



THE TAX INSTITUTE

7 May 2013

Senator Mark Bishop
Chair
Senate Economics Legislation Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Email: economics.sen@aph.gov.au

Dear Senator Bishop

Inquiry into the Tax Laws Amendment (Countering Tax Avoidance and Multinational Profit Shifting) Bill 2013

The Tax Institute was invited to give evidence to the Senate Economics Legislation Committee (the "Committee") on Tuesday, 30 April 2013 at a public hearing into the abovementioned Bill.

In response to that invitation Mr Damian Preshaw attended on behalf of The Tax Institute and gave evidence before the Committee. There was an error made by Mr Preshaw in his evidence and correction of the same is sought.

Reference is made to the extract from the bottom of page 29 and the top of page 30 of the Proof Committee Hansard of Tuesday 30 April 2013:

***"CHAIR:** That is a different issue. Mr Schurgott, you made some comments earlier on about small and medium enterprises already having to comply with transfer pricing laws—we accept that as taken. Then you put an argument that there had been insufficient consultation and the government was rushing this. The government has been engaging in consultation and negotiation for well over a year with both SMEs and the industry at large. Sooner or later there is enough consultation and government makes decisions, don't they? What is the difference between nine, 12 and 18 months?*

***Mr Schurgott:** Those observations were made by my friend Mr Preshaw rather than myself.*

***Mr Preshaw:** If you are happy, Senator, each schedule—the TP and the part IVA—could be addressed separately in the context of the extent and the nature of the consultation that has been undertaken. As you say,*

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both proposals have been out there for some time at some level. So I am happy to address the transfer pricing consultation. It is true that a discussion paper came out in November 2011, but the first exposure draft for the bill which is currently before this committee did not appear until earlier this year. So the consultation in the sense of rather than high-level principles but down at the level of detail is a matter for some concern. The consultation that was held with Treasury, which myself and Mr Seve participated in, was very much at the level of principles around the drafting of the law, and there was not sufficient time, in my view, for the detail—

CHAIR: *How long has the exposure draft been out?*

Mr Preshaw: *The exposure draft was issued in February this year. “*

On page 30, the Hansard Proof has accurately recorded Mr Preshaw's evidence as: “... *but the first exposure draft for the bill which is currently before this committee did not appear until earlier this year.*” and “**Mr Preshaw:** *The exposure draft was issued in February this year.*”

Mr Preshaw's evidence was incorrect and he should have stated “... *but the first exposure draft for the bill which is currently before this committee did not appear until November 2012.*” and “*The exposure draft was issued in November 2012*” respectively.

Mr Preshaw submits these corrections for the consideration of the Committee.

Mr Preshaw apologises for any inconvenience caused to the Committee due to these errors.

Kind regards,

Robert Jeremenko
Senior Tax Counsel

Mr Damian Preshaw
**Member of The Tax Institute's
International Sub-committee**