

**Business
Coalition for
Tax
Reform**

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2 November 2007

The Executive Director
Australian Law Reform Commission
GPO Box 3708
SYDNEY NSW 2001

Via email: privilege@alrc.gov.au

Dear Sir/Madam

Submission – Client Legal Privilege and Federal Investigative Bodies Discussion Paper 73

The Business Coalition for Tax Reform (“BCTR”) would like to support the recent submission (including the supplementary points made by way of email dated 1 November 2007) made by the Institute of Chartered Accountants in Australia (“ICAA”) in relation to the Australian Law Reform Commission’s (“the ALRC”) Discussion Paper 73 in relation to Client Legal Privilege and Federal Investigatory Bodies.

The BCTR is a forum for bringing together the views of the business community on tax reform issues. BCTR members share the common objectives of creating and implementing a better tax system that enhances both international and domestic business competitiveness and fairness, and which assists in creating a business climate conducive to investment, growth, job creation and private saving. A list of BCTR members is provided in Attachment A.

In general, the BCTR supports Proposal 6-3 which should encourage clients to openly share information with their advisers, and promote the need for full and frank disclosure of information to their accountants. If accountants and their clients could rely on the doctrine of client legal professional privilege, this would support a more transparent and honest relationship between a client and their accountant which should result in reduced litigation and better compliance with the law.

We also support the ICAA’s recommendations that:

- (a) the proposal be extended to tax agents and their nominees and employees; and
- (b) the requirement that a lawyer and not a tax agent or its nominee or employee should certify whether a tax agent document ought to be protected be removed.

As our previous submission pointed out, the time has come for a reform of the doctrine of legal professional privilege for all taxpayers (including corporates) to take account of the changing tax advisory environment and we generally welcome the ALRC's proposals in this regard.

In the event you have any questions regarding the above matters please contact me on 03 9634 9901.

Yours faithfully

A handwritten signature in black ink, appearing to read 'John Stanhope', written in a cursive style.

John Stanhope
Chairman

Business Coalition for Tax Reform members

Australian Beverage Council Limited
Australian Financial Markets Association
Australian Institute of Company Directors
Business Council of Australia
Corporate Tax Association of Australia
CPA Australia
Council of Small Business Organisations of Australia
Institute of Chartered Accountants in Australia
Insurance Council of Australia
Investment and Financial Services Association Ltd
Minerals Council of Australia
National Institute of Accountants
Property Council of Australia
Real Estate Institute of Australia