The Senate

Economics Legislation Committee

Tax Laws Amendment (Combating Multinational Tax Avoidance) Bill 2015 [Provisions]

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Senate Economics Legislation Committee

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Chapter 1

Background to the inquiry

1.1 On 17 September 2015, the Senate referred the provisions of the Tax Laws Amendment (Combating Multinational Tax Avoidance) Bill 2015 (the bill) to the Senate Economics Legislation Committee for inquiry and report by 9 November 2015.[1]

1.2 Schedule 1 of the bill would amend the *Income Tax Assessment Act 1997* to include a standard and centralised set of concepts that can be used to determine whether an entity is a 'significant global entity'. The concept of a 'significant global entity' is used in all three measures in the bill as part of the 'combating multinational tax avoidance' package announced in the 2015–16 Budget.[2]

1.3 Schedule 2 of the bill would amend the anti-avoidance provisions in the *Income Tax Assessment Act 1936* to introduce the multinational anti-avoidance law (MAAL). The MAAL is designed to counter the erosion of the Australian tax base by multinational entities using artificial or contrived arrangements to avoid the attribution of business profit to Australia through a taxable presence in Australia.[3]

1.4 Schedule 3 of the bill would amend the *Tax Administration Act 1953* to double the penalties imposed on significant global entities that enter into tax avoidance or profit shifting schemes. The amendments will not apply to taxpayers that adopt a tax position that is reasonably arguable.[4]

1.5 Schedule 4 of the bill would implement Action 13 of the G20 and the Organisation for Economic Cooperation and Development's (OECD's) *Action Plan on Base Erosion and Profit Shifting*, which concerns transfer pricing documentation and Country-by-Country reporting, into Australian law.[5]

1.6 This chapter outlines the background of the bill, provides an overview of each schedule separately, and summarises the consultation process.

Conduct of the inquiry

1.7 The committee advertised the inquiry on its website and wrote to a range of individuals and organisations inviting written submissions. The committee received 16 submissions, which are listed at Appendix 1.

1.8 The committee thanks all who contributed to the inquiry.

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1 *Journals of the Senate*, No. 118, 17 September 2015, p. 3146.

2 *Explanatory Memorandum*, p. 7.

3 *Explanatory Memorandum*, pp. 7–8.

4 *Explanatory Memorandum*, p. 9.

5 *Explanatory Memorandum*, p. 10.

Background to the bill

1.9 Corporate tax avoidance is a significant concern to the general public and governments globally. Recognising this, governments have been proactively supporting the development of coordinated solutions to address issues associated with multinational taxation through the G20 and the OECD.

1.10 The Australian Government is taking a lead role in the push for multinationals to pay their fair share of tax and is committed to G20/OECD's Base Erosion and Profit Shifting (BEPS) project, which aims to restore fairness in the international tax system and ensure that entities pay tax where they have earned profits.[6]

1.11 As President of the G20 in 2014, Australia led progress on the BEPS action plan. The then Treasurer, the Honourable Joe Hockey MP, emphasised that:

> …the Government is committed to a fair and efficient tax system.
>
> We are determined that multinational tax payers will not be able to avoid their Australian tax obligations by shifting their international profits to low tax or no tax jurisdictions…
>
> We will continue to monitor our domestic laws in response to the changing international economy, and make sure they remain effective in countering arrangements designed to shift profits out of Australia.[7]

1.12 The rhetoric to combat multinational tax avoidance was supported by a package of measures in the 2015–16 Budget. This package included action on four of the 2014 BEPS recommendations, namely:

- implementing the OECD's Country-by-Country reporting regime from 1 January 2016;
- incorporating the OECD's treaty abuse rules into our treaty practice;
- asking the Board of Taxation to consult on the implementation of the OECD's anti-hybrid rules; and
- the Australian Taxation Office (ATO) commencing exchange of information on preferential tax rulings.[8]

1.13 The government also noted that, while the OECD work was essential, immediate action was required to ensure that Australia's tax laws were fit to deal with the most egregious tax avoidance arrangements. Accordingly, the 2015–16 Budget included a number of domestic measures, including:

- introducing a MAAL to strengthen the existing tax avoidance laws;

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6 *Explanatory Memorandum*, p. 13.

7 *Ministerial Statement on G20-OECD Tax and Transparency*, Speech 14-2014, 4 September 2014, http://jbh.ministers.treasury.gov.au/speech/014-2014/ (accessed 12 October 2015).

8 *Explanatory Memorandum*, p. 13.

- improving the integrity of the tax system by ensuring the goods and services tax (GST) applies to digital products and services imported by Australian consumers; and
- doubling penalties for large companies engaging in tax avoidance and profit shifting.[9]

1.14 This bill implements the MAAL, increased penalties and the G20/OECD's BEPS recommendation on Country-by-Country reporting for companies that are considered to be significant global entities.[10]

1.15 According to the Explanatory Memorandum, the measures are targeted at these entities because large multinationals have the greatest opportunities to avoid tax through offshore activities and represent the highest risk to Australia's tax base. This approach is consistent with the government's commitment to deregulation and supporting small business, and with the recommended approach of the G20/OECD on Country-by-Country reporting.[11]

Schedule 1: Significant Global Entity

1.16 The package of measures in this bill is targeted at entities that are part of multinational groups that earn significant amounts of income worldwide. The definition of a significant global entity is used to determine which groups are captured by the other measures in the bill.[12] However, no such concept currently exists in tax law that adequately captures the definition of a significant global entity.

1.17 Accordingly, the bill introduces a new concept into tax law that can give clarity to taxpayers about whether they are within scope of the measures to which this definition applies. It does this through amending the *Income Tax Assessment Act 1997* (ITAA 1997) to include a standard and centralised set of concepts that can be used to determine whether an entity is a significant global entity. Specifically, Schedule 1 inserts a new concept into Division 960 of the ITAA 1997 to allow for each measure of the bill to reference a centralised definition of significant global entity.[13]

1.18 A significant global entity is defined as:

- a 'global parent entity' with 'annual global income' of A$1 billion or more; or
- a member of a group of entities that are consolidated for accounting purposes as a single group, and the global parent entity of the group has annual global income for the period of A$1 billion or more.[14]

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9 *Explanatory Memorandum*, p. 14.

10 *Explanatory Memorandum*, p. 14.

11 *Explanatory Memorandum*, p. 15.

12 *Explanatory Memorandum*, p. 15.

13 *Explanatory Memorandum*, pp. 15-16.

14 *Explanatory Memorandum*, p. 16.

1.19 The bill relies on a number of other definitions—that is, 'global parent entity', 'annual global income' and 'global financial statements'—in order to define a 'significant global entity'.

1.20 A 'global parent entity' is an entity that is not controlled by another entity according to accounting principles, or, where accounting principles do not apply to the commercial entity, commercially accepted principles related to accounting. A global parent entity would usually be a member of a group of entities where the global parent entity is one that is not controlled by any other entity. Subsidiaries of the global parent entity may be located in other jurisdictions. However, it is possible that a global parent entity may be a single entity that does not control any other entities.[15]

1.21 A global parent entity's 'annual global income' for a period is the total annual income of the entity as shown in total or disclosed in parts in its latest global financial statements for the period. Where the global parent entity is a member of a single group of entities that are consolidated for accounting purposes, the global parent entity's 'annual global income' for a period is the total of the annual global income amounts of the consolidated group.[16]

1.22 When calculating the annual global income, it may be necessary to translate amounts into Australian currency. For the purposes of this bill, the currency conversion would be completed on the basis of the average exchange rate for the period which the statements are prepared. The entity is required to obtain exchange rates to develop an average exchange rate for the period, either from one or more sources that are not associates of the entity or from sources specified by the Commissioner of Taxation (Commissioner) in a notice to the entity. The notice from the entity would not be a legislative instrument.[17]

1.23 Some global parent entities may not be required to prepare a global financial statement. The bill would allow the Commissioner to make a determination on the basis of information that is available, where the Commissioner reasonably believes that the entity's annual global income would have been A$1 billion or more. In such circumstances, the Commissioner would be required to give notice of the determination to the global parent entity or to an entity that becomes a significant global entity as a result of the determination. The Commissioner's determination would not be a legislative instrument. The determination is reviewable but objections cannot be made with respect to procedural irregularities in the process of making the determination and must instead be made on substantive grounds.[18]

1.24 'Global financial statements' of an entity are the financial statements that have been prepared in accordance with accounting principles and auditing principles which ensure the statements give a true and fair view of the financial position and

15 *Explanatory Memorandum*, p. 17.

16 *Explanatory Memorandum*, p. 17.

17 *Explanatory Memorandum*, pp. 18-19.

18 *Explanatory Memorandum*, pp. 19-20.

performance of the entity (or the entity and the other entities on a consolidated basis).[19]

Schedule 2: Multinational anti-avoidance law

1.25 Schedule 2 is intended to ensure that multinational entities cannot use complex, contrived and artificial schemes to escape paying Australian tax. It targets those multinational entities that:

- avoid a taxable presence by booking their revenue offshore despite undertaking significant work in Australia with direct connection to Australian sales; and
- have a principle purpose of avoiding tax in Australia or reducing their foreign tax liability.[20]

1.26 The measure clarifies that a limited and clearly egregious set of circumstances involving sales to Australian customers by foreign multinationals are considered to be tax avoidance.[21]

1.27 The bill amends anti-avoidance rules in Part IVA of the *Income Tax Assessment Act 1936* (ITAA 1936) to negate certain tax avoidance schemes used by multinational entities to artificially avoid the attribution of profits to a permanent establishment in Australia. Schedule 2 inserts section 177DA into the ITAA 1936 to define schemes that limit a taxable presence in Australia and makes a number of consequential amendments to section 177 and subparagraph 284–145 of the *Taxation Administration Act 1953*.

1.28 The MAAL does not limit the application of the existing anti-avoidance rule in Part IVA, and accordingly section 177D of the ITAA can still apply to schemes involving permanent establishments. The MAAL would only apply to foreign entities that are significant global entities.[22]

1.29 The MAAL will apply to a scheme if under, or in connection with, the scheme:

- a foreign entity makes certain supplies to an Australian customer;
- activities are undertaken in Australia directly in connection with the supply;
- some or all of those activities are undertaken by an Australian entity (or an Australian permanent establishment of an entity) that is an associate of, or is commercially dependent on, the foreign entity;
- the foreign entity derives ordinary or statutory income from the supply; and

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19 *Explanatory Memorandum*, p. 20.

20 *Explanatory Memorandum*, p. 23.

21 *Explanatory Memorandum*, p. 24.

22 *Explanatory Memorandum*, p. 24.

- some or all of that income is not attributable to an Australian permanent establishment of the foreign entity.[23]

1.30 For the measure to apply, the scheme must involve activities being undertaken in Australia that are directly connected with the supply to Australian customers. Some or all of the activities connected with the supply to Australian customers need to be undertaken by an Australian entity or undertaken at or through an Australian permanent establishment of an entity. The measure will only apply to schemes where the Australian entity (or the entity with a permanent establishment in Australia) that is undertaking some or all of this activity is an associate of the foreign entity, or is commercially dependent on the foreign entity.[24]

1.31 The measure applies a purpose test that is satisfied if it would be concluded, having regard to certain matters, that the scheme was entered into or carried out for the principal purpose of, or for more than one principal purpose that includes the purpose of, enabling a taxpayer (or taxpayers) to obtain a tax benefit or obtain a tax benefit and reduce foreign tax liabilities in connection with the scheme. This includes the deferral of a taxpayer's liabilities to tax under a foreign law unless there are reasonable commercial grounds for the deferral.[25]

1.32 The Commissioner will have regard to whether certain matters apply to satisfying the purpose test, including those matters listed in subsection 177D(2) that apply to the general anti-avoidance law, and two additional matters that consider factors specific to the kinds of schemes intended to be caught by the measure. The first additional matter is that regard must be had to the extent to which the activities that contribute to bringing about the contract for supply are performed, and are able to be performed by: the foreign entity; an Australian-based entity; or, any other entities. The second additional matter requires consideration of the result, in relation to the operation of any foreign law relating to taxation, that (but for the measure) would be achieved by the scheme.[26]

1.33 Where a scheme is captured by the MAAL, the Commissioner has the power to make a determination under Part IVA of the ITAA 1936 and, based on a reasonable alternative postulate, apply the tax rules as if the foreign entity had been making a supply through an Australian permanent establishment. The quantum of tax benefit obtained under the scheme will depend on the facts and circumstances of the case. It is likely, however, to include the ordinary and statutory income from the supply that would have been attributable to an Australian permanent establishment of the foreign entity, subject to any compensating adjustments allowing for deductions. The quantum of the tax benefit obtained would also take into account obligations arising under Australia's royalty and interest withholding tax rules.[27]

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23 *Explanatory Memorandum*, pp. 26–27.

24 *Explanatory Memorandum*, pp. 29–31.

25 *Explanatory Memorandum*, pp. 32 and 35.

26 *Explanatory Memorandum*, pp. 36–39.

27 *Explanatory Memorandum*, p. 25.

1.34 The Explanatory Memorandum includes a direct comparison of the key features of the new law and the current law, which is reproduced below in Table 1.1.[28]

Table 1.1: Comparison of key features of new law and current law in Schedule 2

New law	***Current law***
A taxpayer who obtains a tax benefit under a scheme (involving the avoidance of the attribution of income to an Australian permanent establishment) that was entered into or carried out for the principal purpose of, or for more than one principal purpose that includes a purpose of obtaining a tax benefit or both obtaining a tax benefit and reducing or deferring a foreign tax liability under the scheme, may have their tax benefit cancelled by the Commissioner under Part IVA. This would apply only to a taxpayer if the scheme relates to a foreign entity that is a 'significant global entity'. The current law position will also continue to apply to all taxpayers.	A taxpayer who obtains a tax benefit under a scheme (including involving the avoidance of the attribution of income to an Australian permanent establishment) that was entered into or carried out for the sole or dominant purpose of obtaining a tax benefit under that scheme, may have their tax benefit cancelled by the Commissioner under Part IVA.

Schedule 3: Scheme penalties for significant global entities

1.35 Schedule 3 is intended to help deter tax avoidance by increasing the maximum administrative penalties that can be applied by the Commissioner to large multinationals which enter into tax avoidance or profit shifting schemes.[29]

1.36 The bill amends section 284–155 of the *Tax Administration Act 1953* to double the penalty imposed for entering into a tax avoidance or profit shifting scheme for significant global entities that do not have a reasonably arguable position. The amendments do not apply to taxpayers who have a reasonably arguable position on the application of the relevant adjustment provision.[30]

1.37 The Explanatory Memorandum provides a table that sets out the new penalties that apply under the measure, which is reproduced in Table 1.2.[31]

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28 *Explanatory Memorandum*, p. 25.

29 *Explanatory Memorandum*, p. 53.

30 *Explanatory Memorandum*, pp. 54–55.

31 *Explanatory Memorandum*, p. 56.

Table 1.2: Scheme penalty amounts for significant global entities
Penalties as a percentage of tax avoided

Culpable behaviour	*Base penalty amount*	*Aggravating factors apply*	*Disclosure during examination*	*Disclosure before examination*
Tax avoidance schemes* [if position is reasonably arguable]	100 [25]	120 [30]	80 [20]	20 [5]
Profit-shifting schemes [if position is reasonably arguable]	50 [10]	60 [12]	40 [8]	10 [2]

* Tax avoidance schemes include profit-shifting schemes where the taxpayer has a sole or dominant purpose of obtaining a transfer pricing benefit from the scheme.

1.38 The Explanatory Memorandum includes a direct comparison of the key features of the new law and the current law, which is reproduced below in Table 1.3.[32]

Table 1.3: Comparison of key features of new law and current law in Schedule 3

New law	*Current law*
The maximum penalty applicable is generally 100 per cent of the amount of tax avoided under the scheme (but can be up to 120 per cent where aggravating factors apply). The increased penalty only applies to significant global entities. Taxpayers that adopt a tax position that is reasonably arguable will not be liable to increased penalties.	Administrative penalties are imposed on taxpayers that enter into tax avoidance or profit shifting schemes. The maximum penalty applicable is generally 50 per cent of the amount of tax avoided under the scheme (but can be up to 60 per cent where aggravating factors apply).

Schedule 4: Country-by-Country reporting

1.39 Australia's transfer pricing rules seek to ensure that an appropriate return for the contribution made by the Australian operations of a multinational is taxable in Australia. These rules provide a legislative framework, based on the arm's length

32 *Explanatory Memorandum*, p. 54.

principle, which ensures that an entity's tax position is consistent with that of an independent entity dealing wholly independently with others.[33]

1.40 Action 13 of the BEPS Action Plan recognises that enhancing tax transparency for tax administrations, by providing them with adequate information to conduct transfer pricing risk assessments, is an essential part of tackling profit shifting.

1.41 The G20/OECD report on Action 13, *Guidance on Transfer Pricing Documentation and Country-by-Country Reporting*, sets out revised standards for transfer pricing and recommends that jurisdictions require multinationals to provide information through three reports—a 'CbC' report, a 'master file', and a 'local file'. These reports will provide a clear overview of key financial and operational metrics relevant to a global group, as well as their Australian operations. As such, it will assist the ATO and other tax authorities to assess transfer pricing risks and, when necessary, to commence and target audit enquiries.[34]

1.42 An entity subject to these reporting obligations will need to provide each of the following statements to the Commissioner:

- a master file providing an overview of the multinational enterprise group business, including the nature of its global business operations, its overall transfer pricing policies, and its global allocation of income and economic activity;
- a local file focusing on specific transactions between the reporting entity and its associated enterprises in other countries, as well as the amounts involved in those transactions, and the entity's analysis of transfer pricing determinations that it has made; and
- a CbC report containing certain information relating to the global allocation of the multinational enterprise's income and taxes paid together with certain indicators of the location of economic activity within the multinational enterprise group.[35]

1.43 The OECD envisages that CbC reports will be automatically exchanged between jurisdictions. This means that CbC reports will be filed in the jurisdiction of the global parent entity and automatically exchanged with tax authorities in other jurisdictions in which the group operates. Australia envisages making CbC reports filed in Australia available for exchange under such arrangements, and receiving CbC reports from other jurisdictions.[36]

1.44 This measure implements Action 13 of the BEPS Action Plan by inserting subdivision 815-E (Reporting obligations for significant global entities) into

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33 *Explanatory Memorandum*, p. 59.

34 *Explanatory Memorandum*, p. 60

35 *Explanatory Memorandum*, p. 63.

36 *Explanatory Memorandum*, p. 60.

Division 815 of the *Income Tax Assessment Act 1997*. The subdivision requires significant global entities that are Australian residents or foreign residents with an Australian permanent establishment to provide a CbC report, a master file and a local file to the Commissioner in an approved form within 12 months of the end of the income year to which the statement relates.[37]

1.45 The Commissioner may allow an entity to submit one or more statements in relation to a 12 month period other than an income year. This allows some flexibility in situations where an Australian subsidiary has a different income year from its parent company and may be required to submit both a local file (relating to its income year) and a CbC report (relating to its parent's income year).[38]

1.46 The Commissioner may also exclude specific entities from having to provide a statement depending on the risk profile of the local entity, the compliance burden and whether the relevant statement(s) will be received by alternative means (such as through automatic exchange of information provisions).[39]

1.47 The Explanatory Memorandum includes a direct comparison of the key features of the new law and the current law, which is reproduced below in Table 1.4.[40]

Table 1.4: Comparison of key features of new law and current law in Schedule 4

New law	***Current law***
Entities with annual global revenue of A$ billion or more must provide the following three statements to the Commissioner: • the CbC report; • a master file; and • a local file. Entities with annual global revenue under A$1 billion do not need to provide these statements. All entities must continue to maintain specific transfer pricing document to maintain a reasonably arguable transfer pricing position.	In order to have a reasonably arguable position in relation to a transfer pricing position, an entity must maintain specific transfer pricing documentation.

37 *Explanatory Memorandum*, p. 61.

38 *Explanatory Memorandum*, p. 62.

39 *Explanatory Memorandum*, p. 62.

40 *Explanatory Memorandum*, p. 61.

Consultation on the bill

1.48 As noted above, the 2015–16 Budget announced the government's intention to introduce a MAAL, CbC reporting and stronger penalties for multinational tax avoidance.[41]

1.49 An exposure draft of the multinational anti-avoidance law was released on 12 May 2015 by Treasury and submissions were invited. Treasury received 20 submissions by the closing date of 9 June 2015, of which 2 were confidential.[42]

1.50 An exposure draft of the Country-by-Country reporting and stronger penalties was released on 6 August 2015 and submissions were invited. Treasury received 15 submissions by the closing date of 2 September 2015, of which 3 were confidential.[43]

1.51 The Explanatory Memorandum indicates that a number of changes were made to the measures as a result of the consultation process.[44]

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41 *Budget 2015: Fairness in Tax and Benefits*, pp. 7–8.

42 Treasury, *Tax Integrity: Multinational Anti*-*avoidance Law*, http://www.treasury.gov.au/ConsultationsandReviews/Consultations/2015/Tax-Integrity-Law (accessed 15 October 2015).

43 Treasury, *Multinational tax avoidance - Country-by-Country reporting and stronger penalties*, http://www.treasury.gov.au/ConsultationsandReviews/ Consultations/2015/Multinational-tax-avoidance (accessed 15 October 2015).

44 *Explanatory Memorandum*, p. 89.

Chapter 2

General concerns with the bill

2.1 This chapter explores the general concerns raised by stakeholders in relation to the bill.

2.2 The views expressed by stakeholders were largely split between those that sought international consistency in the approach to base erosion and profit shifting (BEPS), and those that considered the bill did not go far enough to address the BEPS problem. A number of submissions also called for a post-implementation review.

Addressing multinational tax avoidance

The provisions of the bill do not go far enough

2.3 A number of stakeholders broadly supported the bill as a 'step in the right direction' but considered that it did not go far enough to address the risks posed by BEPS.[1] For example, the Tax Justice Network Australia did not believe that the bill by itself would be enough to address the problem of tax avoidance on its own.[2]

2.4 Mr Martin Lock, a former employee of the ATO, was more forthright is his analysis and concluded that:

> Rather than confront the problem of tax base erosion by foreign and Australian multinational companies who increasingly exploit or circumvent our outdated and cumbersome tax regime…the Bill merely tinkers at the edge of the law by proposing insignificant changes to an inherently obtuse and uncertain anti-avoidance provision.[3]

2.5 Some stakeholders had concerns about the efficacy of the bill. For example, the CPSU indicated that its members:

> …have expressed an expectation that there may be a range of new tax avoidance techniques that are adopted in response to the Commonwealth's package.[4]

2.6 And this view was supported by the Tax Justice Network Australia which contended that multinational enterprises:

> …may seek other methods to avoid paying taxes in Australia on their profits made here [in Australia].[5]

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1 See, for example, Greenpeace Australia Pacific, *Submission 2*; CPSU, *Submission 4*; and, Tax Justice Network Australia, *Submission 10*.

2 *Submission 10*, p. [10].

3 *Submission 9*, p. 6.

4 *Submission 4*, p. [2].

5 *Submission 10*, p. 1.

2.7 In addition, Greenpeace Australia Pacific believed the proposed laws would make already complex taxation laws more complex and still be vulnerable to new tax avoidance strategies.[6]

Overlap with the international base erosion and profit shifting project

2.8 Other stakeholders raised concerns about Australia implementing unilateral actions to address BEPS in advance of a coordinated response being agreed to by the G20/OECD BEPS Project.[7] The Tax Institute noted that:

> The Bill seeks to move ahead of the OECD process which has better prospects of effectively addressing deficiencies as it involves multilateral cooperation.[8]

2.9 KPMG indicated that, by acting alone, Australia may:

> …create a harmful precedent—that of addressing international tax issues unilaterally, rather than adopting globally coordinated measures—and damage international consensus.[9]

2.10 The Commissioner indicated that the proposed bill was consistent with the direction of the G20/OECD BEPS Project:

> When we talk about the MAAL [multinational anti-avoidance law] being superseded by the OECD rules, well, I do not agree with that, because whatever the rules are, whatever the OECD action item rules that become adopted are, this a good little safety net to have sitting there in the future.[10]

2.11 The Australian Financial Markets Association noted that the bill's scope may be wider than just the most egregious tax avoidance arrangements and, as such, may have unintended consequences that have:

> …real potential to increase Australia's sovereign risk and undermine our attractiveness as [a] destination for foreign capital.[11]

2.12 That said, the CPSU cited the European Network on Debt and Development which has concerns about the ability of the BEPS package to ensure that multinational corporations pay taxes in the jurisdictions where the economic activity takes place and value is created.[12]

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6 *Submission 2*, p. [7].

7 See, for example, Australian Financial Markets Association, *Submission 6*; KPMG, *Submission 3*; Law Council of Australia, *Submission* 14; and, GSK, *Submission 11*.

8 *Submission 12*, p. 1.

9 *Submission 3*, p. 1.

10 Mr Chris Jordan, Australian Taxation Office, *Proof Committee Hansard*, Senate Economics Legislation Committee Supplementary Estimates 2015–16, p. 41.

11 *Submission 6*, p. 2.

12 *Submission 4*, p. [3].

Committee view

2.13 The committee believes that Australia has some of the strongest tax integrity rules in the world and that the measures in this bill, along with other budget measures, will strengthen the tax system even further. According to the Treasurer:

> The strong measures already taken by the Australian Government are entirely consistent with the final OECD recommendations. The Government's measures attack the heart of multinational tax avoidance problem, whilst ensuring Australia remains an attractive and competitive place to do business.[13]

2.14 Accordingly, the committee considers that the provisions of the bill strike the right balance between addressing tax avoidance and not placing excessive compliance burdens on business, particularly small and medium enterprises. Further, the committee is satisfied that the measures are consistent with the G20/OECD proposals.

General provisions of the bill

Commencement date

2.15 The measures proposed in the bill are due to apply from 1 January 2016. Given that the bill is unlikely to be passed until very late in 2015, stakeholders were concerned that affected companies may not have sufficient time to organise their affairs, particularly in relation to Country-by-Country reporting, to facilitate compliance by 1 January 2016.

2.16 EY contended that it was not feasible to have a commencement date such a short time after the bill's enactment and suggested that the commencement date be no earlier than for income years commencing on or after 1 July 2016.[14] Similarly, the Tax Institute submitted that the proposed application date should be deferred by at least 6 months but preferably no less than 12 months, or that penalties should not be imposed in the first year of application.[15]

2.17 The committee notes that the bill gives the Commissioner some flexibility in implementation. In relation to the MAAL specifically, the Explanatory Memorandum noted that:

> The ATO has indicted that it can adopt a flexible approach to administering the law for companies that are in the process of restructuring but do not have their new arrangements in place on 1 January 2016. For multinationals that voluntarily approach the ATO, penalties can be waived and specific arrangements can be made regarding compliance.[16]

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13 The Hon. Scott Morrison MP, *OECD report supports Australian Government action on multinational tax avoidance*, Media Release, 6 October 2015, http://sjm.ministers.treasury.gov.au/media-release/003-2015/ (accessed 19 October 2015).

14 *Submission 5*, p. 4.

15 *Submission 12*, p. 4.

16 *Explanatory Memorandum*, p. 93.

Enforcement

2.18 The Australia Institute noted the OECD's concerns that tax avoidance is aggravated by limited enforcement resources. It questioned whether the forward estimates will be sufficient to cover court and other costs to counter litigious multinationals, and what would happen if there was a 'cost blowout'.[17]

2.19 The CPSU also raised concerns about staffing and resources, and, in their opinion:

> If the Commonwealth is serious about tackling multinational tax avoidance, the ATO will require significantly higher levels of staffing and resourcing.[18]

2.20 In response, the ATO has repeatedly contended at Estimates hearings and hearings of the Senate Economics References Committee that it is able to discharge its duties adequately, including tackling multinational tax avoidance, with current resourcing levels. Indeed, the Commissioner has indicated previously that:

> I am very proud of the ability, expertise and integrity of the people we have working on our large corporate cases and I am extremely confident of our capability moving forward.[19]

Post-implementation review

2.21 Given the overlap of the bill with the work of the OECD, a number of submissions called for a post-implementation review.[20] KPMG indicated that it will be important to align the implementation of Country-by-Country in Australia with the OECD Implementation Guidance in order to maximise the benefits and reduce the compliance costs of standardised global reporting.[21]

2.22 Chartered Accountants Australia and New Zealand noted the potential for double taxation to arise and looked to ensure consistency with other jurisdictions in approach taken for the MAAL. They went on to submit that:

> …the Government should introduce the MAAL with a formal commitment to review the appropriateness of the law in say three years, when Australia's position on the planned multilateral instrument to amend double tax agreement is known.[22]

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17 *Submission 7*, p. 6.

18 *Submission 3*, pp. [3-4].

19 *Senate Economics References Committee Hansard*, 22 April 2015, p. 2.

20 See, for example, KPMG, *Submission* 3; and, Chartered Accountants Australia and New Zealand, *Submission 16*.

21 *Submission 3*, p. 2.

22 *Submission 16*, p. [3].

2.23 The Explanatory Memorandum noted that the ATO is well placed to monitor the effects of the proposed measures on the behaviour of corporate taxpayers. Treasury indicated previously that:

> The Treasury and the ATO are continually examining our tax system to identify areas where tax payers are engaged in egregious tax avoidance, consider where new compliance initiatives might be best targeted and also advise government of how our laws could be improved to deal with these issues.[23]

Committee view

2.24 The government is committed to taking the lead to address multinational tax avoidance and this bill begins the process of implementing the BEPS outcomes.

2.25 The committee notes the concerns that were raised in submissions relating to the general provisions of the bill. It believes, however, that these concerns can be adequately addressed through taking a flexible approach to implementation and ongoing policy development.

2.26 In addition, the committee notes that the government is providing the ATO with additional funding to ensure that it has the resources available to implement, oversee and enforce the provisions of the bill.

2.27 Finally, the government is satisfied that the ATO and Treasury are well placed to actively monitor implementation and advise the government if amendments or further legislation is required.

2.28 The committee recognises, however, that different jurisdictions may take different approaches to implementing the G20/OECD BEPS Action Plan. By taking a lead role and seeking to implement some actions early, there is a possibility that the enactment and implementation of the measures in this bill could create inconsistencies with the laws of other jurisdictions and/or result in unintended consequences for businesses and tax administrators.

Recommendation 1

2.29 The committee recommends the government undertake a post-implementation review of the measures contained in the bill within 3 years of enactment.

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23 *Senate Economics References Committee Hansard*, 9 April 2015, p. 18.

Chapter 3

Views on specific schedules

3.1 The chapter considers the views raised by stakeholders on each of the schedules of the bill. The majority of concerns were raised in relation to the multinational anti-avoidance law and Country-by-Country reporting.

Schedule 1: Significant global entities

3.2 A number of issues were raised by stakeholders in relation to the definition of a significant global entity.

Threshold for determining a significant global entity

3.3 Some stakeholders submitted that the proposed threshold of $1 billion was too high and could be set at a lower level.[1] For example, the Tax Justice Network Australia proposed that the threshold should be lowered to $250 million, consistent with the ATO definition of a large business.[2]

3.4 In addition, Greenpeace Australia Pacific questioned whether limiting the definition of a significant global entity to $1 billion may limit the ability of the ATO to investigate multinational companies with revenues below this level.[3]

3.5 Guidance provided by the G20/OECD indicates that there should be exemptions from general filing requirements for multinational groups with annual consolidated revenue of less than €750 million or a near equivalent in domestic currency (which has been set at $1 billion for Australia). The G20/OECD considers that this revenue threshold will exclude approximately 85 to 90 per cent of multinational groups from filing requirements but will nevertheless capture those multinational groups controlling approximately 90 per cent of corporate revenues. According to the OECD:

> The prescribed exemption threshold therefore represents an appropriate balance of reporting burden and benefit to tax administrators.[4]

Exchange rate fluctuations

3.6 The Tax Institute noted that consolidated income for accounting purposes includes 100 per cent of the financial attributes (including income) of any majority-owned subsidiary. As a result, the consolidated income of a group may be inflated by the inclusion of income that is attributable to non-group owners of minority stakes. While this is consistent with accounting practice, the Tax Institute is

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1 See CPSU, *Submission 4*; Greenpeace Australia Pacific, *Submission 2*;

2 *Submission 10*, p. 1.

3 *Submission 2*, p. [3].

4 OECD/G20 Base Erosion and Profit Shifting Project, *Action 13: Guidance on the Implementation of Transfer Pricing Documentation and Country-by-Country Reporting*, 2015.

concerned that this treatment will capture more groups than would be the case if only economic interests were used as the basis for determining group income.[5]

3.7 It is unclear how many additional multinational groups would be captured by either differences in thresholds arising from exchange rates or the inclusion of only economic interests in determining group income.

Total annual income

3.8 KPMG was concerned that defining a significant global entity by reference to total annual income in section 960–565 of the ITAA 1997 would introduce uncertainty as this latter term does not appear in the Australian Financial Reporting Standards and, as such, has no defined meaning itself.[6] However, section 960–570 of the ITAA 1997 refers to accounting principles and auditing principles in the preparation of 'global financial statements' from which annual global income (and, thus total annual income) is determined.

3.9 KPMG recommended that a replacement term for 'total annual income' should be adopted, such as 'consolidated revenue', which can be referenced to financial and accounting standards. Further, it was noted that additional guidance is needed for multinationals headquartered in other jurisdictions which prepare consolidated accounts using foreign accounting standards.[7]

3.10 To reduce the compliance burden on affected businesses, GSK submitted that it would be important for the ATO to publish relevant average exchange rates regularly to enable taxpayers to comply with the proposed law.[8]

Committee view

3.11 The committee is satisfied that the annual income threshold of $1 billion is an appropriate near equivalent amount in domestic currency for the purposes of defining a significant global entity. The government considers that this is an appropriate threshold as the former Treasurer, in his second reading speech, indicated:

> With over 1000 multinational entities operating in Australia with revenues greater than $1 billion globally, this means these rules will have a far-reaching effect and ensure that multinationals do not inappropriately slip through our tax net.[9]

3.12 The committee also notes that while the total population may be 1000 companies, for many companies the legislation will have no effect.[10]

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5 *Submission 12*, p. 4.

6 *Submission 3*, p. 3.

7 *Submission 3*, p. 3.

8 *Submission 11*, p. [2].

9 The Hon. Joe Hockey, *House of Representatives Hansard*, 16 September 2015, p. 10324.

10 Mr Chris Jordan, Australian Taxation Office, *Proof Committee Hansard*, Senate Economics Legislation Committee Supplementary Estimates 2015-16, p. 39.

3.13 Subject to implementation in other jurisdictions, the consolidated income for accounting purposes should continue to include 100 per cent financial attribution as is consistent with accounting practice.

3.14 The committee considers the ATO could provide further guidance in relation to how companies should calculate global annual income, including publishing relevant average exchange rates.

Schedule 2: Multinational anti-avoidance law

3.15 The multinational anti-avoidance law (MAAL) provision of the bill attracted the most comments from stakeholders. Many of the concerns raised in submissions reflected changes as a result of the exposure draft consultation process.

Scope of the multinational anti-avoidance law

3.16 Stakeholders raised a number issues in relation to the scope of the MAAL, particularly in relation to how it would interact with existing tax avoidance measures and the effect of not having a 'low or no tax jurisdiction condition'.

3.17 The Australian Financial Markets Association submitted that the legislation needs to be clearer:

> …where the foreign supplier has permanent establishment in Australia through which activities in relation to the supply are undertaken, then the proposed measures in the Bill do not apply and any determination as to the appropriateness of the income taxed in Australia is determined through existing transfer pricing rules.[11]

3.18 In response, the Commissioner of Taxation explained that:

> Part IVA [the anti-avoidance provision] is often referred to as a provision of last resort. You would seek to apply other provisions first before you would ever go to Part IVA. The MAAL, multinational anti-avoidance legislation, is an amendment to Part IVA. So generally we would not necessarily have that as the first provision that we would bring out…It is a safety net provision.[12]

3.19 The Corporate Tax Association was concerned that Australian headquartered multinationals may be inadvertently captured by the MAAL and proposed that a 'carve out' for these groups could be introduced to ensure that the MAAL does not apply.[13] However, it is unlikely that Australian headquartered multinationals would be captured by the MAAL unless they were engaging in egregious tax avoidance and would most likely be captured by other tax avoidance provisions, such as controlled foreign company rules and/or transfer pricing provisions, before the application of the MAAL would be contemplated.

11 *Submission 6*, p. 3.

12 Mr Chris Jordan, Australian Taxation Office, *Proof Committee Hansard*, Senate Economics Legislation Committee Supplementary Estimates 2015-16, p. 40.

13 *Submission 13*, p. 2

3.20 Stakeholders were also critical that the 'low or no tax jurisdiction' condition was removed from the exposure draft of the bill. EY advised that this condition was originally inserted to address the issue of 'stateless income' and meet the intended aim of the MAAL to address the avoidance of permanent establishment. By removing the condition, however, they contended that there is the potential to introduce significant uncertainty or override double tax agreements in situations where there is little or no risk of 'stateless income'. EY also noted that submissions to the exposure draft did not advocate for its removal but recommended clarification in a definitional sense.[14]

3.21 The Australian Financial Markets Association contended that:

> …the removal of the need for the existence of an entity, without substantial activity, located in a 'low or no tax jurisdiction,' as was required in the Exposure Draft, potentially expands the ambit of the proposed measures significantly.[15]

3.22 In relation to the removal of the 'low or no tax jurisdiction condition', the Treasury indicated that:

> Through the consultation process, it became apparent that the expression 'no or low tax' caused a lot of concern—that is, people were saying, 'What if it's just a straightforward business being done in Singapore and Singapore has a tax rate of 18 per cent, would that be low tax?' Certainly compared to 30 per cent it is low but it did not really get at the issue of putting it into basically a zero-tax country. So that was dropped.[16]

3.23 Some stakeholders have noted that the removal of the condition broadened the number of companies affected from 30 to closer to 100.[17] While these companies may incur compliance costs of reviewing their arrangements to make sure they comply with the law, the Treasury considers that this change strengthens the proposed measure.[18]

Principal purpose test

3.24 A number of stakeholders expressed concerns about the introduction of a 'principal purpose' test for the MAAL which will operate alongside the existing 'sole or dominant purpose' threshold for Australia's general anti-avoidance rules.

3.25 KPMG put forward two arguments against introducing a 'principal purpose' test. First, introducing a new threshold will increase complexity and uncertainty, and interpretations of the new concept may take many years to conclusively determine.

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14 *Submission 5*, p. 3

15 *Submission 6*, p. 3.

16 Mr Rob Heferen, Department of the Treasury, *Proof Committee Hansard*, Senate Economics Legislation Committee Supplementary Estimates 2015-16, p. 39.

17 See, for example, KPMG, *Submission 3*; and, The Tax Institute, *Submission 12*.

18 Mr Rob Heferen, Department of the Treasury, *Proof Committee Hansard*, Senate Economics Legislation Committee Supplementary Estimates 2015-16, p. 39.

Second, the introduction of a new test is unnecessary to achieve the MAAL's stated aim, particularly so when foreign tax benefits will be considered.[19]

3.26 On the first point, the Australian Financial Markets Association noted that the 'precise meaning of the term lacks clarity, and particularly judicial clarity'.[20]

3.27 KPMG also put forward two arguments for adopting the new threshold. First, this threshold is currently used in some treaties and is a recommended test for Action 6 of the BEPS Action Plan (Treaty Abuse). Second, it is understood that the ATO believes that this lower threshold will make it easier for them to apply the MAAL.[21]

3.28 The CPSU indicated that its members were supportive of the introduction of a principal purpose test but cautioned that proving it may be problematic where the necessary information is kept offshore.[22]

3.29 In terms of the bill as drafted, EY submitted that section 177DA(1)(b) should have the word 'principal' inserted such that the provision reads '…or for more than one principal purpose that includes a **principal** purpose of…' (insertion in bold). This insertion would provide clarity and unambiguously achieve the result alluded to in paragraphs 3.57 and 3.61 of the Explanatory Memorandum which indicates an intention to apply the MAAL when there is a principal purpose of enabling a taxpayer to obtain a tax benefit or to obtain a tax benefit and to reduce a foreign tax liability.[23]

Interactions with double tax agreements

3.30 A number of stakeholders were particularly concerned about how the MAAL would interact with double tax agreements and treaties. For example, EY contended that the MAAL will undermine confidence in the integrity of the Australia's double tax agreements and create uncertainty for foreign investment in Australia.

3.31 The Law Council of Australia submitted that:

> …broadening of the scope of the MAAL in the CMTA [Combating Multinational Tax Avoidance] Bill and the early start for the MAAL of 1 January 2016 means that the potential for double taxation becomes even more of an issue that needs to be resolved before the measure is introduced.[24]

19 *Submission 3*, pp. 4–5.

20 *Submission 6, p. 3.*

21 *Submission 3*, p. 5.

22 *Submission 4*, p. [2].

23 *Submission 5*, pp. 4–5.

24 *Submission 14*, p. 3.

3.32 The Tax Institute also raised the potential for double taxation where the ultimate recipient of the profits generated from sales to Australian sales is resident in another jurisdiction.[25]

3.33 Despite these concerns, no submissions to the inquiry provided any tangible examples of multinationals that would be subject to double taxation as a result of the introduction of the MAAL.

Other issues

3.34 Shell Australia was concerned that the bill did not resolve how the deemed profit of permanent establishment would be calculated where the MAAL applies. They submitted that urgent guidance was required to provide sufficient certainty for affected multinationals with imminent reporting obligations in relation to the tax risks generated by the legislation.[26]

3.35 Stakeholders also identified a number of terms and phrases in Schedule 2 that they considered required further clarification. EY contended that:

> …it is vitally important that the provisions, from the start, are drafted with as much clarity as possible and that key terms and phrases are clearly defined.[27]

3.36 The terms that stakeholders identified as ambiguous were:

- 'directly in connection';
- 'commercially dependent';
- 'reasonable commercial grounds';
- 'supply';
- 'Australian customer';
- 'attributable'; and,
- 'activities undertaken in Australia'.

Committee view

3.37 While the committee appreciates the concerns of stakeholders, it is satisfied that the provisions of the MAAL will operate in harmony with existing tax avoidance measures and will not place undue compliance burdens on the significant global entities affected. It is also satisfied that concerns about the operation of the MAAL with tax agreements and treaties will be resolved with the development of a multilateral instrument on tax treaty measures to tackle BEPS (Action 15).

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25 *Submission 12*, p. 4

26 *Submission 15*, p. 3.

27 *Submission 5*, p. 6

3.38 The committee agrees with the former Treasurer that:

> By removing the 'no-tax or low-tax' condition and relying solely on a 'principal purpose' test, we are sending a clear message that, if you deliberately and artificially avoid paying tax in Australia, this is not acceptable.[28]

3.39 In addition to providing greater guidance about the operation and implementation of the MAAL, the committee believes that the government should give consideration to more clearly defining key terms in the schedule.

Schedule 3: Scheme penalties for significant global entities

3.40 Some stakeholders were supportive of increased penalties for tax avoidance. For example, GSK Australia indicated that, in principle, it:

> …welcomes and supports the implementation of a stricter penalty regime for those taxpayers found to have contravened Australia's anti-avoidance provisions. However, increasing penalties makes it even more important that these rules are clear in their scope and application…[29]

3.41 However, the Law Council of Australia was concerned that increased penalties will have a wider application than just the MAAL. The Council noted that increased penalties will apply in relation to any successful application of an adjustment provision that results in the imposition of administrative penalties under Subdivision 284-C of Schedule 1 of the *Tax Administration Act 1953* on a significant global entity that does not have a reasonably arguable position. The Council submitted that the 100 per cent penalty in Schedule 3 of this bill should be limited to circumstances in which the MAAL applies and where the entity does not have a reasonably arguable position.[30]

Committee view

3.42 Multinational tax avoidance, particularly by large multinationals, is a very serious issue that has the potential to undermine the integrity of the tax system. As such, the committee considers that this measure to increase the penalties is appropriate for any significant global entity that does not have a reasonably arguable position.

Schedule 4: Country-by-Country reporting

3.43 Chartered Accountants Australia and New Zealand supported the proposed approach to allow administrative flexibility in the implementation of CbC reporting obligations, including the ability to adapt to changes as the new CbC reporting framework across jurisdictions evolves.[31]

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28 The Hon. Joe Hockey MP, Second Reading Speech, *House of Representatives Hansard*, 16 September 2015, p. 10324.

29 *Submission 11*, p. [2].

30 *Submission 14*, p. 5.

31 *Submission 16*, p. [3].

3.44 That said, a number of submitters indicated that strong, clear and practical guidance from the ATO is urgently required before the CbC reporting regime commences on 1 January 2016.[32]

Transitional arrangements

3.45 Some stakeholders were concerned that the Australian timeline for CbC reporting implementation may be in advance of implementation in other countries. This has the potential to create an additional administrative burden for Australian entities.[33]

3.46 Deloitte raised concerns about the transitional arrangements for the implementation of CbC reporting in circumstances where the information is not yet required to be gathered and collated by the parent entity. In its opinion, such circumstances may impose onerous obligations for an Australian subsidiary to comply with filing requirements.[34]

Exemptions

3.47 Stakeholders argued for a variety of exemptions to CbC reporting requirements.

3.48 The Tax Institute highlighted that fluctuations in exchange rates may trigger reporting requirements in Australia for some companies with annual revenue levels near the threshold that are not required to report in their home jurisdiction. In such circumstances, the Australian subsidiary may not have sufficient information to meet the reporting obligations (particularly in relation to a 'master file'). The Tax Institute called for further clarity around exemptions, either specifically in the bill or through guidance provided by the Commissioner at the time of enactment.[35]

3.49 Some stakeholders argued for an exemption to CbC reporting requirements for large domestic groups with small cross-border activities and large multinationals with very small Australian operations through a *de minimis* rule. KPMG recommended consideration of a threshold set at 0.2 per cent of total annual income for both an inbound and an outbound *de minimis* rule.[36]

3.50 The Tax Institute submitted that:

> Whilst there is scope for the Commissioner to administratively not seek information, a *de minimis* exemption would minimise compliance costs for both the ATO and the relevant taxpayers, and increase certainty in the law…[37]

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32 See, for example, Chartered Accountants Australia and New Zealand, *Submission ?*; The Tax Institute, *Submission 11*; and, Deloitte, *Submission 8*;

33 See, for example, Shell Australia, *Submission 15*; and, Deloitte, *Submission 3*.

34 *Submission 8*, p. 2.

35 *Submission 12*, p. 5.

36 *Submission 3*, p. 3.

37 *Submission 12*, p. 5.

3.51 Other stakeholders proposed that existing transfer pricing rules be better aligned with CbC reporting requirements to reduce the compliance burden. GSK Australia proposed exempting companies that have a valid Advanced Pricing Agreement (APA) from, at the very least, the provision of a local file.[38] The Corporate Tax Association proposed that current transfer pricing requirements should be considered local files for the purposes of the statements required for CbC reporting.[39]

Country-by-Country reports should be publicly released

3.52 A number of stakeholders sought to make the information contained in CbC reports publicly available as this would increase transparency and facilitate greater scrutiny of tax affairs.[40]

3.53 The Tax Justice Network Australia strongly argued for the public release of CbC reports as:

> Making the country-by-country reports public would ensure that more sets of eyes, across different stakeholder groups, could help digest the mass of data filed by companies and flag any indicators of risk to appropriate tax authorities…
>
> It is also important that the data from country-by-country reports should be made available for analysis and research purposes…Tax returns of individuals and legal entities are already made available for research purposes by tax authorities in a number of countries subject to protections.[41]

3.54 Other stakeholders did not share the view that CbC reports should be made public. For example, Chartered Accountants Australia and New Zealand submitted that:

> …a measured and considered approach to any public disclosures relating to CbC reporting is warranted. Although we appreciate and accept the need for increased transparency, it is crucial that multinational groups can be confident that sensitive business information will not be disclosed publicly.[42]

Committee view

3.55 The committee is comfortable that the proposed CbC reporting requirements are consistent with those outlined in the G20/OECD BEPS Action Plan. Indeed, the committee considers that these provisions underscore the important lead role that Australia can play in implementing the G20/OECD work.

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38 *Submission 11*, p. [2].

39 *Submission 13*, p. 5

40 See, for example, Greenpeace Australia Pacific, *Submission 2*; and, Tax Justice Network Australia, *Submission 10*.

41 *Submission 10*, pp. 2–4.

42 *Submission 16*, p. [4].

3.56 That said, the committee recognises the issues raised by stakeholders and believes that the ATO should work with affected businesses to provide clarity and guidance through the implementation period and as CbC reporting is adopted by other countries. Such guidance should address concerns around transitional arrangements and exemptions. While some multinationals may be required to file in Australia that are not required to file overseas due to fluctuations in exchange rates, the committee notes that the Commissioner can provide an exemption from reporting requirements and expects that guidance will be provided as part of the implementation process.

3.57 Consistent with the principle that tax affairs should remain confidential, the committee does not believe that CbC reports should be made publicly available.

Recommendation 2

3.58 The committee recommends that the Senate should pass the bill.

Senator Sean Edwards
Chair

Appendix 1
Submissions received

Submission Number	Submitter
1	Dwyer Lawyers • Attachment 1
2	Greenpeace Australia Pacific
3	KPMG
4	CPSU
5	Ernst & Young
6	Australian Financial Markets Association
7	The Australia Institute
8	Deloitte Tax Services
9	Mr Martin Lock
10	Tax Justice Network Australia
11	GSK
12	The Tax Institute
13	Corporate Tax Association
14	Business Law Section, Law Council of Australia
15	Shell Australia Pty Ltd
16	Chartered Accountants Australia New Zealand