



THE BOARD OF TAXATION

REVIEW OF AUSTRALIA'S FOREIGN SOURCE INCOME ANTI-TAX-DEFERRAL REGIMES

The Chairman of the Board of Taxation, Mr Dick Warburton, today announced the release of the Board's position paper on possible reforms to Australia's foreign source income anti-tax-deferral regimes (the controlled foreign company rules, the foreign investment fund rules, the transferor trust rules and the deemed present entitlement rules).

The position paper sets out the Board's considered views on the high level principles that should apply in the future design of the foreign source income attribution rules. In developing the position paper the Board consulted extensively with stakeholders. The Board would like to thank all those who made submissions or attended consultations following the release of the Discussion Paper on 25 May 2007.

The Board considers the principles set out in the paper provide a framework to reduce compliance costs and complexity while not inhibiting the ability of Australian businesses to compete globally.

The Board proposes to conduct further targeted consultations with industry stakeholders as input into developing detailed recommendations in line with the high level principles set out in the position paper. These detailed recommendations will form the basis of a report to Government later this year. The Board anticipates that this consultation is likely to occur in the first half of this year.

Copies of the Board's position paper are available from www.taxboard.gov.au. Printed versions of the paper are available by email request sent to taxboard@treasury.gov.au, or by phoning Mr Vernon Joice on (02) 6263 4369.