



MEDIA RELEASE

AFMA Supports Consultation on OBU Changes

28 June 2013

AFMA has welcomed the announcement by the Assistant Treasurer today that the Government will defer the implementation of proposed changes to the Offshore Banking Unit (OBU) regime until 1 October 2013, together with the release of Treasury's Discussion Paper entitled "Improving the Offshore Banking Unit Regime."

This is a necessary step to address the prevailing uncertainty within the industry about the scope of measures announced in the 2013-14 Federal Budget, which constrains *bona fide* OBU transactions. A successful OBU regime contributes to Australia's ability to retain and attract internationally mobile financial services business and generates income and employment for Australians.

The announced Budget measures include prohibiting transactions between OBUs and both related parties and unrelated OBUs. These amendments were initially announced to commence for income years starting on or after 1 July 2013. AFMA believes that the consultation now being undertaken is necessary to ensure that changes to the OBU regime address any integrity concerns without giving rise to unintended consequences.

AFMA looks forward to contributing through the consultation process to the Government's work to design OBU changes and implement the associated measures in a timeframe that both protects revenue integrity and supports the growth of our financial services exports.

Notes for Editors:

The Australian Financial Markets Association (AFMA) is the leading industry association promoting efficiency, integrity and professionalism in Australia's financial markets and provides leadership in advancing the interests of all market participants. These markets are an integral feature of the economy and perform the vital function of facilitating the efficient use of capital and management of risk. Market participants perform a range of important roles within these markets, including financial intermediation and market making.

AFMA represents over 130 members, including Australian and international banks, leading brokers, securities companies, state government treasury corporations, fund managers, traders in electricity and other specialised markets and industry service providers.

Contact details for further information:

Rob Colquhoun
Director, Policy (Taxation)
+61 2 9776 7996
rcolquhoun@afma.com.au

Australian Financial Markets Association
Level 3 Plaza Building, 95 Pitt Street Sydney NSW 2000
Tel: +61 2 9776 7955 Fax: +61 2 9776 4488
Email: info@afma.com.au Web: www.afma.com.au