



# Media Release – Federal Budget 2010-11

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### Australia - a financial services hub one step closer

**Tuesday 11 May 2010:** Deloitte Tax Partner Adele Watson said the Government's support for an Investment Manager Regime was "a big step towards making Australia's fund management industry a real financial services hub for the region."

The joint release by the Assistant Treasurer, Nick Sherry and the Minister for Financial Services, Superannuation and Corporate Law, Chris Bowen accepts the recommendation of the Johnson Report to introduce an Investment Manager Regime and indicates they will consult the industry on its design.

"The introduction of an Investment Manager Regime in the form proposed by Johnson would finally mean Australia's \$1.1 trillion funds management industry will be able to manage foreign investments on behalf of non-residents, so the non residents are not taxed in Australia on the profits of those foreign investments.

"This is welcome news," she said. "Removing the current uncertainty for non-residents where they have used an Australian based fund manager, investment adviser, broker, exchange or agent will make a big difference for the financial services industry."

There are \$53.6bn funds sourced from offshore, almost 5% of total funds under management, so this is a significant development.

"To date the uncertainty surrounding the Australia tax has restricted the ability of the Australian financial services industry to take a leading role in this market," said Ms Watson.

"Following on from the Government's announcement on Managed Investment Trusts this is good news for the funds management industry and will lead to further growth in the industry," she said.

"It is great to see the Government adopting the majority of the recommendations made in the Johnson Report to position Australia as a Financial Services Hub for the region," she said.

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