

AUSTRALIA AND CANADA BEGIN WORK TO UPDATE TAX TREATY

The Assistant Treasurer, Senator Nick Sherry, today announced Australia and Canada have begun negotiations to update their existing tax treaty.

"These negotiations are part of the Government's program to ensure our tax treaties are at international best standard and meet the needs of today's Australian businesses," the Assistant Treasurer said.

"A modern tax treaty with Canada will be an important step in Australia's goal to update its tax treaty network with key investment partners."

"Already we've signed a new tax treaty with New Zealand so I am very pleased to announce these negotiations with Canada – another country with which we share substantial investment and trade ties."

"The existing tax treaty was last updated in 2002 and in a rapidly changing world, it's crucial it's modernised."

"I am also today asking interested parties to come forward with their views on how the 2002 treaty might be enhanced in this current negotiation, as a modern taxation agreement will ensure the best possible conditions for businesses and individuals in both countries."

A copy of the current tax treaty is available at www.treasury.gov.au and submissions relating to a new agreement are required by 15 January 2010.

DEVONPORT
8 December 2009