

**National Interest Analysis [2022] ATNIA 10**

**with attachment on consultation**

**Convention between Australia and Iceland for the Elimination of Double Taxation with  
respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance**

(Reykjavík, 12 October 2022)

**[2022] ATNIF 20**

## NATIONAL INTEREST ANALYSIS: CATEGORY 2 TREATY

### SUMMARY PAGE

#### Convention between Australia and Iceland for the Elimination of Double Taxation with respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance

(Reykjavík, 12 October 2022)

[2022] ATNIA 10

[2022] ATNIF 20

#### Nature and timing of proposed treaty action

1. The proposed treaty action is to bring into force the *Convention between Australia and Iceland for the Elimination of Double Taxation with Respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance*, and the attached Protocol ('the proposed Convention'), which was signed on 12 October 2022.

2. The proposed treaty action would bring the proposed Convention into force pursuant to **Article 29**, on the date of the last notification through the diplomatic channels of either Australia or Iceland to the other country confirming that each country has completed its domestic requirements to bring the proposed Convention into force. Pursuant to Article 29, the provisions of the proposed Convention will take effect in Australia in three stages, namely:

- (i) in respect of withholding tax on income that is derived by a non-resident, in relation to income derived on or after 1 January next following the date on which the Convention enters into force;
- (ii) in respect of fringe benefits tax, in relation to fringe benefits provided on or after 1 April next following the date on which the Convention enters into force; and
- (iii) in respect of other Australian tax, in relation to income of any year of income beginning on or after 1 July next following the date on which the Convention enters into force.

3. The proposed Convention makes a minor modification to the General Agreement on Trade in Services ('GATS') as between Australia and Iceland (see further paragraph 40 below).

#### Overview and national interest summary

4. The proposed Convention will add to Australia's existing tax treaty network, expanding the international economic framework within which most of Australia's international trade and investment activities occur.

5. The proposed Convention is the first of its kind between Australia and Iceland and will provide an avenue to support closer linkages between Australia and Iceland, particularly in the areas of commercial trade and investment.

6. The key objectives of the proposed Convention are to:
- a. Promote closer economic cooperation between Australia and Iceland by reducing taxation barriers such as the double taxation of income derived by residents of either country; and
  - b. Improve the integrity of the tax system by providing the framework through which the tax administrations of Australia and Iceland can cooperate to prevent tax avoidance and evasion.

7. The proposed Convention is in the national interest because it aims to improve tax certainty for Australian businesses looking to expand into Iceland, and for other Australian taxpayers deriving income from Iceland, by establishing an internationally accepted framework for the taxation of cross-border transactions which is broadly based upon the Organisation for Economic Cooperation and Development's (OECD) model tax treaty: the *Model Tax Convention on Income and on Capital*.

8. The proposed Convention will encourage cross-border trade and investment by reducing tax barriers to investment and decreasing the cost to Australian business of accessing Icelandic capital and technology. The withholding tax rates on cross-border dividends, interest and royalties will be reduced in both Australia and Iceland under the proposed Convention.

### **Reasons for Australia to take the proposed treaty action**

#### *Reducing barriers to bilateral investment and trade*

9. The proposed Convention is expected to reduce taxation barriers to bilateral trade and investment between Australia and Iceland, primarily by reducing source country taxes on cross-border payments of dividends, interest and royalties. Rather than taking unilateral action to reduce such taxes (which are imposed as withholding taxes in Australia), under the proposed Convention the Parties have adopted the approach of agreeing to such reductions on a reciprocal bilateral basis. This approach 'locks in' the tax limits in both countries, thus ensuring a stable tax framework for business between Australia and Iceland.

10. In particular, the proposed Convention will reduce source country taxation of outbound dividends (from the domestic rate of 30 per cent for unfranked dividends in the case of Australia) to:

- a. Zero per cent for intercorporate dividends paid to companies that hold at least 80 per cent of the paying company throughout a 365-day period, subject to certain conditions. This will promote direct investment and will allow Icelandic subsidiaries of Australian companies to repatriate profits back to Australia without any Icelandic tax applied.
- b. Zero per cent for dividends derived by governments (including government investment funds), central banks, tax exempt Icelandic pension funds or Australian

superannuation funds and other Australian residents carrying out complying superannuation activities on direct holdings of less than 10 per cent, subject to certain conditions.

- c. Five per cent for intercorporate dividends paid to companies that hold at least 10 per cent of the paying company throughout a 365-day period.
- d. 15 per cent for all other dividends (**Article 10**).

11. The proposed Convention will reduce source country taxation of outbound interest payments (from the domestic rate of ten per cent in the case of Australia) to:

- a. Zero per cent for interest derived by governments (including government investment funds), central banks, tax exempt Icelandic pension funds or Australian superannuation funds and other Australian residents carrying out complying superannuation activities, subject to certain conditions.
- b. Zero per cent for interest derived by financial institutions that are unrelated to the borrower. The lower withholding rate for interest paid to Icelandic financial institutions is expected to lower borrowing costs for Australian firms, the economic burden of which is typically borne by the Australian payer of the interest.
- c. 10 per cent for all other interest (**Article 11**).

12. The proposed Convention will also reduce source taxation of outbound royalties (from the domestic rate of 30 per cent in the case of Australia) to 10 per cent of the gross amount of the royalties (**Article 12**). Limiting source country taxation on royalties is expected to reduce the costs for Australian businesses accessing Icelandic intellectual property, as the economic burden of the tax is typically borne by the Australian payer of the royalties.

13. More generally, the proposed Convention will establish an internationally accepted framework for the taxation of cross-border transactions thus reducing investor risk and providing greater legal and fiscal certainty. It also includes rules to prevent tax discrimination against Australian and Icelandic nationals by the other Party to the proposed Convention.

*Increased certainty and reduced compliance costs for taxpayers*

14. The proposed Convention provides an agreed basis for determining the allocation of profits within a multinational enterprise and whether the profits derived from related party dealings by members of such an enterprise operating in both countries reflect the pricing that would be adopted by independent parties (**Articles 7 and 9**). Where the revenue authority of one country adjusts the profits of a resident enterprise, to reflect the arm's length price of goods or services provided to an associated enterprise in the other country, the proposed Convention requires the revenue authority of the other country to make an appropriate adjustment to the amount of tax charged in its jurisdiction in respect of those profits. This helps remove double taxation of the same profits in the hands of two associated enterprises. A seven-year time limit generally applies for initiating the first

adjustment to profits. The proposed Convention will therefore act as an important tool in dealing with international profit shifting through transfer pricing.

15. The proposed Convention allocates taxing rights over fringe benefits provided by employers to their employees to the country that has the sole or primary taxing right over the employment income to which the benefits relate (**Article 14**). This prevents the double taxation of fringe benefits that can otherwise arise, and remain unrelieved, because Australia taxes the provider of the benefit (the employer) as opposed to the recipient (the employee).

16. The proposed Convention also provides a dispute resolution mechanism that enables taxpayers to present a case to the revenue authority of their country of tax residence (or their country of nationality in some circumstances) if they believe they are not or will not be taxed in accordance with the proposed Convention. Taxpayers will have three years from the first notification of the relevant action to seek such assistance (**Article 23**).

*Establishing a more effective framework to prevent international fiscal evasion and avoidance*

17. The proposed Convention includes provisions reflecting OECD/G20 tax treaty recommendations intended to address base erosion and profit shifting ('BEPS') practices. These include:

- a. noting that the proposed Convention is intended to eliminate double taxation with respect to taxes on income without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance (including through treaty-shopping arrangements) (**Preamble**);
- b. ensuring the benefits of the proposed Convention will be denied if one of the principal purposes of a person in seeking to obtain a benefit is to take advantage of the proposed Convention, unless it is established that granting the benefit is in accordance with the proposed Convention's object and purpose (**Article 27**); and
- c. stating that the benefits of the proposed Convention will be available for income derived through fiscally transparent entities (such as partnerships and trusts) but only to the extent that the relevant income is treated as the income of a resident of Australia or Iceland under domestic law (**Article 1(2)**).

Collectively, these integrity provisions will better ensure that the benefits of the proposed Convention are only granted in appropriate circumstances.

18. The definition of 'permanent establishment' (PE) in the proposed Convention applies to the taxation of business profits. A PE is a taxable presence threshold for determining whether a country can tax local business profits derived by a foreign resident. Under the proposed Convention, a country can only tax such profits to the extent they are attributable to a PE of the foreign resident located in that country. The definition includes an important integrity rule (included in the OECD/G20 BEPS recommendations) that prevents related parties from circumventing PE time thresholds, by splitting contracts, or from fragmenting their activities to avoid having a PE (**Article 5**).

19. The proposed Convention also enhances tax system integrity through the inclusion of rules to allow the revenue authorities of Australia and Iceland to cooperate to detect and prevent tax avoidance and evasion. In particular, it will allow the exchange of relevant taxpayer information between the two revenue agencies in respect of taxes covered by the proposed Convention (**Article 24**).

20. The proposed Convention also maintains the integrity of Australia's existing laws by providing that nothing in the proposed Convention will prevent either country from applying its own domestic laws to prevent the evasion or avoidance of taxes (**Article 27** paragraph 4 and **Protocol** paragraph 1).

21. In addition, as noted above, the proposed Convention provides an agreed basis for determining the allocation of profits within multinational enterprises, and whether the profits derived from related party dealings undertaken by members of such enterprises operating in both countries reflect the pricing that would be adopted by independent parties (**Articles 7** and **9**). This assists the Australian Taxation Office ('ATO') in responding to international profit shifting through its administration of transfer pricing laws (that is, laws that seek to ensure that the prices charged for goods and services transferred between associated entities reflect market prices).

## **Obligations**

22. The scope of the proposed Convention is set out in Articles 1 and 2. Article 1 notes which persons shall be covered by the proposed Convention, that is, persons who are residents of one or both of the Contracting States. **Article 2** describes the taxes to which the proposed Convention shall apply. Article 2(3) (Taxes Covered) clarifies that Australia's fringe benefits tax and resource rent taxes are included within the scope of the proposed Convention (in addition to income tax).

23. **Article 4** (Resident) sets out how and the factors on the basis of which a person's country of residence shall be determined for the purpose of the proposed Convention. The proposed Convention generally applies to persons (defined to include individuals and companies) that are Australian or Icelandic residents for tax purposes. Individuals who are residents of Australia or Iceland for the purposes of the proposed Convention are subject to the same treatment irrespective of their nationality or citizenship (whether Australian, Icelandic or otherwise). Article 4(3) provides that a mutual agreement procedure will apply to determine the deemed residence of dual-resident entities (persons other than individuals), having regard to a number of factors (e.g. place of effective management and place of incorporation). In the absence of agreement between the competent authorities regarding residence, the dual-resident entity will not be entitled to the benefits of the proposed Convention. Furthermore, Article 4(4) and (5) clarify the conditions that need to be met for certain collective investment vehicles (CIVs) to be treated (for the purposes of the Convention) as an individual who is a resident of the Contracting State in which it is established and as the beneficial owner of the income it receives. These provisions allow the CIV to claim treaty benefits for its investors for administrative simplicity.

24. **Article 5** (Permanent Establishment) defines the term 'permanent establishment' (PE), which is relevant to determining when a business, which is a resident of one country, will have a taxable presence in the other country. This definition provides for a range of circumstances in which Australia can tax business profits derived by Icelandic residents from mining and other natural

resource activities, building, installation and construction activities, and the operation of substantial equipment, in Australia. Additionally, a PE will be deemed to exist where a person (an agent) acts on behalf an enterprise, unless that agent is acting in a truly independent capacity.

25. **Article 6** (Income from Immovable Property) provides that income derived by a resident of one of the parties to the proposed Convention from immovable property located in the other party may be taxed by the party where the property is located. Immovable property will include, for example, leases or other interests in or over land, property accessory to immovable property and rights to explore for mineral, oil or gas deposits or other natural resources. Any interest or right in immovable property will be considered to be in the country in which the immovable property is situated or, in the case of natural resources, where the exploration takes place.

26. **Article 7** (Business Profits) clarifies that an enterprise of a party to the proposed Convention (including beneficiaries of trusts) that derives business profits in the other party will be taxable in that other party only to the extent that the profits are attributable to a PE located in that other party. Article 7(7) sets out taxing rights over business profits derived by residents of one party through one or more interposed trusts with PEs located in the other party. A seven-year time limit will apply for the adjustment of profits, except where an audit has been initiated within that period or in cases of fraud, wilful default or gross negligence (Article 7(8)). Different rules apply to profits derived by insurance businesses (Article 7(6)); such profits are excluded from the operation of Article 7 and may be taxed in accordance with the respective taxation laws of Australia or Iceland.

27. **Article 8** (Shipping and Air Transport) provides that profits from international shipping or air transport activities, including from containers used in such activities, will be taxable only in the country of residence of the operator, but may also be taxed in the other country where the transport is between places in that other country.

28. **Article 9** (Associated Enterprises) requires the revenue authorities to make appropriate adjustments to the amount of tax charged on profits from transactions between related enterprises in certain circumstances, to remove double taxation. This will ensure that transactions between associated entities are not double-taxed and reflect the pricing that would be adopted by independent parties. A seven-year time limit will apply for the adjustment of profits, except where an audit has been initiated within that period or in cases of fraud, wilful default or gross negligence (Article 9(3)).

29. **Articles 10** (Dividends), **11** (Interest) and **12** (Royalties) provide that dividends, interest and royalties that arise in one country and are paid to a resident of the other country may be taxed in the other country. They may also be taxed in the originating country, although limits are placed on this depending on certain circumstances.

30. **Article 13** (Alienation of Property) enables a country to tax income or gains derived by a resident of the other country from the alienation of immovable property located within its jurisdiction, including from the disposal of interests in land-rich entities. Income or gains derived from the alienation of moveable property forming part of the business property of a PE may be taxed in the country where the PE is located (Article 13(2)). Income or gains derived by an enterprise of one country that operates ships or aircraft in international traffic from the alienation of such ships or aircraft, or from movable property pertaining to the operation of such ships or aircraft, shall be taxable only in that country (Article 13(3)). Article 13(7) provides that the other provisions

of Article 13 will not affect the right of a party to the proposed Convention from taxing in accordance with its domestic laws former resident individuals on capital gains if they have been a resident at any time during the six years immediately preceding the year of alienation.

31. **Article 14 (Income from Employment)** prevents the double taxation of salaries, wages and similar remuneration. It also prevents the double taxation of fringe benefits by allocating relevant taxing rights to the country that has the sole or primary taxing right over the underlying employment income to which the benefits relate (Article 14(4)). Article 14 contains certain conditions and exceptions and expressly defers to the more specific rules contained in Articles 15, 17, and 18 in relation to salaries, wages and other similar remuneration.

32. **Article 15 (Directors' Fees)** provides that directors' fees and other similar payments derived by a resident of one country as a member of the board of directors of a company that is a resident of the other country may be taxed in that other country.

33. **Article 16 (Entertainers and Sportspersons)** provides that income derived by an entertainer or sportsperson from their personal activities may be taxed in the country where the activities take place (Article 16(1) and (2)).

34. **Article 17 (Pensions)** provides for pensions and similar periodic remuneration to be taxed only in the recipient's country of residence (Article 17(1)). However, the source (paying) country may tax lump sum pension payments paid to the recipient from a recognised pension fund, under a retirement benefit scheme, or in consequence of retirement, invalidity, disability or death, or by way of compensation for injuries (Article 17(3)). The source (paying) country may also tax any pensions and other similar remuneration paid to a national of the source country under that country's social security legislation or any public scheme organised for social welfare purposes (Article 17(2)).

35. **Article 18 (Government Service)** provides that government service income (salaries, wages and other similar remuneration) will be taxable only in the country that paid the remuneration. However, if the services are performed in the other country, such income will only be taxable in that country if the individual is a tax resident and a national of that country, or is a tax resident of that country who did not become a resident solely for the purpose of rendering the services. Government service pensions will be taxable only in the country that paid the pension, unless the person is both a resident and a national of the other country, in which case the pension will be taxable only in that other country.

36. **Article 19 (Students)** deals with certain payments received by students or business apprentices. Payments made to such individuals for their maintenance, education or training are exempt in the country where they are present provided the payments arose from outside that country, and the individual is, or was immediately before the visit, a resident of the other country.

37. **Article 20 (Other Income)** provides that any income derived by a resident of a country that is not expressly dealt with elsewhere in the proposed Convention may be taxed only in that country (Article 20(1)), unless the income arises in the other country – in which case that other country may tax it (Article 20(3)). In the case of business profits derived through a PE, the provisions of Article 7 (Business Profits) will generally prevail over Article 20 except for income from immovable property (Article 20(2)).



38. **Article 21** (Relief from Double Taxation) includes rules allowing a credit for tax paid in Iceland against Australian tax payable on that income, and vice-versa.

39. **Article 22** (Non-discrimination) contains rules requiring each country to treat nationals (including entities) of the other country no less favourably for tax purposes than it treats its own nationals in the same circumstances. This excludes Australia's working holiday maker tax (Article 22(5)). Non-discrimination rules are limited to taxes covered by the proposed Convention (Article 22(6)).

40. **Article 23** (Mutual Agreement Procedure) provides a dispute resolution procedure. Taxpayers will have three years, from the first notification of the action where they consider that they have not been taxed in accordance with the proposed Convention, in which to seek assistance from the competent authority of either Contracting State in the resolution of tax disputes arising from the application of the proposed Convention. Article 23(5) provides that if the competent authorities do not reach an agreement to resolve a case after two years, any unresolved issues shall be submitted to arbitration if the person who submitted the case so requests, unless a decision on these issues has already been rendered by a court or administrative tribunal of either State. The outcome of the arbitration shall be binding on both Contracting States unless a person directly affected by the case does not accept the mutual agreement that implements the arbitration decision. Article 23(6) provides for the release of information to the arbitration panel and for the protection of that information. Article 23(7) clarifies that, for the purposes of paragraph 3 of Article XXII (Consultation) of the GATS (which provides that a particular article under that treaty cannot be invoked in respect of a measure that falls within the scope of a double taxation agreement between members of GATS), any dispute between the Contracting States as to whether a dispute between them falls under the provisions of the proposed Convention may be brought before the Council for Trade in Services only with the consent of both Contracting States. This amends the existing position under GATS whereby a dispute may be brought before the Council for Trade in Services at the instigation of either party.

41. **Article 24** (Exchange of Information) obliges the exchange of taxpayer information between the Australian and Icelandic competent authorities that is foreseeably relevant for carrying out the provisions of the proposed Convention or for the administration or enforcement of domestic laws concerning taxes. The exchange of information is not restricted by Article 1 (Persons Covered) and Article 2 (Taxes Covered) (Article 24(1)). Article 24(2) imposes an obligation on the country receiving any such information to treat it as secret in the same manner as information obtained under its domestic laws. Article 24(3) clarifies that in no case shall the provisions of Article 24 be construed so as to impose on either country the obligation to provide assistance that would require it: (a) to carry out administrative measures at variance with the laws and administrative practice of that or of the other Contracting State; (b) to supply information which is not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State; (c) to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information the disclosure of which would be contrary to public policy (ordre public). Article 24 requires competent authorities to supply information even if they have no domestic interest in such information, or if the information is held by banks and other financial institutions. This latter feature prevents bank secrecy laws from impeding access to relevant information (Article 24(4) and (5)).

42. **Article 25** (Assistance in the Collection of Taxes) provides for the mutual cooperation in the collection of revenue claims. This assistance is not restricted by Articles 1 and 2 of the proposed Convention (Article 25(1)). The term "revenue claim" as used in this Article means an amount owed in respect of taxes of every kind and description imposed on behalf of the Contracting States (Article 25(2)). Article 25(3) provides that a revenue claim of a Contracting State may, upon the request of that Contracting State, be collected by the other Contracting State according to the laws of that Contracting State, including claims in respect of which measures of conservancy may be taken (Article 25(4)). A revenue claim under Article 25(3)-(4) shall not be subject to any time limits or accorded any priority by reason of its nature as such (Article 25(5)). Article 25(6) prohibits proceedings with respect to the existence, validity or amount of a revenue claim being brought in the courts or administrative bodies of the other Contracting State. Article 25(7) provides a mechanism for the withdrawal of a claim under Article 25(3)-(4). Article 25(8) confirms that the provisions of Article 25 shall not be construed to impose specified obligations on Australia, including the provision of assistance in cases where the administrative burden for that State is clearly disproportionate to the benefit to be derived by the other Contracting State (Article 25(8)(d)).

43. **Article 26** (Members of Diplomatic Missions and Consular Posts) provides that nothing in the proposed Convention will change the fiscal privileges under general rules of international law or special international agreements of members of diplomatic missions and consular posts.

44. **Article 27** (Entitlement to Benefits) includes a rule – based on an OECD/G20 BEPS recommendation - that denies benefits under the proposed Convention if it is reasonable to conclude having regard to all relevant facts and circumstances that one of the principal purposes of any arrangement or transaction resulting in that benefit is to take advantage of the proposed Convention, unless it is established that granting the benefit is in accordance with the object and purpose of the proposed Convention. As noted above, Article 27(4) provides that nothing in the proposed Convention shall prevent the application of any provision of the laws of a Contracting State which is designed to prevent the evasion or avoidance of taxes.

45. **Article 28** (Protocol) provides that the Protocol to the proposed Convention is an integral part of the treaty. The Protocol provides further clarification on the operation of particular provisions of the proposed Convention. These clarifications have been incorporated, where relevant, into the preceding discussion of the obligations of the proposed Convention.

46. **Article 29** provides for the entry into force of the proposed Convention.

## **Implementation**

47. Amendments to the *International Tax Agreements Act 1953* will be made prior to the proposed Convention entering into force, in order for Australia to comply with the treaty obligations contained in the proposed Convention. These amendments will be effected prior to the proposed Convention entering into force for Australia. No action is required by the States or Territories. The implementation of the proposed Convention will not affect the existing roles of the Commonwealth, or the States and Territories, in tax matters.

## **Costs**

48. The reciprocal nature of tax treaties means that both countries can expect direct costs and benefits to their revenue bases as a result of changes to their taxing rights and increased taxpayer compliance.

#### *Financial impact of the proposed Convention*

49. Treasury estimated the cost to receipts of the proposed Convention to be negligible over the four years to 2025-26.

50. No other material costs have been identified as likely to arise from the implementation of the proposed Convention.

51. As the proposed Convention is broadly based upon the OECD model tax treaty: the *Model Tax Convention on Income and on Capital*, it is expected to reduce compliance costs for those taxpayers with cross-border dealings between the two countries.

#### **Regulation Impact Statement**

52. The Office of Best Practice Regulation has advised Treasury that a Regulation Impact Statement is not required.

#### **Future treaty action**

53. The proposed Convention does not provide for the negotiation of future legally binding instruments, nor does it contain specific amendment procedures. Under **Article 39** of the *Vienna Convention on the Law of Treaties*, the proposed Convention may be amended from time to time by mutual consent of both Parties. Any such amendments would be subject to Australia's domestic treaty-making requirements, including tabling in Parliament and consideration by the Joint Standing Committee on Treaties.

#### **Withdrawal or denunciation**

54. **Article 30** provides that, following its entry into force, either country may terminate the proposed Convention by giving notice of termination, through diplomatic channels, at least six months prior to the end of any calendar year beginning after the expiration of five years from the date of entry into force of the proposed Convention. The proposed Convention would then cease to have effect in Australia:

- (i) in respect of withholding tax on income that is derived by a non-resident, in relation to income derived on or after 1 January next following the date on which the notice of termination is given;
- (ii) in respect of fringe benefits tax, in relation to fringe benefits provided on or after 1 April next following the date on which the notice of termination is given;
- (iii) in respect of other Australian tax, in relation to income of any year of income beginning on or after 1 July next following the date on which the notice of termination is given.

55. Any future termination of the proposed Convention by Australia will be subject to Australia's domestic treaty-making requirements.

**Contact details**

Tax Treaties Branch  
Corporate and International Tax Division  
Department of the Treasury

## ATTACHMENT ON CONSULTATION

### Convention between Australia and Iceland for the Elimination of Double Taxation with respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance

(Reykjavík, 12 October 2022)

[2022] ATNIA 10

[2022] ATNIF 20

#### CONSULTATION

56. On 15 September 2021, the then Treasurer announced Australia's intention to expand Australia's tax treaty network, including commencing tax treaty negotiations with India, Luxembourg and Iceland as part of the first phase of the program. On 16 September 2021, Treasury invited public submissions on the tax treaty program. 41 submissions were received from individuals, companies and professional bodies. A limited number of submissions raised negotiations with Iceland. Nevertheless, several submissions raised general tax treaty outcomes that should be negotiated, which Treasury considered throughout negotiations with Iceland.

57. Treasury also sought comments from the business community through the Tax Treaties Advisory Panel (TTAP) and no concerns were raised by TTAP in relation to a tax treaty with Iceland. Members of TTAP include:

- a. Australian airline industry representatives;
- b. Australian Banking Association;
- c. Australian Financial Markets Association;
- d. CPA Australia;
- e. Corporate Tax Association;
- f. Financial Services Council;
- g. Institute of Chartered Accountants in Australia;
- h. Law Council of Australia;
- i. Minerals Council of Australia;
- j. Property Council of Australia; and
- k. The Tax Institute.