

## CEO Update – February 2017

Dear Stakeholders,

The Board of Taxation recently held<sup>1</sup> its first meeting for 2017! PwC in Sydney hosted the Board meeting and a discussion over lunch with stakeholders and the Board's advisory panel. Thank you to everyone (PwC partners and their clients, stakeholders and the Board's advisory panel) for kick starting the year with a high level of engagement, energy and enthusiasm. Many ideas were shared and this was a great forum to hear (informally) what's on our agenda and yours in the year ahead!

At the Board's meeting, we discussed the progress and direction of our current projects and 2017 agenda. The Board also welcomed the Chair and CEO of the Australian Accounting Standards Board (AASB), Ms Kris Peach, for an update on accounting developments – including additional accounting guidance to support the Tax Transparency Code (the Code). Other projects discussed included the black economy, alignment of tax and accounting, the sharing economy and residency. The Board also discussed its pipeline of work for 2017. Needless to say – there is a lot happening and still a lot remains to be done! We also reflected on our communication and stakeholder engagement strategies, including Sounding Board and the need for increased uptake of the Code.

Some further details are set out below.

### Tax Transparency Code

The Board noted that 72 organisations (including private and foreign companies) that represent more than 60% of tax payable by corporate taxpayers have now indicated their intention to adopt the Code – the set of principles and minimum standards to guide the disclosure of tax information by businesses. Many of these have already published their reports. A register of these organisations can be found at: <http://taxboard.gov.au/current-activities/transparency-code-register/> The Board expects more organisations to adopt the Code in 2017.

The Board welcomed the Chair and CEO of the AASB, Ms Kris Peach, to the Board meeting. Ms Peach addressed the Board on a range of accounting developments and importantly informed the Board of the AASB's work creating guidance material to guide organisations seeking to comply with their obligations under the Code. This guidance material will be prepared by AASB and hosted on the Board's website to ensure the Code is accessible and simple to comply with. The guidance will be issued in draft for comment in the next couple of weeks.

The Board encourages you to adopt the Code and support and assist your clients to adopt it.

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<sup>1</sup> 16 February 2017

## Sounding Board

The Board received an update on the recent activity on the Sounding Board. The Board noted that although some ideas are being considered there is sometimes little evidence of this on the website. Accordingly we will seek to provide improved progress reports either through the website or 'notifications' to registered users. We also discussed how we might engage with our Advisory Panel members to progress or test the need to progress various issues raised through Sounding Board – see further details below.

The Board continues to monitor and review activity on Sounding Board, which is a standing item on the Board's agenda. I am pleased to report that the use of Sounding Board continues to grow. If you would like to comment, vote or post your own suggestion, you can do so by [registering](#) with Sounding Board. Please visit Sounding Board for more information – <https://taxboard.ideascale.com/>

## Our Pipeline for 2017

2017 is shaping up to be a very exciting year for the Board. The Board continues to be involved with the Government's Black Economy Taskforce, as well as progressing several projects towards completion including:

- asset merger roll-over relief (the Board is in a position to finalise the report);
- residency tests for high wealth individuals;
- alignment of tax and accounting concepts;
- tax and the sharing economy;
- the consistency of core concepts applied under State and Federal tax laws; and
- targeted trust simplification.

The Board continues to be engaged as a key adviser to Government and Treasury on business and community tax policy issues.

Already in 2017 the Board has been engaged by the Minister for Revenue and Financial Services to provide input on issues ranging from the Government's adoption of BEPS Action Item 12 (Mandatory Disclosure of Tax Information), Collective Investment Vehicles and whistle-blower protection.

The Board expects to consider additional projects over the coming months and I will keep you posted on these developments as they arise – let us know if you would like to be involved!

## Advisory Panel

The Board discussed the need to review the Advisory Panel and our engagement with the Panel members. The Board also discussed the Panel's breadth of expertise that assists us to consider the merits of the wide variety of tax ideas that are important to business and the community. We will be contacting our Advisory Panel in the next couple of weeks to ensure we have up to date contact details and areas of expertise – so that we may better utilise your talents. This is especially important as we develop our pipeline for 2017.

# Stakeholder Engagement

The Board took the opportunity to meet with many of its Sydney based stakeholders including business representatives, industry bodies, tax practitioners and representatives of the NSW Office of State Revenue. The Board would like to thank all those who participated in the discussions over lunch. We remind you that you can contact us at any time – refer to my contact details below or please email [taxboard@treasury.gov.au](mailto:taxboard@treasury.gov.au)

## Thank You

The Board would also like to thank PwC for hosting the Board at its Sydney premises and for the many PwC partners who attended and engaged in the stakeholder discussions. Many thanks to Pete Calleja at PwC for the invitation and his assistant Tracey Williams for organising our arrangements – the Board is very grateful.

## March 2017 Board Meeting

The next Board meeting will be held in Brisbane on 24 March 2017.

Please do not hesitate to contact the Board of Taxation on 02 6263 4366 should you wish to discuss any of these matters further.

Kind regards

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