



20 January 2009

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

By email: [economics.sen@aph.gov.au](mailto:economics.sen@aph.gov.au)

Dear Sir or Madam

### **Tax Laws Amendment (Taxation of Financial Arrangements) Bill 2008**

The Institute of Chartered Accountants welcomes the opportunity to make a submission to the Senate Standing Committee on Economics in relation to its inquiry into the *Tax Laws Amendment (Taxation of Financial Arrangements) Bill 2008* (the Bill).

The Institute is the leading professional accounting organisation in Australia, representing over 48,000 members in public practice, commerce, academia, government and the investment community. The Institute's members are advisers to businesses at all levels, from small and medium sized businesses to the largest global corporations operating in Australia and overseas.

The Institute commends the Government for introducing the Bill which implements Stages 3 & 4 of the Taxation of Financial Arrangements (TOFA) reforms, being the final tranche of the TOFA reforms. The Institute is pleased that the Government has adopted a number of recommendations raised by the Institute and other professional and industry bodies during previous consultation processes, including the recent public consultation on the exposure draft released on 1 October 2008.

The Institute recommends to the Committee that the Bill be passed expeditiously so businesses can commence implementation planning for the 1 July 2010 start date (or 1 July 2009 for those taxpayers who choose to apply the new rules from then).

As more detailed analysis and practical implementation of the measures takes place across business community, we envisage that issues will arise which will warrant further refinements and adjustments to the legislation. Such future amendments are likely to include outstanding changes recommended by the Institute during the previous consultation processes. The Institute believes that the need for future amendments reflect the fact that the Bill deals with many aspects of complex financial arrangements that will often interact with other provisions in the income tax law.

We would encourage the Government to ensure that Treasury continues to consult with stakeholders and, where necessary, makes adjustments to the legislation as necessary before the commencement date. The Institute submits that amending legislation should ideally be scheduled for 2009, rather than being delayed until 2010, as taxpayers will need appropriate lead time to develop and finalise their systems, procedures and compliance processes.

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Should you have any questions please do not hesitate to contact Yasser El-Ansary on 02 9290 5623 or Linda Wang on 02 9290 5750.

Yours faithfully

A handwritten signature in black ink, appearing to read "Grahame Myer". The signature is fluid and cursive, with a long horizontal stroke at the end.

Grahame Myer  
Chief Executive Officer  
The Institute of Chartered Accountants in Australia