



# PARLIAMENT of AUSTRALIA

## MEDIA RELEASE

### Joint Standing Committee on Treaties

Report tabling

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Issue date: 27 November 2017

## Fighting multinational tax avoidance – the next step

The Organisation for Economic Co-operation and Development's new approach to tackling multinational tax avoidance has been backed by the federal parliament's [Joint Standing Committee on Treaties](#).

The OECD's Multilateral Tax Treaty is the most significant reform in international efforts to prevent tax avoidance in many years.

Committee Chair, [the Hon. Stuart Robert MP](#), said that multinational tax avoidance costs OECD countries between US\$100 and US\$240 billion each year.

"Multinationals use complex legal arrangements to avoid their tax obligations. The Treaty will allow countries to target these arrangements and claim the revenue they are due," Mr Robert said.

The Treaty will target common loopholes used by multinationals.

Targets will include multinationals that use low tax countries to declare profits, engage agents to sell products in higher tax countries, and package and warehouse goods in low tax countries to avoid tax in the country where the goods are made.

The Multilateral Tax Treaty will allow the new measures to be applied swiftly using Australia's existing tax treaties.

"The new measures will initially apply to 30 of Australia's 44 bi-lateral tax treaties," Mr Roberts said.

The Committee's views are contained in its Report 175, tabled today, which also deals with:

- *Framework Agreement on the establishment of the International Solar Alliance;*
- *Agreement between the Government of Australia and the Government of the Republic of Mauritius relating to Air Services;*
- *Agreement between the Government of Australia and the Government of the State of Israel relating to Air Services; and*
- *Agreement between the Government of Australia and the Government of Hungary relating to Air Services.*

The Committee supports the ratification of all treaties.

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**For background information:**

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