

**Senator the Hon
Nick Sherry**

Assistant Treasurer
Labor Senator for
Tasmania



**The Hon Chris
Bowen MP**

Minister for Financial
Services, Superannuation
and Corporate Law

PRESS RELEASE

GOVERNMENT COMMENCES THE NEXT STAGE IN THE DEVELOPMENT OF AN INVESTMENT MANAGER REGIME

The Gillard Government has today commenced a further stage in the development of an investment manager regime (IMR) by requesting that the Board of Tax consider the design of an IMR as part of its review of collective investment vehicles (CIVs).

“The Board of Taxation review will report on the design of a comprehensive IMR, covering the taxation of Australian and offshore assets,” the Assistant Treasurer said.

The proposal for an IMR arose from Recommendation 3.1 of the Australian Financial Centre Forum report — *Australia as a Financial Centre: Building on our Strengths* — and has been given in principle support by the Government.

On 11 May 2010, the Government announced the process for developing the key features of an IMR. The first stage of the process was the release of a consultation paper on the taxation of conduit income of managed funds.

“The consultation paper generated wide-ranging and comprehensive submissions. Treasury is working with stakeholders to ensure an investor-friendly environment for managed funds,” the Assistant Treasurer said.

The next stage of developing an IMR will be a review of the Australian and foreign income aspects of a comprehensive IMR as part of a broader Board of Tax review into CIVs. The terms of reference for this Board of Tax review were released today.

An IMR will provide a set of clear and comprehensive rules on the taxation of certain non-resident investments into Australian and offshore assets. It is proposed that the IMR will apply broadly, extending beyond funds management to cover a range of other activities in the financial sector.

“The establishment of an IMR will help to grow the Australian financial services sector, creating employment opportunities for highly-skilled Australians and enhancing Australia’s ability to attract offshore capital,” Minister Bowen said.

The reform is expected to encourage offshore investors, fund managers and other financial institutions to invest in Australia and deliver opportunities for Australian financial institutions to invest and manage offshore capital.

The Treasury is currently engaging in consultation with industry stakeholders and will report to the Assistant Treasurer by 31 October 2010. As part of that report, the Treasury, in consultation with the Board of Taxation, will also consider and report on the scope for early delivery of an IMR.

CANBERRA

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