

Question for Senate Inquiry: Australian Union and Government and Politician Super Funds reported involvement in submission to draft OECD Base Erosion and Profit Shifting (BEPS) laws.

Page 516, submission by KPMG to OECD on behalf of QIC and NZ Super on draft BEPS...

"The preferred position is to align the position of Institutional Investors to "not for profit organisations" who are "qualified persons" "

"Institutional Investors are not established to generate wealth or profit for a small group of individuals as in the case of a corporate, rather they are established as a matter of Government policy of each member state"

"Institutional Investors differ from corporate investors in six material aspects, which are discussed in further detail below:

They are generally exempt from tax in their home market, albeit taxable in foreign jurisdictions;"

<http://www.oecd.org/ctp/treaties/public-comments-action-6-follow-up-prevent-treaty-abuse.pdf>

It is reported that Australian Super and The Future Fund were "believed to have participated in the submission"...

"KPMG drafted the submission to the OECD's review of the proposed global tax laws on behalf of 20 superannuation funds and sovereign wealth funds in Australia and New Zealand, though only QIC and NZ Super agreed to be named in its submission.

The \$80bn AustralianSuper and \$100bn Future Fund are believed to have participated in the submission that, if successful, will allow the funds to continue using tax treaties between a range of countries to lower the amount of tax each fund pays on their investments.

KPMG argues on behalf of the funds that they should be treated the same as a not-for-profit organisation or an active business, both of which are exempt from the new rules."

<http://www.theaustralian.com.au/business/wealth/super-wealth-funds-plead-to-oecd-for-tax-rule-exemption/story-e6frgac6-1227183899913>

In the order of somewhere around half of Australia's biggest wealth investment outside housing (superannuation) is managed, I believe, for individuals through government and unions. This submission put as it's preferred position that they were "not for profit", I put it to the Inquiry to question what else is investment on behalf of superannuation and retirement capital wealth on behalf of individuals in the global capitalist system if it isn't for profit? I

would also further ask the Senate Inquiry to consider the impact on the other approximately 50% of individuals trying to save for their retirement through Self Managed Superannuation or other funds who would not be considered "not for profit" or exempt from global BEPS profit tax in any other way.

I would request the Senate question this submission to the OECD BEPS draft consultation process, the details of which can be found here,

<http://www.oecd.org/ctp/beps.htm>

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