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Submission on Toughening the Multinational Anti-Avoidance Law 23 February 2018

The Tax Justice Network Australia (TJN-Aus) welcomes this opportunity to make submission on strengthening the *Treasury Laws Amendment (Measures for a later sitting) Bill 2018*. The TJN-Aus welcomes Australian Government action to address the integrity of the Multinational Anti Avoidance Law (MAAL) by preventing large multinational from using foreign trusts and partnerships in corporate structures to avoid the application of the MAAL. The TJN-Aus urges that the Bill be put to the Parliament as a priority.

TJN-Aus notes that the OECD has estimated the global revenue loss to governments from base erosion and profit shifting (BEPS) to be conservatively between US\$100 billion and US\$240 billion a year, or between 4% and 10% of global corporate income tax revenues.

TJN-Aus believes it is important to ensure that the multinational anti-avoidance law applies appropriately to artificial or contrived arrangements involving trusts and partnerships entered into by multinational entities to avoid the taxation of business profits in Australia.

TJN-Aus agrees that the amendment should apply from the original application date of the multi-national anti-avoidance law – on or after 1 January 2016 in connection with a scheme, whether or not the scheme was entered into or had begun to be carried out before that day. TJN-Aus agrees that not making the law retrospective could reward entities that have engaged in deliberate tax avoidance and incentivise further attempts to undermine the Australian tax system.

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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
- 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