

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

2016 - 2017

Division/Agency: Financial System Division and Corporate and International Tax Division

Question No: 441

Topic: Tax Integrity Package / Multinational Tax

Reference: Written

Senator: Ketter, Chris

Question:

- 1) In April 2016, Minister Kelly O'Dwyer committed the Coalition to a register of ultimate beneficial ownership of shell companies. Was Treasury consulted on this announcement?
- 2) What advice did Treasury offer Minister O'Dwyer?
- 3) Since April, the Government has backtracked, and is only committed to 'exploring options'. Has Treasury started consultations on a beneficial ownership registry?
- 4) When would Treasury expect to begin consultations? What will be in the terms of reference?
- 5) What reasons are there for a delay in consultations, particularly given the Government committed to such a register?
- 6) In the 2016-17 Budget, the Government announced better protection for whistleblowers – what consultation is Treasury doing?
- 7) Has Treasury begun consultation / when? Which stakeholders? Will submissions be made public?
- 8) The 2016-17 Budget announced a Diverted Profits Tax. When can Parliament expect to see legislation on this measure? Why is there a delay?

Answer:

In May 2016 the Government announced at the UK Anti-Corruption Summit that it will undertake a public consultation process to explore the option of introducing a beneficial ownership register for companies.

On 31 October 2016, the Government released for consultation Australia's first Open Government National Action Plan. The Plan includes an objective to improve transparency of information on beneficial ownership and control of companies available to competent authorities. It proposes there will be public consultation seeking views on the details, scope and implementation of a beneficial ownership register for companies by the end of 2016.

The Government announced in the 2016-17 Budget new protections for people who disclose information about tax misconduct to the ATO, which will take effect from 1 July 2018. The National Action Plan (referred to above) proposes to release a public consultation paper on new tax whistle-blower protections, as well as options to strengthen and harmonise corporate whistle-blower protections with those in the public sector, by the end of 2016.

The Diverted Profits Tax applies from the income year commencing 1 July 2017. The legislation for the Diverted Profits Tax will be introduced into Parliament with sufficient time for passage before the commencement date.