



Australian Government
Australian Taxation Office

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Withholding from natural resource payments

A natural resource payment is a payment made to a foreign resident. The payment is based wholly or partly on the value or quantity of a natural resource produced or recovered in Australia.

Example

A Malaysian geologist discovers an ore deposit in Western Australia and is then paid by a mining company \$5 for every tonne produced from that ore deposit. The amount paid by the mining company is a natural resource payment.

We can provide you with [technical assistance \(/General/ATO-advice-and-guidance/Tailored-technical-assistance/\)](#) if you are not sure whether a payment is a natural resource payment or if there is an obligation to withhold an amount from the payment.

Rate of withholding

You must withhold an amount from a natural resource payment unless we notify you that you are not required to withhold an amount from the payment.

Before making a natural resource payment, you must ask us what amount you should withhold. When writing to us, include the following information:

- your name as the payer
- all payee names
- each payee's country of residence
- the amount of the natural resource payments expected to be made annually.

Generally, we will provide a certificate advising the withholding rate that must be applied to all payments.

Send all requests to:

Australian Taxation Office
Locked Bag 50
PENRITH NSW 2740

We will notify you of any changes to the withholding rate.

Paying amounts withheld to us

Any amounts withheld must be paid to us using 70 EFT code. This is the same payment code used for your entity's payroll withholding.

Annual obligations

At the end of the financial year, you must:

- provide a payment summary to each of your payees
- lodge a payment summary annual report.

Payment summary

Any 'free format' payment summary, receipt or remittance advice is acceptable, as long as it includes all of the following information:

- the title 'PAYG withholding from natural resource payments to foreign residents – payment summary'
- period covered by the payment summary – for example, 'Payment summary for the period 01/07/2013 – 30/06/2014'
- your business name (as it appears on your activity statement)
- your Australian business number (ABN)
- the name of your payee, and overseas address – if known
- the ABN of your payee – if known
- the total gross amount paid (in whole Australian dollars) to your payee
- the total amount withheld (in whole Australian dollars)

- the wording 'To be retained by the payee for tax purposes'
- the name of your contact person and their phone contact details
- the name of your authorised signing officer.
- the wording 'For information about your privacy, go to **ato.gov.au/privacy**'
- your payee's Australian tax file number (TFN) – if known.

If you know the payee's TFN, you must also include the following statement:

The Taxation Administration Act 1953 authorises your payer to ask you to provide your tax file number (TFN). While it is not compulsory to provide your TFN to your payer, they may have withheld at a higher rate if you did not. We will use your TFN to identify you in our records.



You should send copies of these payment summaries to us.

Annual report

Your annual report must be lodged with us by 31 October each year. Your annual report should be in the format of a letter and contain the following information:

- the title 'PAYG withholding annual report – natural resource payments to foreign residents'
- the financial year
- your business name
- your ABN

- the total of gross payments made to all your foreign resident payees reported on this annual report (in whole Australian dollars)
- the total of amounts withheld from payments made to all your foreign resident payees (in whole Australian dollars)
- the name of each payee, and overseas address – if known
- the ABN of each payee – if known
- the Australian TFN of each payee – if known
- the total gross amount paid (in whole Australian dollars) to each payee
- the total amount withheld (in whole Australian dollars) for each payee
- the name of your contact person and their phone contact details
- the name of your authorised signing officer.
- the wording 'For information about your privacy, go to **ato.gov.au/privacy**'

Send your annual report to:

Australian Taxation Office
Locked Bag 50
PENRITH NSW 2740



Find out more

[PAYG withholding \(/Business/PAYG-withholding/\)](/Business/PAYG-withholding/)

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Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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