

## **AUSTRALIA SIGNS ANOTHER NEW TAX TRANSPARENCY TREATY AS GLOBAL EFFORT AGAINST TAX EVASION PICKS UP SPEED**

ISTANBUL, TURKEY - Assistant Treasurer, Senator Nick Sherry, has announced that Australia and Guernsey, a significant financial centre, have today signed a new tax information exchange agreement.

"Reaching tax information exchange agreements with offshore financial centres is an important part of the Australian Government's efforts to prevent tax avoidance and evasion," the Assistant Treasurer said.

Earlier this week, while attending the International Monetary Fund and World Bank Annual Meetings, the Assistant Treasurer addressed the Taskforce on Financial Integrity on the issue of tax evasion and revenue policy, where Australia's commitment to tax integrity was highlighted.

"This week in Istanbul I continued to press the case for global action to clean the financial system of tax havens and tax evasion," said the Assistant Treasurer.

"I strongly welcome Guernsey's constructive engagement on this issue."

"The pace with which jurisdictions are coming onboard is speeding up with each passing week - Guernsey is now the third jurisdiction to sign a tax information exchange agreement with Australia in as little as four months, and the eighth overall."

"These treaty signings and continuing negotiations with other jurisdictions reflect the Rudd Government's commitment to the widespread implementation of international standards on tax transparency and integrity."

"Australia is now the chair of the Global Forum on Transparency and Exchange of Information for Tax Purposes, an international leadership role in the fight against tax avoidance and evasion, so while here at the IMF and World Bank meetings I am strongly encouraging my counterparts to join us in this task," said the Assistant Treasurer.

The eight foreign jurisdictions to have signed a TIEA with Australia are: Bermuda, Antigua and Barbuda, the Netherlands Antilles, the British Virgin Islands, Jersey, the Isle of Man, Gibraltar and Guernsey.

The tax information exchange agreement with Guernsey will provide for bilateral exchange of taxpayer information, on request, for both civil and criminal tax purposes. This will allow the Commissioner of Taxation to

seek information relevant to an Australian tax investigation directly from the authorities in Guernsey.

Australia and Guernsey also signed an agreement on the allocation of taxing rights over certain income of individuals. This will eliminate double taxation of certain income derived by government employees and students.

This agreement will also establish an administrative mechanism to resolve transfer pricing disputes between taxpayers and the revenue authorities of Australia or Guernsey.

The two agreements will enter into force after both countries have completed their relevant domestic requirements. Legislation for this purpose will be introduced into the Australian Parliament as soon as practicable.

Copies of the agreements will be available shortly on the [Treasury website](#).

ISTANBUL, TURKEY  
8 October 2009