

AUSTRALIA–UNITED STATES INTERNATIONAL TAX COOPERATION

WASHINGTON, D.C. – The Assistant Treasurer, Senator Nick Sherry, today reaffirmed the strong international partnership between Australia and the United States over tax cooperation, including on tax havens, tax evasion and other tax abuse issues currently on the G20 agenda.

The Assistant Treasurer met with Senator Carl Levin, Chairman of the Senate Committee on Armed Services and Chairman of the Permanent Subcommittee on Investigations, which examines tax fraud and tax haven issues in the US.

The Assistant Treasurer also met with Congressman Richard Neal, Chairman of the House Select Revenue Measures Committee and Mr Douglas Shulman, Commissioner of the United States Internal Revenue Service (IRS).

"It's very clear following my talks on Capitol Hill and with the IRS, that Australia and the United States share a strong commitment to cooperate to stamp out tax abuse wherever it occurs," said the Assistant Treasurer.

"With the OECD estimating that between \$5-7 trillion in global assets are now held 'offshore', international tax abuse and tax havens have posed a significant risk to the integrity of the global financial system."

"In addition, tax shelters are also associated with the financing of international terrorism and organised crime."

"G20 Leaders have acted to address these issues, and as I have confirmed, Australia will continue to play a significant role."

"The Rudd Government has also continued support for Project Wickenby, a major \$430 million crackdown on tax abuse involving Australians and Australian companies."

"In talks with Senator Levin, Congressman Neal and Commissioner Shulman, we discussed further ways to deepen this cooperation in the lead up to the Pittsburgh G20 summit."

The Assistant Treasurer also briefed Senator Levin on the Australian Taxation Office's latest briefing to Congress on the issue of US state tax secrecy havens.

While in Washington, D.C., the Assistant Treasurer also met with Dr Alan Krueger, Assistant Secretary and Chief Economist of the US Treasury, Governor Kevin Warsh of the Federal Reserve, Ms Mary Shapiro,

Chairman of the Securities and Exchange Commission, Mr Jeffrey Gutman, Vice President of the World Bank and Mr Carlos Cottarelli, Director of Fiscal Affairs, at the International Monetary Fund.

"The US Congress is considering proposals to reform that country's financial regulatory system, including those set out in the Administration's recently-released White Paper," said the Assistant Treasurer.

"My talks at the US Treasury, the Federal Reserve, the SEC, IMF and World Bank all provided a strong insight into the financial regulatory challenges facing the US and other countries."

"They also illustrated that the Rudd Government's decisive action to put in place a targeted, timely and temporary stimulus package was the right thing to do for Australia."

The Assistant Treasurer outlined the strength of Australia's system of financial sector regulation and supervision and banking sector.

He reinforced Australia's potential to become a regional financial services hub in talks with Mr Paul Schott Stevens, President and CEO of the Investment Company Institute.

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