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Committee Secretary  
Senate Standing Committees on Economics  
PO Box 6100  
Parliament House  
Canberra ACT 2600

9 December 2015

Dear Dr Dermody

**Re: Deloitte response to Questions on Notice from the Inquiry into corporate tax avoidance**

Deloitte is pleased to provide our response to the Question on Notice requested by the Inquiry into corporate tax avoidance and minimisation (the Inquiry) by the Senate Standing Committees on Economics (the Committee).

The question that the Committee members requested that we take on notice, as evidenced by the transcript of 18 November 2015, is as follows:

**CHAIR:** On that issue of the trend that we are talking about, the media seems to have identified a bit of a trend. Are you able to tell us of any companies which have gone the other way—from special purpose across to general purposes?

...

**Senator DASTYARI:** Could you perhaps take on notice whether or not there are any clients of yours—not naming the firm—who have gone the other way? This would not include SERCO, because SERCO is the only one we know of.

In response, we have made enquiries of more than 100 of our audit partners in Australia similar to what we would do with tax partners if we received a notice to produce under section 263 of the *Income Tax Assessment Act 1936 (ITAA 1936)* as follows:

- In the last 3 to 5 years, have any of our clients decided to no longer prepare a Special Purpose Financial Report and are now preparing a General Purpose Financial Report, whether applying the Reduced Disclosure Regime or not?

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A summary of the responses that we received is set out below:

	Reason	Number of entities
1	Pending Initial Public Offering	3
2	Sale of the entity or pending transaction	2
3	Change of status of the entity changed to disclosing entity	1
4	Top entity made a decision to move to Reduced Disclosure Regime	1
5	Management/Board concluded that it increased transparency	2
6	Other	2

The change in approach in respect of categories 1, 2 and 3 above was necessitated either by law or a change in circumstance.

If you have any further questions on any of the above, please do not hesitate to contact us.

Yours faithfully

**Brett Todd**  
Managing Partner, Tax

**David Watkins**  
Partner, Tax