

# Inspector-General of Taxation Announces Terms of Reference for Review into delayed or changed ATO views

Ali Noroozi, Inspector-General of Taxation, today released the Terms of Reference and Submission Guidelines for his inquiry into any delayed Tax Office advice or changes to pre-existing views or practice on significant issues.

Mr Noroozi said “During consultations on my work program last year, various business and tax practitioner groups told me that Tax Office views have undergone so-called “u-turns” on significant interpretative issues or past practices. They were particularly concerned where delayed or perceived changes in Tax Office views were retrospectively applied with adverse consequences.”

“Similar concerns had also been raised with the Assistant Treasurer, the Hon Chris Bowen MP, who has directed me to review this matter.”

Mr Noroozi said “If these concerns are substantiated, they raise questions about the adequacy of prospective certainty and protection for taxpayers against the retrospective effect of Tax Office views.”

Mr Noroozi explained that “I have been told that there are a number of recent examples of Tax Office delays or changes of particular concern to business and tax practitioners.”

“These examples include the Tax Office’s approach to service trusts, managed investment schemes, transfer pricing and thin capitalisation rules, royalty withholdings on copyright payments, trust cloning and the taxation of trusts more generally.”

“I intend to review these examples, and any others, to determine if the concerns are justified and whether the system could be improved.” said Mr Noroozi.

“The issues are not black and white in every instance, so I have released Submission Guidelines to provoke thought and indicate the type of evidence that I am seeking.”

“It asks taxpayers, tax practitioners and the Tax Office to stand in each others’ shoes and look at the issues from a number of different perspectives.”

“My aim is for balanced thinking on the issues to lead to better outcomes for both the tax administration and taxpayers alike.” said Mr Noroozi.

“Submissions are welcomed and I encourage people to use these Submission Guidelines in preparing their submission.”

The Terms of Reference and Submissions Guidelines for the review are available on the Inspector-General of Taxation website: [www.igt.gov.au](http://www.igt.gov.au).

SYDNEY  
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