

LAWS PASS THAT WILL BOOST AUSTRALIA-NZ BUSINESS AND CRACKDOWN ON HARMFUL TAX PRACTICES

The Assistant Treasurer, Senator Nick Sherry, today welcomed the passage through Parliament of the *International Tax Agreements Amendment Bill (No. 2) 2009* as an important step in further boosting Australia-New Zealand business links and in the international fight against harmful offshore tax practices.

The Bill enacts Australia's new tax treaty arrangements with New Zealand and also with the European jurisdictions of Belgium and Jersey.

"The renegotiated treaty between Australia and New Zealand will strengthen trans-Tasman trade and investment by updating the taxation arrangements between our two countries," the Assistant Treasurer said.

The New Zealand agreement is a comprehensive tax treaty which will replace the current treaty between Australia and New Zealand when it enters into effect.

"The unique and close relationship between Australia and New Zealand will be strengthened by this Bill, which will benefit taxpayers, private and corporate, on both sides of the Tasman," the Assistant Treasurer said.

The Belgian agreement is a protocol which will amend the existing Australia-Belgium tax treaty by upgrading the 'exchange of information' article to the current international standard.

"The agreements with Belgium and Jersey will support the Rudd Government's efforts to combat global tax evasion by enhancing arrangements for the exchange of taxpayer information with these countries."

"Both Belgium and Jersey have made significant progress in implementing effective exchange of information; with both jurisdictions joining the global push against tax havens."

"The protocol will greatly improve the ability of the revenue authorities of Australia and Belgium and Jersey to exchange information in order to prevent tax evasion," the Assistant treasurer said.

The Jersey agreement will allocate taxing rights between Australia and Jersey over certain income derived by retirees, government employees and students, and provide a mechanism to help resolve transfer pricing disputes.

The Bill enacts into law these three agreements by inserting the text of each agreement into the *International Tax Agreements Act 1953* and will come into force at Royal Assent.

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