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Submission from the Tax Justice Network Australia on ASIC Industry Funding Model and Registry Search Fees 8 February 2019

The Tax Justice Network Australia (TJN-Aus) welcomes this opportunity to make submission in response to the *Treasury Laws Amendment (ASIC Cost Recovery and Fees) Regulations 2019*. The TJN-Aus supports the proposed regulations, but as it has previously asked for, search fees on the ASIC registry should be kept as low as possible and, ideally, should be free as is the case in a number of jurisdictions around the globe. The exemption of journalists from certain registry fees and the reduction in the inspecting roles and relationship search fee from \$40 to \$19 are welcome steps forward.

Search fees should be kept low so that people use the registry to check who they are doing business with and to encourage bodies that have anti-money laundering obligations to do thorough due diligence on corporate entities they are dealing with. Searches can also help employees understand their employer and assist in optimising investment decisions people make. A fee should still apply where paper records exist, due to the costs involved in dealing with paper records for the registry authority.

It is particularly inappropriate that ASIC currently sells information that is publicly available elsewhere for free and does not inform buyers that is the case. We note this happens when users want to purchase the accounts of a company and ASIC currently sells them the annual report of the company for \$40, which is available for free on the company's website. There is no warning that this is the document that will be sold.

Based on the work by TJN globally on the Financial Secrecy Index the following governments allow accounts of companies on the business registry to be accessed for free:

- The UK;
- Belgium;
- Slovenia;
- Norway;
- Bulgaria;
- Denmark;
- New Zealand;
- Slovakia; and
- The Czech Republic.

The Israeli Government allows for the free access to the accounts of listed companies, but the accounts of private companies are not available at all.

The following governments have low charges for accessing accounts of companies on the business registry:

- Ireland (€2.50)
- Luxembourg (€2.93)
- Italy (€2.50)

- Sweden (\$8.60)
- Finland (€6.20)
- Estonia (€2)

The Australian Government should join these governments in making the Australian business registries more accessible by making access free for electronic searches.

The TJN-Aus supports the creation of a new subsector to enable ASIC to recover its regulatory costs incurred from its close and continuous monitoring of certain significant financial institutions;

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Background on the Tax Justice Network Australia

The Tax Justice Network Australia (TJN-Aus) is the Australian branch of the Tax Justice Network (TJN) and the Global Alliance for Tax Justice. TJN is an independent organisation launched in the British Houses of Parliament in March 2003. It is dedicated to high-level research, analysis and advocacy in the field of tax and regulation. TJN works to map, analyse and explain the role of taxation and the harmful impacts of tax evasion, tax avoidance, tax competition and tax havens. TJN's objective is to encourage reform at the global and national levels. The Tax Justice Network aims to:

- (a) promote sustainable finance for development;
- (b) promote international co-operation on tax regulation and tax related crimes;
- (c) oppose tax havens;
- (d) promote progressive and equitable taxation;
- (e) promote corporate responsibility and accountability; and
- (f) promote tax compliance and a culture of responsibility.

In Australia the current members of TJN-Aus are:

- ActionAid Australia
- Aid/Watch
- Anglican Overseas Aid
- Australian Council for International Development (ACFID)
- Australian Council of Social Service (ACOSS)
- Australian Council of Trade Unions (ACTU)
- Australian Education Union
- Australian Manufacturing Workers Union
- Australian Nursing & Midwifery Federation
- Australian Services Union
- Australian Workers Union, Victorian Branch
- Baptist World Aid
- Caritas Australia
- Centre for International Corporate Tax Accountability and Research
- Community and Public Service Union
- Electrical Trades Union, Victorian Branch
- Evatt Foundation
- Friends of the Earth
- GetUp!
- Greenpeace Australia Pacific
- International Transport Workers Federation
- Jubilee Australia
- Maritime Union of Australia
- National Tertiary Education Union
- New South Wales Nurses and Midwives' Association
- Oaktree Foundation
- Oxfam Australia
- Save the Children Australia
- Save Our Schools
- SEARCH Foundation
- SJ around the Bay
- Social Policy Connections
- TEAR Australia
- The Australia Institute
- Union Aid Abroad – APHEDA
- UnitedVoice
- Uniting Church in Australia, Synod of Victoria and Tasmania

- UnitingWorld
- Victorian Trades Hall Council
- World Vision Australia