

Submission in response to draft legislation on Small Business Restructure Rollover

The National Insurance Brokers Association of Australia (NIBA) appreciates the opportunity to make a brief submission in response to the draft legislation regarding Small Business Restructure Rollover.

NIBA represents over 300 insurance broking firms across Australia, the majority of which are small to medium businesses.

NIBA welcomes and supports this legislation for the reasons set out in the explanatory materials.

In addition, NIBA welcomes the proposals as there is an ongoing level of merger and acquisition activity in the insurance broking sector, and the reforms will allow small insurance broking businesses to restructure their legal status prior to sale or merger, in order to make the business more attractive to a potential purchaser. We note that the rollover benefits will only operate when the business remains owned by the same ultimate owner.

By allowing business owners to change their legal structure prior to the sale of the business, it will be easier for those owners to sell their business or merge the business into a larger business group.

Our members regard solvent corporate restructuring as an important aspect of preparing their business for merger or sale. NIBA understands that most States and Territories have solvent corporate restructuring exemptions for stamp duty purposes, and we welcome similar initiatives in the income tax and capital gains tax area.

Thank you for the opportunity to provide these comments on the draft legislation.

4 December 2015