

Australia—Country Commitments

Australia

1. Expose corruption

[Beneficial ownership]

- Australia is committed to exploring, via public consultation, options for a **beneficial ownership register for companies**.
- Australia has tracing powers for beneficial ownership of listed companies and investment schemes and is committed to ensuring that adequate, accurate and timely information on beneficial ownership and control is available to competent authorities.

[Detection and investigation]

- Australia will work with the UK and others to establish the new **International Anti-Corruption Coordination Centre**, to streamline and focus international cooperation in cases of grand corruption with international dimensions.
- Australia has announced **increased funding** for key agencies which respond to corruption and corporate crime including:
 - the **Australian Securities and Investments Commission** reform package (A\$127.2 million over four years to combat misconduct in Australia's financial services industry and bolster consumer confidence in the sector), and
 - the **AFP Fraud and Anti-Corruption Centre** (A\$14.7 million over three years to bolster law enforcement efforts to detect, disrupt and combat corruption and other serious and complex financial crimes).
- Australia supports multi-agency responses to corruption and financial crime, including through the **Serious Financial Crime Taskforce**, with funding of A\$127.6 million over four years from 2015-16. Since the commencement of the Taskforce in July 2015, over A\$110 million in tax liabilities have been raised.

[Preventing the Facilitation of Corruption]

- Australia will continue to work closely with the private and non-government sectors to tackle corruption, including through a **new Government Business Roundtable on Corruption**, which will provide a forum for closer cooperation and consultation on anti-corruption work and areas for reform.
- Australia is developing mechanisms for **public-private information sharing partnerships**, including a centre for excellence within the Australian Transaction Reports and Analysis Centre and the Australian Financial Crimes Exchange, to bring

together governments, law enforcement, regulators and the financial sector to detect, prevent and disrupt money laundering linked to corruption.

- Australia has conducted an **extensive statutory review of its anti-money laundering and counter-terrorism financing laws**, culminating in a report (tabled in Parliament on 29 April 2016) which makes recommendations to shape a modern and efficient regulatory regime that can respond to new and emerging threats. Australia will carefully consider all the recommendations in this report to ensure our legislative framework remains effective and meets international best practice.
- We will explore options to **share information between respective public-private partnerships in other countries** to ensure the most effective response to international money laundering.

[Public Procurement and Fiscal Transparency]

- Australia is finalising its membership to **the Open Government Partnership** and looks forward to be an active member of the Partnership.
- Australia supports the **Open Contracting Data Standard**, and notes the role the Standard can play in encouraging machine-readable open data formats across all areas of government.

[Extractives]

- Australia is working towards compliance with the transparency principles of the **Extractive Industries Transparency Initiative (EITI)**, an international coalition that provides a global standard to promote open and accountable management of natural resources. Australia is a long-term supporter of the EITI, and will continue to support the application of EITI principles around the world.
- We commit to work together to enhance company disclosure (regarding payments to governments for the sale of petroleum and minerals), complementing ongoing work within the EITI. Reporting progress via the Open Government Partnership or EITI working groups, we will explore the scope for a common global reporting standard.
- We welcome voluntary disclosures through EITI reporting and by some major companies regarding payments to governments for the sale of oil, gas and minerals.
- We welcome the new 2016 EITI Standard, in particular the requirements on beneficial ownership and the sale of the state's share of production. Australia is committed to exploring options to address issues related to beneficial ownership information.

[Taxation]

- Australia has been steadily **strengthening tax transparency measures**, and has been leading the global fight against tax evasion and multinational tax avoidance.
 - On 3 May 2016, the Australian Government announced that it will introduce a new **Diverted Profits Tax** which will impose a 40 per cent penalty rate of tax on large multinational companies that attempt to shift their Australian profits offshore to avoid paying tax.
 - Australia will be one of the first countries to implement the OECD's **hybrid mismatch arrangement rules** to prevent multinational corporations from exploiting cross-border tax differences to avoid or defer paying tax. These new rules will apply from 1 January 2018, or six months after Royal Assent.
 - In addition, Australia is establishing a new **Tax Avoidance Taskforce** within the Australian Taxation Office, staffed by over 1,000 experts including 390 specialist officers, to strengthen efforts to ensure that every multinational, public and private company, and high-wealth individual pays the right amount of tax. The Taskforce will be involved in investigating information contained in the Panama Papers.
 - These measures represent major steps in the fight against corporate tax avoidance.

- Australia is further strengthening its policy settings to **address tax evasion and avoidance**.
 - We are leading **international action on the 'Panama Papers'**. Australia's Commissioner of Taxation convened an emergency meeting of senior tax administrators to coordinate an international response to the disclosure. Australian government agencies are thoroughly analysing the contents of the papers, and any Australians found to have acted illegally by avoiding tax or undertaking unlawful behaviour will be dealt with under Australia's strong tax avoidance and anti-corruption laws.
 - Australia is developing **strengthened whistleblower protections** designed to protect those who disclose information on tax misconduct to the Australian Taxation Office. Whistleblowers will have their identity protected and will be protected from victimisation and civil and criminal action to encourage them to come forward and help support compliance with Australia's tax laws.
 - Australia will also be publicly consulting on **new mandatory disclosure rules** intended to limit the proliferation of aggressive tax planning schemes.

- Australia is building on our already **strong tax integrity rules to combat tax avoidance** by multinational corporations.
 - The **Multinational Anti-Avoidance Law** will stop multinationals artificially avoiding a taxable presence in Australia and doubles the penalties for multinationals avoiding tax.
 - These measures complement the significant **thin capitalisation changes, transfer pricing and controlled foreign corporation** rules implemented in recent years.

- Australia is well advanced in **improving public transparency of taxes** paid by companies that operate in Australia.
 - In December 2015, the Australian Taxation Office started **publishing the Australian total income, taxable income and tax paid** of large companies operating in Australia.
 - Australia has legislated the OECD **Common Reporting Standard** initiative, which provides tax authorities with the automatic exchange of tax information on individuals with offshore accounts regardless in CRS participating countries.
 - Australia has announced a voluntary **Tax Transparency Code** to improve tax transparency in the corporate sector and thereby enhance public confidence in the tax system. Australia supports the development of a global commitment for public country by country reporting on tax information for large multinational enterprises, and to this end Australia welcomes the opportunity to align these two initiatives and to provide a real-world template that other countries may leverage.
 - Australia has also legislated **country by country reporting** which requires large multinationals to report to the Australian Taxation Office their income and tax paid in every country in which they operate, as part of Australia's implementation of the G20/OECD Base Erosion and Profit Shifting Action Plan.
 - Australia has longstanding arrangements to deter corporate tax evasion, including deeming company directors (and other individuals involved in the management of the company) personally liable for taxation offences committed by their company. In addition, Australia's promoter penalty regime applies to entities that promote tax avoidance and tax evasion schemes.

- We are supporting international efforts on countering tax avoidance and evasion. Australia is a founding partner of the **Addis Tax Initiative**, which will support developing countries to strengthen their tax systems, increase domestic resource mobilisation and promote economic governance in developing countries. As part of this Initiative, Australia commits to doubling our investments to support developing countries to strengthen their tax systems by 2020.

2. Punish the corrupt and support those who have suffered from corruption

[Asset Recovery and Return]

- Australia has **effective laws for asset recovery**, including non-conviction based confiscation powers and unexplained wealth orders. We will continue to review our legislative framework to ensure its continued effectiveness.

- Australia will continue to support existing effective regional forums for asset recovery, including the **Asset Recovery Interagency Network for Asia Pacific** (ARIN-AP) other its regional equivalents, and encourages other countries to join and actively participate in these fora.

[Payments to affected states]

- We will work with other countries to **develop common principles governing the payment of compensation** to the countries affected, to ensure that such payments are made safely, fairly and in a transparent manner.

3. Drive out corrupt behaviour, wherever it exists

[International System]

- Australia has committed **new funding to support partnerships in the Pacific, Southeast Asia and South Asia** aimed at strengthening the implementation of the UN Convention against Corruption (UNCAC), including:
 - A\$5.66 million to support a further four years (July 2016 to June 2020) of the UN Pacific Regional Anti-Corruption project — a joint initiative of the UN Office on Drugs and Crime and the UN Development Programme which works with Pacific Island governments, businesses and civil society organisations to strengthen the implementation of UNCAC in the Pacific, and
 - A\$7.47million (October 2016 to September 2020) to support the UN Office on Drugs and Crime to strengthen the implementation of UNCAC in South and Southeast Asia.

[Promoting Integrity in our institutions]

- Australia supports the establishment of **practitioner partnerships aimed at strengthening the integrity of institutions** and better preventing and combating corruption, in line with advice and guidance from the OECD.
- Australia supports the establishment of an **OECD global anti-corruption and integrity platform** to improve coordination and information sharing across the OECD and to maximise the impact of its expertise, convening power and outreach.
- Australia will continue to **promote institutional integrity in the Indo-Pacific region** through agency to agency partnerships, where such partnerships are likely to make a real difference to institutional integrity in the partner country.

[Innovation]

- We support the establishment of an **Innovation Hub** that will facilitate the uptake of new approaches and technologies to tackle corruption.