - Australian Taxable Payment Annual Report V0.30'. The 'Number of Periods' field is highlighted with a purple box and set to '1'. The 'Document Series' field is also visible.

Additional Parameters:

Detail Level	Sort Order	Proposal Period/Date Range	Number of Periods
-	-	Based on Periods	1
Correction Type	Repost Sequence Number	Document Series	
Replacement Report			

Reporting Currency:

Reporting Currency Base	Currency
Accounting Currency	AUD
Currency Rate Type	

The **Number of Periods** under **Additional Parameters** on the **Tax Report** page should be set up as 12 as this report is an annual report.

1.6 Enter Business Transactions

Using the basic data entered in previous steps create Manual Supplier Invoices and Mixed Payments/Cash Box etc. for a selected period.
Payment information such as the Total Paid amount and Total Tax (GST) amount will be filled in the TPAR file, for each supplier/payee in the Payee Data Record section.

1.7 Update General Ledger (GL) and Fetch Tax Ledger Info

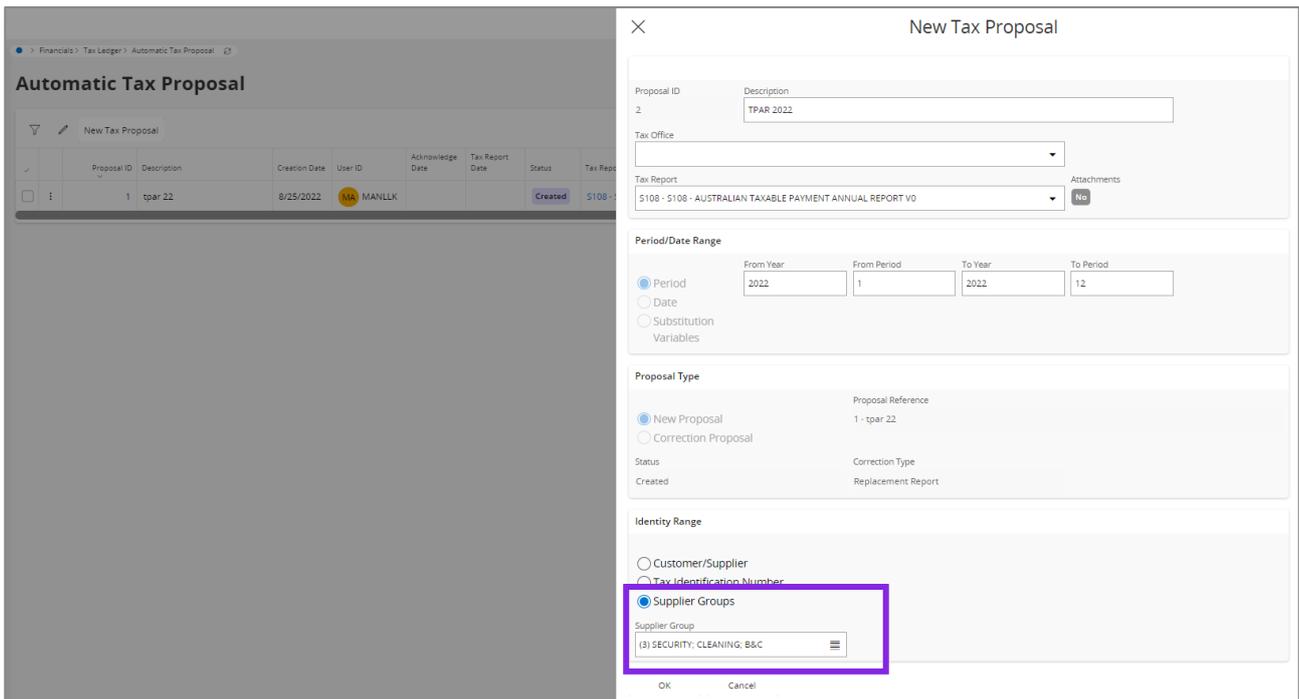
Once all the business transactions are entered into IFS Cloud user should update the posted transactions/vouchers to General Ledger and then Fetch the Tax Ledger Info before creating the TPAR file.

1.8 Create TPAR File

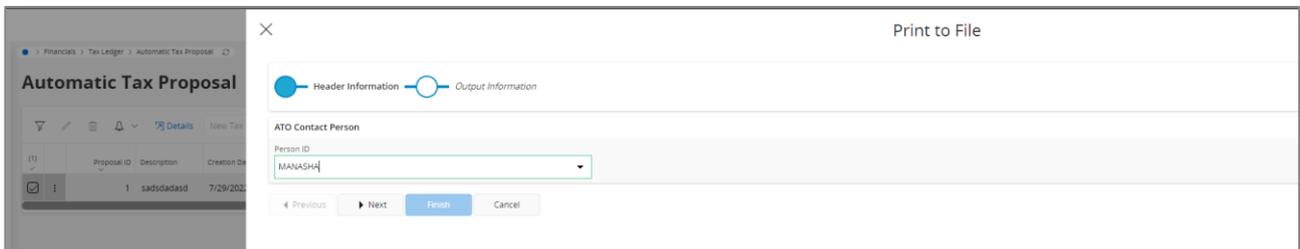
1.8.1 GENERATE TPAR REPORT

Here are the steps to create a TPAR text file.

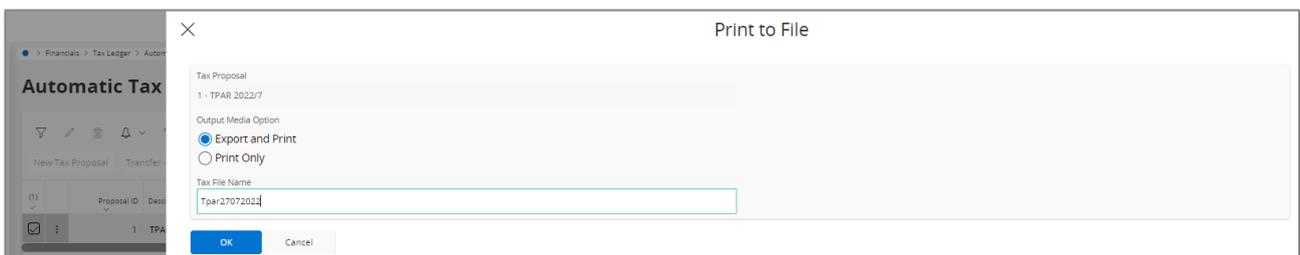
1. Open the **Automatic Tax Proposal** page.
2. Click **New Tax Proposal** command to create a new tax proposal.
3. Then enter the following data:
 - a. Add a Description
 - b. Select the tax report created using the S108 tax template
 - c. Enter the period range
 - d. In the **Identity Range** section, select the relevant Supplier Group radio Button and select the supplier groups for contractors or subcontractors, and click **OK**.



4. For TPAR file generation, click **Print Preliminary** or **Definitive Report** and provide below:
- The ATO Contact Person from the Person ID LOV and click **Next**.



- A Tax File Name with the .txt file extension.



1.9 Data Mapping of TPAR FILE

Please refer Annexures to view the mapping of IFS data to TPAR fields.

1.10 Specification of TPAR FILE

Please refer Annexures to view the newest Taxable Payment Annual Payment Specification version of V3.0.1.

1.11 Delimitations

- The fields relating to Payment Type Grant (G) will be blank filled in the TPAR file as Government Grants/Payments related pages are not supported in IFS Cloud.
- Handling of Withholding Tax and Payment made in advance are not supported.

2 Appendix

2.1 Taxable Payment Annual Report (TPAR)

2.1.1 DATA MAPPING OF TPAR REPORT

The below attached Excel file describes the mapping of IFS data to TPAR fields.



TPAR Data
Mapping.xlsx

2.1.2 SPECIFICATION OF TPAR REPORT

The below attached is the Taxable Payment Annual Report V03.0.1



Taxable_payments_an
nual_report_specificati