



MEDIA RELEASE

AFMA Welcomes Government Announcement on Bail-In Bonds

18 December 2024

As the peak body representing foreign banks in Australia, the Australian Financial Markets Association (AFMA) has today welcomed the Government's announcement that it intends to clarify the debt treatment of bail-in bonds issued by foreign banks through their Australian branches for tax purposes. This announcement provides necessary certainty and ensures that there is a level playing field for foreign banks relative to other banks that operate in Australia.

"It is vital that foreign banks are able to access Australian financial markets to fund their local operations," said AFMA's CEO, Brett Harper. "AFMA appreciates the engagement from the Government, Treasury, the ATO and AFMA's members to preserve the efficient operation of the markets."

Today's announcement remedies a technical issue that all stakeholders, including the ATO, acknowledged was incorrect from a policy perspective. AFMA will work with stakeholders to formulate legislation that not only addresses the specific issues of bail-in bonds but also future-proofs the legislative framework to ensure that such technical issues do not arise in the future.

Contact: Rob Colquhoun
AFMA Head of Tax
rcolquhoun@afma.com.au
0421 618 502

Notes for Editors:

AFMA promotes efficiency, integrity and professionalism in Australia's financial markets. 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.