

From: Bill Ogley
Sent: 16 September 2006
To:
Subject: FW: Possible observer article
Sensitivity: Confidential

I am sending you all a copy of a statement that has been made to an observer reporter. The context is that as part of the preparation of law drafting for the implementation of the 0/10 tax changes there is a great deal of work being devoted to ensuring that appropriate anti -avoidance measures are included.

As part of that there has been some consideration given to the interaction of the Trust Law and the new tax measures. In order to determine what is appropriate officers were considering how someone might seek to use these provisions and they were exchanging e mails explaining the interaction. Unfortunately the e mail was passed in error to someone in the Observer newspaper. The controller of Income Tax has been contacted and has made a statement clarifying that the exchange was devoted to anti avoidance rather than facilitation of avoidance, as alleged by the reporter. We do not know whether the newspaper will run with the story, but Senator Le Suer has asked me to send a copy of the statement to ensure that you are not surprised should it appear tomorrow.

Bill Ogley