

transactions - i.e. those between non-residents - booked through Australia - could be taxed at 10 per cent rather than 46 per cent. The Whitlam Report recognised a potential tax avoidance problem here if domestic transactions were to be disguised as "pure" offshore Australian dollar transactions. However it did not think the difficulties unsurmountable.

REFORM IN LONDON:

For generations the City of London has been entrenched in traditional practices which are being abandoned under Government pressure. Negotiated commissions, corporate membership, increased foreign investment and the likely disappearance of the division of the profession into brokers and jobbers are some of the changes anticipated. It is expected that this will result in a strengthening of the City and its continued survival as a major financial centre. "Where else do you get such good backup- in terms of lawyers and accountants - and at times it enables to you deal with Asia in the morning and the U.S. in the afternoon. It will remain one of the world's three great financial battlegrounds". According to Euromoney, February 1984 at 28, its shape may change out of recognition.

D.F.

LEASING:

In a series of articles in Euromoney, February 1984, at 106, the latest developments in this international industry are discussed. Reflecting on legislation stopping cross-border leasing one authority is quoted as saying "Tax authorities the world over seem to have gone to the same school. They see leasing as costing them revenue, whereas it is really only deferring revenue". In this regard, it will be recalled that Australia too recently removed the fiscal advantages for leasing, usually of aeroplanes, to non-residents at the same time as removing the advantages of leasing to tax exempt authorities so graphically illustrated in the Eraring leasing arrangement. The articles argue that there are distinct advantages to the economy in cross-border leasing. In a separate article on aircraft leasing, the example of the utility of leasing to a developing country is cited. Mozambique, with a Marxist Government, needed to finance the acquisition of an 8-year old D.C.10, valued at \$US21 million. It was bought from Air New Zealand, registered in France with a French bank as the official owners. Although it operated from Maputo the lease was subject to U.K. law and the U.S. dollar finance was provided by an American bank based in London.

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