

PARLIAMENT SUPPORTS RUDD GOVERNMENT EFFORTS TO COMBAT TAX EVASION AND BOOST TAX INTEGRITY

The Assistant Treasurer, Senator Nick Sherry, has welcomed the successful passage through Parliament today of the *International Tax Agreements Amendment Bill (No. 1) 2009* as yet another step in the Rudd Government's efforts to improve the transparency and integrity of the global financial and taxation system.

"The passage of this Bill will help boost the general integrity and transparency of the global financial and taxation system and specifically brings into law important tax agreements with the British Virgin Islands and the Isle of Man - two important corporate and financial services jurisdictions," said the Assistant Treasurer.

"These agreements were signed in conjunction with tax information exchange agreements with both jurisdictions."

"Together they will support Australia's efforts to combat offshore tax evasion and those who seek to use taxation arrangements established in either the British Virgin Islands or the Isle of Man as a means to evade Australian tax liabilities, will find a tough, new system in place."

"This Bill is a further step by Australia to match our international support for a transparent and tax haven-free global tax system, provided most recently by the Treasurer at the G20 Finance Ministers meeting in London."

The new law will allocate taxing rights between Australia and both jurisdictions over certain income of individuals who are residents of Australia, the British Virgin Islands or the Isle of Man, thereby helping to prevent double taxation.

The Isle of Man agreement also provides an administrative mechanism to help resolve transfer pricing disputes that may arise between taxpayers and the revenue authorities of Australia or the Isle of Man.

The Bill gives the force of law to taxation agreements between Australia and the British Virgin Islands and Australia and the Isle of Man, by inserting the text of both agreements into the *International Tax Agreements Act 1953*.

CANBERRA
17 September 2009