

2 January 2024

Committee Secretary
Senate Economics Legislation Committee
The Senate
Parliament House
CAPITAL HILL ACT 2600

Email: Economics.Sen@aph.gov.au

Dear Secretary

Submission to the Inquiry into the Government's Amendments to *Treasury Laws Amendment (Making Multinationals Pay Their Fair Share – Integrity and Transparency) Bill 2023*

The Australian Investment Council (**the Council**) welcomes the opportunity to consult with the Senate Economics Legislation Committee on the Government's proposed amendments to Schedule 2 of the *Treasury Laws Amendment (Making Multinationals Pay Their Fair Share – Integrity and Transparency) Bill 2023 (the Bill)*.

Encouragingly, since its initial release for consultation, the Bill has evolved to take into account practical considerations for taxpayers and provide a taxation framework for globally focused businesses operating within Australia that is conducive to a productive, dynamic, and growing Australian economy. In particular, the broadening of the scope of the third-party debt test and the narrowing of the scope of the debt deduction creation rules will positively impact Australia's private capital industry by creating a tax system that is easier to navigate, more transparent and consistent with existing domestic and international taxation regimes.

The Council acknowledges the role of the Senate Economics Legislation Committee (**the Committee**) and Treasury in providing sustained engagement with stakeholders throughout the various iterations of the Bill, which has resulted in drafting refinements that enhance the Bill's clarity.

Reflecting the Bill's probable passage through the Australian Parliament in February 2024, the Council reiterates its position that 1 July 2024 is an appropriate commencement date for the new regime. A prospective commencement date would be consistent with the standard approach widely adopted for legislation passed by the Australian Parliament.

The Council thanks the Committee for its ongoing commitment to strengthen the Bill and Australia's taxation laws, as well as its meaningful engagement with stakeholders.

Yours sincerely

Navleen Prasad
CEO
Australian Investment Council