



Minister for Revenue and Financial Services

The Hon Kelly O'Dwyer MP

Ms Kris Peach
Chair
Australian Accounting Standards Boards
Podium Level
Level 14 530 Collins Street
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Dear Ms Peach

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On 3 April we discussed a proposal for the AASB to examine whether to amend the Australian accounting standards to require entities to disclose details of their taxation disputes.

Under taxation law, the Commissioner of Taxation is not permitted to disclose taxpayer information, including the amounts of tax payable by taxpayer entities raised under amended assessments following audits or similar review. This prohibition on disclosure extends to the Government.

Such a change would assist in increasing community awareness of taxation disputes.

Improved visibility should enhance public confidence in the administration of the taxation system, especially in light of concerns in segments of the community that the corporate sector is not paying its due share of taxes.

However, better disclosure would not merely be directed at promoting the broader public interest.

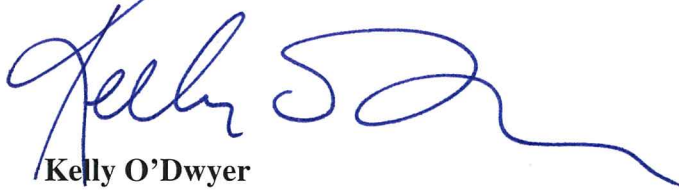
Greater awareness of a company's appetite for aggressive tax minimisation leading to taxation disputes is of significance to investors, as well as other users of financial statements, such as lenders and other suppliers.

Better disclosure would assist users of financial statements to determine whether the company exhibits a culture of compliance and as well their disposition to risk taking, and could provide an insight on broader governance arrangements.

I am informed by the Commissioner that where a dispute proceeds to litigation, the ATO is successful in over 70 per cent of matters.

I would be grateful if the AASB would undertake consultation with stakeholders to explore the proposal and would appreciate your assessment of feedback.

Yours Sincerely



Kelly O'Dwyer