

## **BHP Billiton Statement – Marketing Operations**

*Provided upon request to the Sunday Night program, 14 August 2015*

BHP Billiton pays billions of dollars in taxes and royalties in Australia every year and we are committed to meeting our tax obligations at all times.

BHP Billiton did not set up its marketing operations to avoid paying tax in Australia. We locate our teams as close as possible to operations and customers. For example, our Iron Ore division is managed by a team in Perth, Coal in Brisbane, Petroleum from Houston and our marketing operations are predominantly based in Singapore.

Our customers are in Asia – so it makes sense for our marketing team to be based in Singapore supported by regional offices in key customer markets like China, Japan and India. We have hundreds of employees in our Singapore team performing critical functions - customer sales, freight, credit risk and market forecasting for a range of commodities.

The vast bulk of our profits come from the production and processing of Australian commodities in Australia and this is all subject to Australian tax. In addition around 58 per cent of the profit generated in Singapore from the marketing activities associated with Australian commodities is taxed back in Australia under the Controlled Foreign Company rules. The other 42 per cent of marketing profits belong to the UK side of BHP Billiton reflecting our dual-listed structure.

Almost 100 per cent of the profit from the sale of Australian commodities, the entire length of the supply chain, is subject to Australian tax. These payments totalled \$8.7 billion (including taxes and royalties) in Australia in the 2014 financial year – which made us the country's largest tax payer.

For the last 15 years we have reported our global tax payments in our annual Sustainability Report. In addition to this report, we will also voluntarily disclose the taxes we pay across each and every one of our global mining projects later this year.

BHP Billiton is pleased to contribute to Australia's important tax debate and to engage in policy discussions with major economies to make tax rules against profit shifting even more effective. A copy of our submission to the Senate Inquiry into Corporate Tax Avoidance and Minimisation can be found [here](#).