



Treasury Laws Amendment (International Tax Agreements) Act 2019

No. 107, 2019

**An Act to amend the law relating to taxation, and
for related purposes**

Note: An electronic version of this Act is available on the Federal Register of Legislation
(<https://www.legislation.gov.au/>)

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Treasury Laws Amendment (International Tax Agreements) Act 2019

No. 107, 2019

An Act to amend the law relating to taxation, and for related purposes

[Assented to 28 November 2019]

The Parliament of Australia enacts:

1 Short title

This Act is the *Treasury Laws Amendment (International Tax Agreements) Act 2019*.

No. 107, 2019 *Treasury Laws Amendment (International Tax Agreements) Act 2019* 1

2 Commencement

- (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day after this Act receives the Royal Assent.	29 November 2019
2. Schedule 1	The day after this Act receives the Royal Assent.	29 November 2019
3. Schedule 2	The first 1 January, 1 April, 1 July or 1 October to occur after the day this Act receives the Royal Assent.	1 January 2020

Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

- (2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

3 Schedules

Legislation that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Schedule 1—Israeli convention

International Tax Agreements Act 1953

1 Subsection 3AAA(1)

Insert:

Israeli convention means:

- (a) the Convention between the Government of Australia and the Government of the State of Israel for the elimination of double taxation with respect to taxes on income and the prevention of tax evasion and avoidance; and
 - (b) the protocol to that convention;
- each done at Canberra on 28 March 2019.

2 Subsection 5(1) (after table item relating to Isle of Man agreement)

Insert:

Israeli convention	nil
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Schedule 2—Source rules

Income Tax Assessment Act 1997

1 Before Division 768

Insert:

Division 764—Source rules

Table of Subdivisions

Guide to Division 764

764-A Source rules

Guide to Division 764

764-1 What this Division is about

This Division contains a source rule for certain international tax agreements.
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Subdivision 764-A—Source rules

Table of sections

764-5 Source rule for international tax agreements

764-5 Source rule for international tax agreements

- (1) For the purposes of this Act, income, profits or gains have a source in Australia if:
 - (a) for the purposes of an *international tax agreement, the income, profits or gains are those of a person who is a resident of a foreign country or foreign territory; and
 - (b) the effect of the agreement is that the income, profits or gains may be taxed in Australia.
- (2) Subsection (1) applies in relation to *international tax agreements made on or after 28 March 2019.

Note: An international tax agreement not covered by this section may be subject to specific source rules contained in the *International Tax Agreements Act 1953* or in the international tax agreement itself.

- (3) This section has effect despite any other provision of this Act (other than Part IVA of the *Income Tax Assessment Act 1936*).

2 Subsection 995-1(1) (definition of *Australian source*)

Omit “*ordinary income or *statutory income has an Australian source if, and only if,”, substitute “without limiting when *ordinary income or *statutory income has an *Australian source*, it has an *Australian source* if”.

International Tax Agreements Act 1953

3 Paragraph 3AA(2)(c)

Omit “11(3)”, substitute “11(2)”.

4 At the end of subsection 3AA(2)

Add:

; (d) section 764-5 of the *Income Tax Assessment Act 1997*.

[Minister’s second reading speech made in—
House of Representatives on 19 September 2019
Senate on 11 November 2019]

(176/19)
