



18 May 2007

Mr Peter Hallahan
Committee Secretary
Senate Economics Committee
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Mr Hallahan

RE: Tax Laws Amendment (2007 Measures No. 3) Bill 2007

The Asia Pacific Loan Market Association (**APLMA**) thanks you for again providing this opportunity to provide its views in relation to the proposed amendments to section 128F of the *Income Tax Assessment Act 1936* set out in Schedule 7 to *Taxation Laws Amendment (2007 Measures No. 3) Bill 2007* ("**the Bill**").

In short APLMA fully supports these proposed amendments.

Indeed, we are pleased to advise the Committee that, in relation to Schedule 7 of the Bill, these proposed amendments have adequately dealt with the concerns we previously raised with the Committee in February this year.

The members of the Australian Branch of the APLMA represent all the significant financial institution participants in the syndicated loan finance market in Australia. The volume of syndicated loan facilities in 2006 in Australia amounted to A\$85 billion indicating the importance of this sector of the capital markets within the Australia economy. (Source: Thomson)

Schedule 7 to the Bill expressly incorporates into section 128F an interest withholding tax exemption for "syndicated loans" that are provided under large multi-lender facilities which have satisfied the requirements of the "public offer test" as set out in that section. By including this express exemption and dealing with other technical shortcomings in the current section 128F, these amendments eliminate significant uncertainty that has existed within the Australian syndicated loan market for a number of years.

Asia Pacific Loan Market Association Limited, Australian Branch
ACN 087 947 037
C/- BNP Paribas
GPO Box 269
Sydney NSW 2001



These proposed amendments as set in Schedule 7 to the Bill now provide a firm foundation for this important Australian market and will facilitate Australia being able to access offshore capital for major infrastructure projects and other requirements on a more competitive basis.

Once again, thank you for the opportunity to make this submission.

Yours faithfully

Wayne Green
Chairman
Asia Pacific Loan Markets Association Limited
Australian Branch
Ph: (02) 9619 6364

Attachment

cc: Phil Lindsay, Office of the Minister
Michael Rawstron, Treasury



APLMA MEMBERS

Full Members

ABN Amro Bank
 Agricultural Bank of China
 Allen & Overy
 Allens Arthur Robinson
 Allied Irish Bank
 ANZ Investment Bank
 Aozora Asia Pacific Finance Ltd.
 Baker & McKenzie
 Banc of America Securities Asia Limited
 Banco Bilbao Vizcaya Argentaria
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 Westpac Banking Corporation

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<p><u>Associate Members</u></p> <p>Aareal Financial Services (Singapore) Pte Ltd. ACBS Arab Bank plc Arcapita Bank B.S.C.(c) Bank of Shanghai BGC International BOS International (Australia) Limited Chinatrust Commercial Bank CITIC Capital Markets Commerz (East Asia) Corrs Chambers Westgarth Depfa Investment Bank Ltd. Dexia Credit Local Asia Pacific Pty Ltd. Dibb Lupton Alsop Drew & Napier LLC DZ Bank Euroweek Fitch Ratings Freshfields Bruckhaus Deringer Gadens Lawyers Sydney Pty Limited Gallant Y. T. Ho & Co. Gilbert & Tobin Heller Ehrman Herbert Smith ICICI Bank Ltd Indover Bank (Asia) Limited International Finance Corporation Intralinks Kelly & Co Lawyers Korea Exchange Bank</p>	<p>Lee & Ko Markit Group Limited Merrill Lynch Japan Securities Co., Ltd. Middletons Lawyers Morrison & Foerster LLP Nanyang Commercial Bank NM Rothschild & Sons (Australia) Limited OCBC Paul, Hastings, Janofsky & Walker Raiffeisen Zentralbank Oesterreich AG Rajah & Tann Richards Butler Rodyk & Davidson Royal Bank of Canada Shanghai Pudong Development Bank Sidley Austin Brown & Wood Simmons & Simmons Skadden, Arps, Slate, Meagher & Flom LLP Slaughter and May St. George Bank Limited Standard Merchant Bank Asia Ltd Sumitomo Trust & Banking Co. Ltd. Singapore Branch Suncorp-Metway Ltd. Tai Fung Bank Taiwan Business Bank The Export-Import Bank of China Trade & Development Bank of Mongolia VTB Bank Europe plc White & Case</p>
<p><u>Single Centre Members</u></p> <p>DNC Advocates at Work LehmanBrown Accounting and Financial Consulting Ltd</p>	
<p><u>Honorary Members</u></p> <p>Bangko Sentral ng Pilipinas Bank Indonesia Hong Kong Monetary Authority (HKMA) Japan Syndication & Loan Trading Association (JSLA)</p>	<p>Loan Market Association (LMA) Loan Syndications and Trading Association (LSTA) Monetary Authority of Singapore (MAS)</p>