

## **RELEASE OF DRAFT LEGISLATION TO REPEAL FOREIGN INVESTMENT FUND RULES**

The Assistant Treasurer, Nick Sherry, today released for public consultation exposure draft legislation that will repeal the Foreign Investment Fund (FIF) rules and Deemed Present Entitlement (DPE) rules.

The repeal of the FIF and DPE rules represents part of the wider reforms to Australia's foreign source income anti-tax-deferral rules that were announced in the 2009-10 Budget.

"The repeal of these rules will reduce costs, cut red tape and improve the competitiveness of Australian businesses," the Assistant Treasurer said.

"Replacing these rules will also further enhance Australia's position as a financial centre in our region."

"These important reforms will assist Australian managed funds and other businesses to compete internationally and increase services exports and support more jobs."

"Small and medium-sized businesses wanting to expand offshore to access markets will also benefit from lower compliance costs," the Assistant Treasurer said.

"The changes will also simplify the law and bring consolidation of the two income tax acts a significant step closer."

Draft legislation to give effect to the remaining reforms to modernise the controlled foreign company and the transferor trust rules are currently being developed.

The Government seeks submissions from interested parties on the exposure draft.

The draft legislation is available at [www.treasury.gov.au](http://www.treasury.gov.au) and the consultation period closes on Friday 5 February 2010.

CANBERRA  
18 December 2009