



ASSISTANT TREASURER

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**PRESS
RELEASE**

REFORM OF THE CONTROLLED FOREIGN COMPANY RULES

The Assistant Treasurer, Senator Nick Sherry, has today released for public comment a discussion paper that represents a further step towards reforming Controlled Foreign Company (CFC) rules.

The modernisation of the CFC rules is part of wider reforms to Australia's foreign source income anti-tax-deferral (attribution) rules that were announced in the 2009-10 Budget.

"Reforms to the CFC rules, while still maintaining the integrity of Australia's tax base, will improve the competitiveness of Australian businesses by reducing red tape and compliance costs for affected businesses," the Assistant Treasurer said.

"The discussion paper takes account of submissions received in response to the CFC consultation paper released earlier this year."

"Given the scale, complexity and importance of these rules it is desirable that a further round of consultation occur in respect of the development of the enabling legislation before it is introduced into Parliament."

The Government welcomes submissions from interested parties on the legislative design of proposed reforms. Copies of the discussion paper are available at the Treasury website. Submissions close on 31 August 2010.

CANBERRA

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