

Board of Taxation 2016

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Not for profits

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(ex-officio)

Chris Jordan AO (NSW)



Commissioner of Taxation
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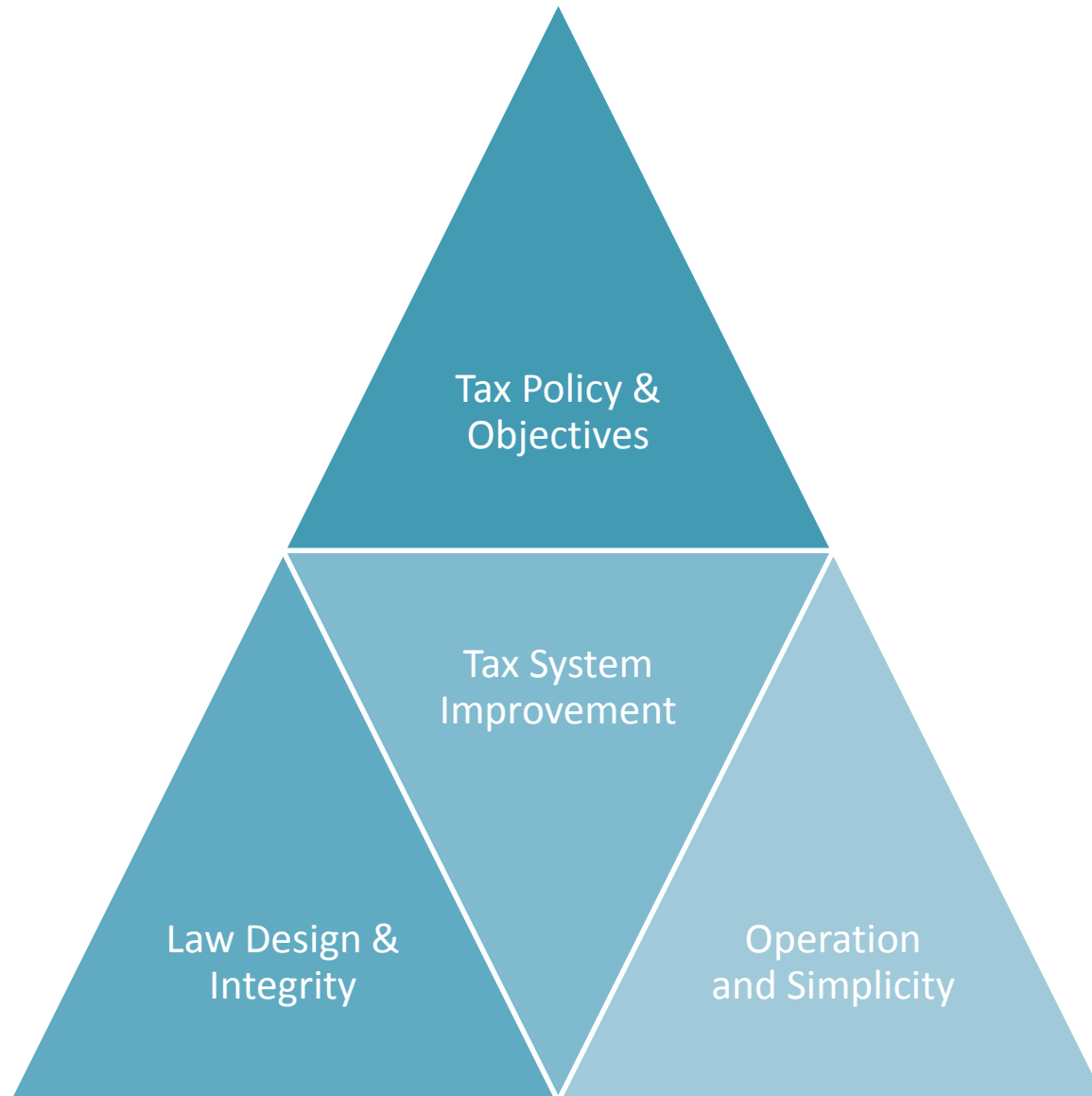
First Parliamentary Counsel
(ex-officio)

Function of the Board

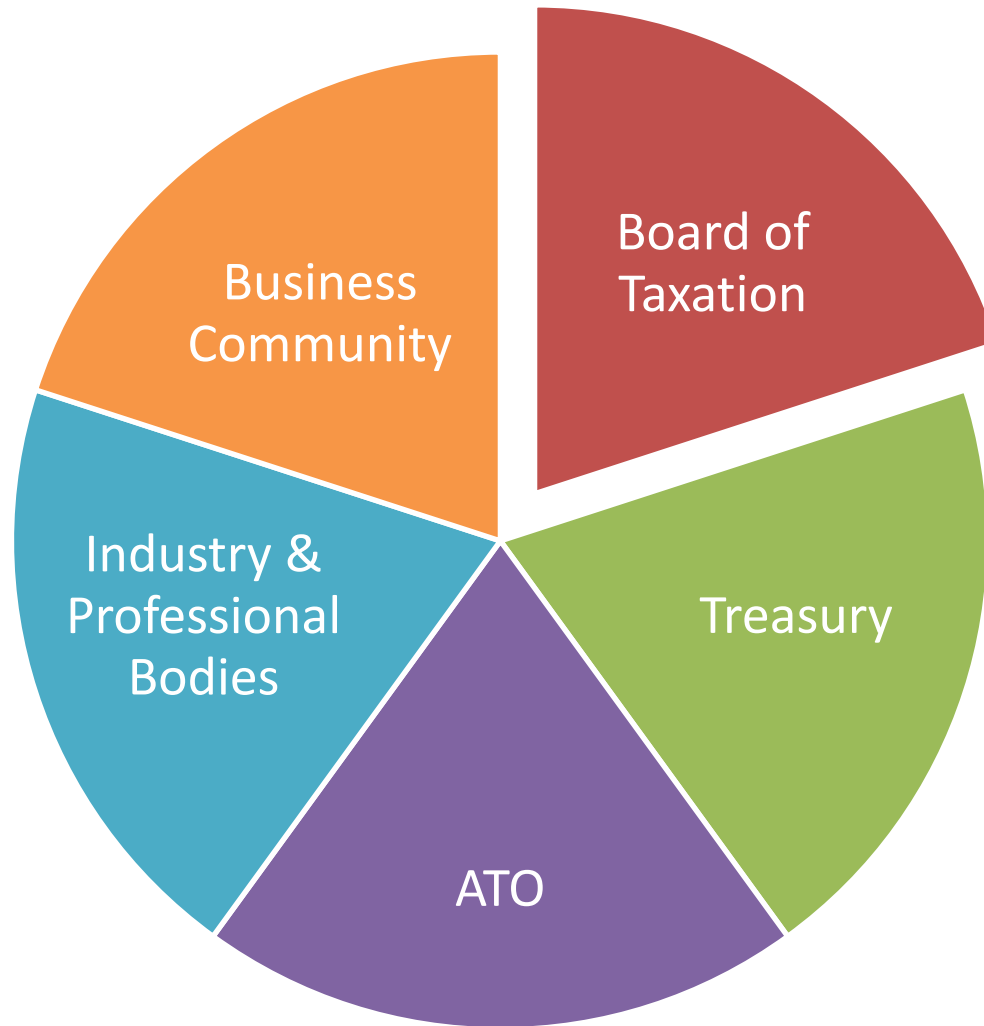
- Provide advice to the Minister (currently Minister for Revenue and Financial Services and the Treasurer) on:
 - Quality and effectiveness of tax legislation including processes for its development and community consultation;
 - General integrity and function of the tax system;
 - Research and other studies; and
 - Other taxation matters.



The Board in Context



The Board in Context

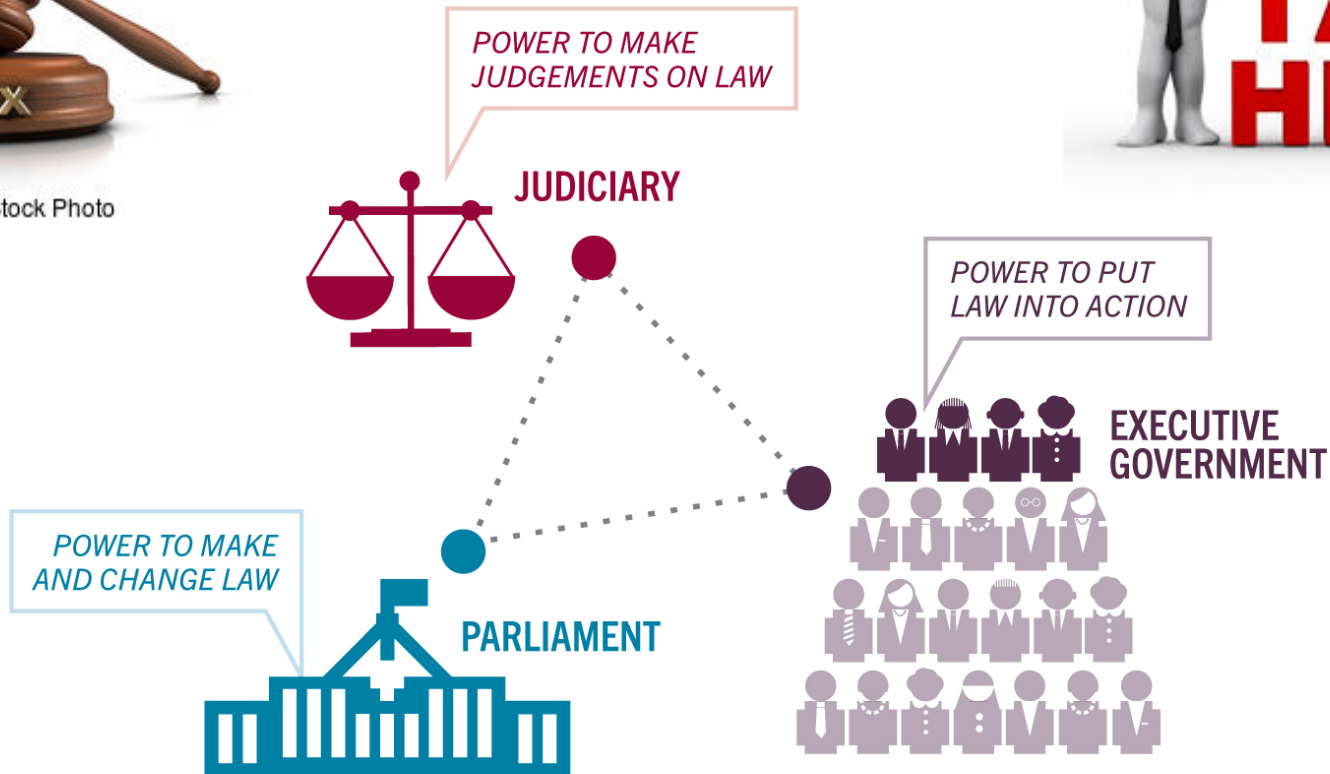


We are an Advisory Board



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SEPARATION of POWERS



Voluntary Tax Transparency Code

- The Board noted that it would like to see a greater take-up of the Code, in particular by private sector companies and foreign multinationals
- It is not possible to make direct comparisons between the Board's register of companies and the ATO's corporate taxpayer list, since the Voluntary Code is usually prepared to encompass a group of companies which represents many companies on the ATO list. Groups can choose the level of aggregation or grouping of entities for disclosures.



Current state of play



- To date, there are **52 organisations** indicating their intention to adopt the code.
- Last month the CTA resurveyed its membership showing **67 groups** (and 95 entities that are listed) have either notified the Board of Tax or are in the process of getting internal approvals for the adoption of the code.
- The 67 groups translate to coverage of the following:

67 non-private groups with turnover > \$100m		
% of total income	% of taxable income	% of tax payable
43%	64%	62%

Who Should disclose?

- Code outlines recommended disclosures for large and medium businesses
- Large business - 'TTC Australian turnover' \geq AUD 500m
- Medium business - TTC Australian turnover between AUD 100m and $<$ AUD 500m
- Groups can choose the level of aggregation or grouping of entities for disclosures



Role of the ATO and AASB

ATO:

- Centralised hosting of published TTC reports
- ATO will not review accuracy reports



AASB:

- Development of guidance material to assist businesses meeting minimum standards
- Establishing a common definition of effective tax rate

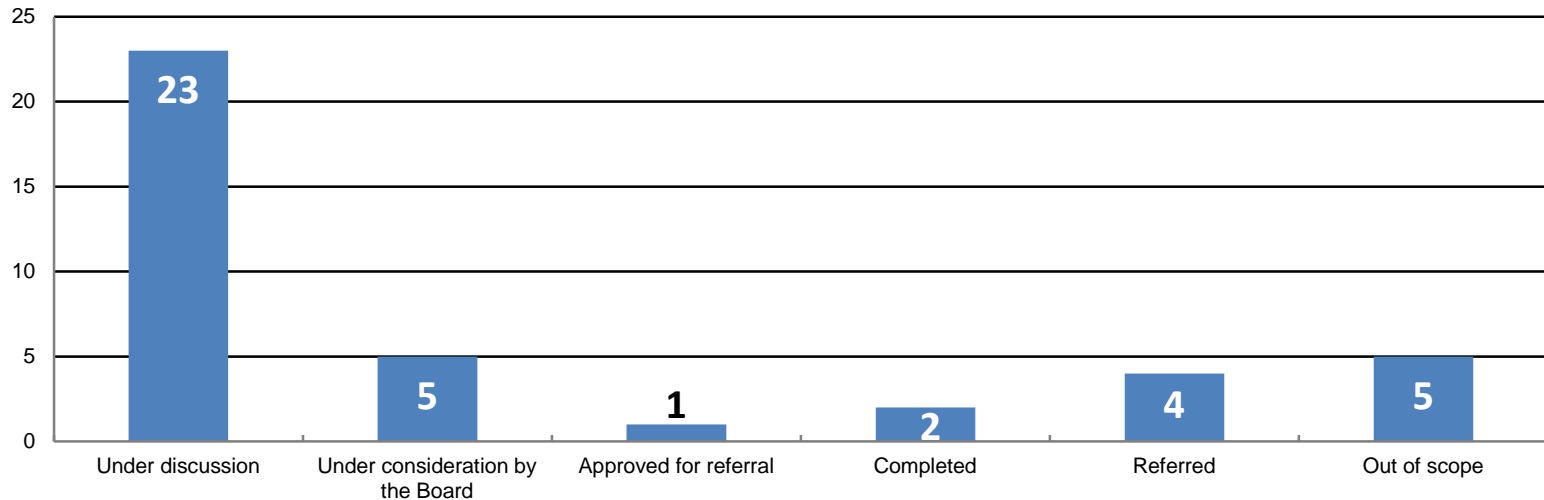


Australian Government

Australian Accounting Standards Board

Sounding Board

- Raise, debate and prioritise business and community sector ideas on how to improve the tax system
- How to keep ideas progressing?
- As at 31 October 2016, there are 40 Ideas posted:



- The 170+ regulatory reform legacy ideas have been published on the Board's website.

The Board's Current Approach



- Providing real-time advice across three broad areas:
 - Policy design
 - Legislative design
 - Administration of Australia's tax system

Projects

- Asset merger roll-over relief
- Definitions applied under State and Federal Tax Laws
 - Stocktake of inconsistencies between core concepts within Federal and State tax laws which are impediments or create barriers for businesses
- Alignment of tax and accounting concepts
 - Targeted areas where the tax law could be aligned to accounting concepts to reduce red tape



Projects (cont'd)

- Targeted trust simplification
 - Review of 'bare trust' arrangements
- High wealth individuals and residency
 - Review of current residency rules for individuals in light of reports that the rules may be used by some high wealth individuals to avoid tax obligations
- Shadow economy
 - Responses to address tax avoidance through the cash and shadow economy
- Tax and the sharing economy
 - Consider ways in which Australia should tax the sharing economy



Projects (cont'd)

- Hybrid Mismatch Rules and Regulatory Capital
 - Finalising Report
- Collective Investment Vehicles
 - Board to provide its response to Minister on Treasury Consultation Paper

How to Keep in Contact

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Questions?

