

# AUSTRALIAN TAX REVIEW

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## EDITORIAL

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## ARTICLES

### **New measures deterring the promotion of tax exploitation schemes – *John King***

The <i>Tax Laws Amendment (2006 Measures No 1) Act 2006</i> (Cth) introduced a new civil penalty regime into Div 290 of the <i>Taxation Administration Act 1953</i> (Cth). The regime applies to promoters of tax exploitation schemes. This article will demonstrate that, while the Explanatory Memorandum to this Act suggests that the new provisions will have a narrow application, the legislation may be applied more broadly. ....	163
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### **Unit trusts: Law and lore – *AH Slater QC***

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### **Are transparent companies the way of the future for Australia? – *Brett Freudenberg***

Australia has recently recognised or introduced, to a limited extent, a new business form known as a transparent company. A transparent company provides limited liability to its members and separate legal entity status with flow-through taxation. Australia's actions have been in response to an increasing global trend that has seen the broad introduction of transparent companies in overseas jurisdictions. For example, the United States has introduced the “S Corporation” and the “limited liability company”; the United Kingdom has introduced the “limited liability partnership”; and New Zealand has introduced the “loss attributing qualifying company”. Why have these overseas jurisdictions introduced their transparent companies and is the reasoning similar in Australia? This article will argue that some of the drivers that caused the introduction of transparent companies overseas are present in Australia and, consequently, there could be a broad introduction of a transparent company. In fact, such an introduction could be imperative for Australia to be competitive in an increasing global economy. ....	200
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