



THE LAW SOCIETY
OF NEW SOUTH WALES

Our ref: BLC:JvdPIb310822

31 August 2022

Director
International Tax Branch
Corporate and International Tax Division
Treasury
Langton Cres
Parkes ACT 2600

By email: MNETaxintegrity@treasury.gov.au

Dear Sir/Madam,

Multinational Tax Integrity and Tax Transparency

The Law Society of NSW appreciates the opportunity to comment on the consultation paper 'Government election commitments: Multinational tax integrity and enhanced tax transparency'. The Law Society's Business Law Committee contributed to this submission.

We make some general comments below.

Part 1: Interest limitation rules

We support the proposed interest limitation rules, to align with the Organisation for Economic Cooperation and Development (OECD) approach, which is likely to reduce the compliance burden for those multi-national businesses who would be able to apply more consistent rules across OECD jurisdictions in which they operate.

Part 3: Transparency

The Law Society supports the recommendation of the Henry Review that the relevant information should be "collected according to consistent and transparent classifications and concepts"¹. The standardisation of tax transparency reporting would help to make the data more meaningful and capable of comparison.

While we acknowledge that the Government has announced its intention to make public tax transparency reporting mandatory, we emphasise the need to limit the mandatory requirement to high level information that is reasonably necessary to achieve the stated aims, so that, to the extent practicable, the confidentiality of sensitive information that may harm business if required to be disclosed continues to be protected. It may be worth exploring whether mandatory high-level data could be supplemented with more detailed

¹ *Report on Australia's Future Tax System* (Final Report, December 2009), cited in Australian Government, Treasury, *Government commitments: Multinational tax integrity and enhanced tax transparency* (2022) 26.

information on a voluntary basis. The prescribed proforma could include both mandatory and voluntary fields, which would provide businesses with the opportunity to explain their position, should they wish to do so.

We also suggest that, in support of the Henry Review recommendation that the information be “freely available for analysis and research”,² it should be held on a centralised online register administered by the Australian Taxation Office.

We note that following consideration of responses to the consultation paper, the Government has stated that it will issue and consult further on exposure draft legislation prior to introducing any legislation into Parliament. We would be interested in reviewing the exposure draft legislation, when available, particularly in relation to definitions.

If you have any questions about this submission, please contact Liza Booth, Principal Policy Lawyer, at liza.booth@lawsociety.com.au or on (02) 9926 0202.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Joanne van der Plaats', with a diagonal line striking through the middle of the signature.

Joanne van der Plaats
President

² Ibid.