



ASSISTANT TREASURER

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**PRESS
RELEASE**

TAX TREATY WITH AUSTRIA TO BE UPDATED

The Assistant Treasurer, Nick Sherry, announced today that negotiations to update Australia's tax treaty with Austria will take place in March 2010.

"Australia and Austria share close links through a number of bilateral agreements and historic migration dating back 200 years," the Assistant Treasurer said.

"Our economic and trade relationship is growing and modernising the treaty will further enhance this relationship."

"These negotiations are part of the Rudd Government's ongoing effort to ensure Australia's tax treaties facilitate and encourage cross-border investment while meeting the highest standards of tax integrity."

"Australia welcomes Austria's recent commitment to include in its treaties the internationally agreed standard for exchange of information, including banking information."

"Austria's decision on this issue has opened the way for the start of formal negotiations to modernise the existing tax treaty, which has not been amended since it was signed in 1986."

"Limiting withholding taxes in both countries to rates comparable to those included in Australia's recent tax treaties – a key part of these negotiations – will serve to strengthen our trade and investment relationship between our two countries."

"I am inviting interested parties to provide comments on how the tax arrangements provided under the treaty with Austria can be updated to best reflect the modern needs of businesses and individuals," the Assistant Treasurer said.

A copy of the current tax treaty is available on the Department of the Treasury website at www.treasury.gov.au.

Written submissions relating to the tax treaty are requested by 8 March 2010.

CANBERRA

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