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Our ref: WD:NFP

Director  
Beneficial Ownership and Transparency Unit  
Market Conduct Division  
Treasury  
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**By email:** [BeneficialOwnership@treasury.gov.au](mailto:BeneficialOwnership@treasury.gov.au)

Dear Director

### **Multinational tax integrity: Public Beneficial Ownership Register**

Thank you for the opportunity to provide feedback on the Consultation Paper “Multinational tax integrity: Public Beneficial Ownership Register.”

The Queensland Law Society (**QLS**) is the peak professional body for the State’s legal practitioners. We represent and promote over 14,000 legal professionals, increase community understanding of the law and help protect the rights of individuals. QLS also assists the public by advising government on improvements to laws affecting Queenslanders and working to improve their access to the law.

This response has been prepared with the assistance of the QLS Not for Profit Law Committee, whose members have substantial expertise in this area and represent a wide range of charity and not for profit clients.

QLS understands the intention is to create a model where entities or individuals with various relationships with a regulated entity are considered to have a beneficial interest, including where there is a “significant influence or control”. We understand that may include where there are decision rights over the operations of a regulated entity, such as rights to alter the nature of the entity’s business, arrange credit or loans on behalf of the entity, and grant options under a share option or other share-based incentive scheme.

For the purposes of certainty we propose that the circumstances to be included in this concept are set out in an exhaustive list, rather than principle-based drafting supported by regulatory guides. The concept of “significant influence or control” will be highly situation specific and it is undesirable for the regime to operate in such a way that an entity or individual is unclear on whether they have a positive obligation to register and the regulated entity has obligations which may attract sanction. Further, it would be useful if the drafting clarified the application of such a concept to professional advisors and consultants who may, at times, have significant influence with respect to matters they have been engaged to advise upon.

## Multinational tax integrity: Public Beneficial Ownership Register

QLS also comments in relation to Question 8 of the Consultation Paper:

**Question 8:** Should some entities, such as certain not-for-profit entities, have bespoke or limited beneficial ownership register requirements? If so, what types of entities, and what relief from the general disclosure requirements should be provided?

QLS considers that any entity which is exempt from income tax ought to be exempt from these proposed obligations.

The introduction to the Consultation Paper indicates that “The Government is introducing a public register of beneficial ownership information to record who ultimately owns, controls, and receives benefits from a company or legal vehicle operating in Australia. Making the beneficial ownership information available on a public register is intended to increase transparency and discourage the use of complex structures that avoid legal requirements and obscure tax liabilities. The reform is a key element of the Government’s commitment to ensuring multinational enterprises pay a fairer share of tax.”

These reforms do not seem to be directed at not for profit entities, which by definition are entities which do not distribute profits to their members.

Given the intended outcome of the reforms, we suggest that any entity which is exempt from income tax ought to be exempt from the proposed public beneficial ownership register obligations.

Otherwise, not for profits will be subject to a further layer of regulation when they are already subject, at both Commonwealth and State levels, to a range of governance obligations.

A significant proportion of non-profit entities with significant assets or turnover are registered with the Australian Charities and Not for Profits Commission (**ACNC**) and the public register of discloses the current controllers of charities and their financial statements. Any duplication of filing material should be avoided.

Further, the ACNC framework requires a high degree of disclosure including lodging an annual information statement, identification of responsible persons and an annual financial report (for large and medium charities). These standards have been developed with a view to balancing regulatory obligations with an appropriate degree of accountability, transparency and disclosure for the benefit of the public. Requiring greater disclosure from these entities may also dissuade philanthropy from donors who might prefer to maintain some confidentiality about their philanthropic activities.

If you have any queries regarding the contents of this letter, please do not hesitate to contact our Legal Policy team via [policy@qls.com.au](mailto:policy@qls.com.au) or by phone on (07) 3842 5930.

Yours faithfully



Kara Thomson  
**President**