

The FSC thanks Treasury for the opportunity to make a submission to this consultation.

The FSC's main request for new treaties is that they deal appropriately with Australian investment vehicles.

The FSC also requests that there be an ongoing program to review existing tax treaties that do not adequately deal with Australian investment vehicles.

- Many treaties do not explicitly recognise Australian Managed Investment Schemes as being eligible for treatment as collective investment vehicles (CIVs).
- Some countries make it difficult for Australian MISs to obtain treaty benefits on behalf of end investors.
- In many cases, Australian MISs are less able to obtain treaty benefits than CIVs from other countries (or the process for obtaining benefits is harder/more costly), putting Australian CIVs at a competitive disadvantage.
- Some treaties do not adequately cover Australian superannuation funds or the complying superannuation business of life insurance companies – in particular the use of the term “pension fund” may not adequately cover these Australian entities.

In terms of prioritising new treaties, the FSC particularly encourages the negotiation and finalisation of treaties with Luxembourg and Hong Kong.

We would be happy to discuss any aspect of this submission.

Thank you.

Michael Potter  
Policy Director, Economics & Tax  
Financial Services Council