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International Tax Unit
Corporate and International Tax Division
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To whom it may concern

The Business Council of Australia welcomes the opportunity to make a submission to the proposed draft amendments to the *Treasury Laws Amendment (Making Multinationals Pay Their Fair Share – Integrity and Transparency) Bill 2023*. This follows a Senate Inquiry into the Bill which recommended changes to the thin capitalisation section of the Bill before proceeding further.

All companies must meet their tax obligations and where arrangements do not keep pace with community norms, they should be reviewed. Robust tax integrity and transparency measures are an integral complement to more competitive business tax arrangements.

The BCA welcomes the continued consultation and supports the objective from Government that the proposed amendments “balance the tax integrity policy intent while continuing to support genuine commercial activity and being mindful of compliance costs”.¹ However, some of the proposed amendments may continue to impede genuine commercial activity and deny debt deductions for routine transactions for which there are no integrity concerns. We endorse the Corporate Tax Association recommendations lodged in response to the proposed amendments to address these concerns.

The Australian economy is heavily reliant on trade and foreign investment. Changes to the tax system should be mindful of unnecessarily increasing complexity and compliance costs or making it more difficult to attract and retain investment in Australia.

Yours sincerely



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¹ <https://ministers.treasury.gov.au/ministers/andrew-leigh-2022/speeches/address-australia-institute-2023-revenue-summit-parliament>