



7 September, 2015

Mr Jason McNamara  
Executive Director  
Office of Best Practice Regulation  
Department of Prime Minister and Cabinet  
1 National Circuit  
BARTON ACT 2600

Email: [helpdesk@obpr.gov.au](mailto:helpdesk@obpr.gov.au)

Dear Mr McNamara

### **REGULATION IMPACT STATEMENT - FINAL ASSESSMENT SECOND PASS**

I am writing in relation to the attached Regulation Impact Statement (RIS) prepared for a package of measures to combat multinational tax avoidance announced in the 2015 Budget. The regulatory burden to business, community organisations and/or individuals has been quantified and offsets have been identified and quantified using the Regulatory Burden Measurement framework. These have been agreed with your office.

I am satisfied that the RIS addresses the concerns raised in Tony Simovski's letter of 4 September 2015. Specifically, the RIS now includes:

- more context for the reader in relation to the nature of the problem, including a discussion about the difference between tax evasion and tax avoidance, the particular impact of tax avoidance on confidence in the tax system and the impact of information technology on opportunities for tax avoidance;
- more information about the need to take action to address multinational tax avoidance ahead of the G20/OECD base erosion and profit shifting (BEPS) action plan, the consistency of each option with the G20/OECD BEPS action plan and the steps taken to minimise the risk of inconsistency;
- more information on the revenue impacts of the multinational anti-avoidance law, a discussion of the impact and likelihood of other countries adopting Country-by-Country reporting and conclusions relating to the net benefit of each option and the preferred response;
- the number of submissions and the names of those who made non-confidential submissions; and
- a description of the status of the RIS at each major decision-making stage.

Accordingly, I am satisfied that the RIS now meets best practice consistent with the Australian Government Guide to Regulation.

I submit the RIS to the Office of Best Practice Regulation for formal final assessment.

Yours sincerely

A handwritten signature in black ink that reads "Tom Reid". The signature is written in a cursive style with a long horizontal stroke above the name.

Tom Reid  
Acting Deputy Secretary  
Revenue Group