



Electronic Bulletin of Australian Tax Developments

New modern international tax rules for investment offshore

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On 12 May 2009 (Budget night), the Government released the Board of Taxation's (the Board) report following the Board's review of the foreign source income anti-tax deferral regimes and announced its intention to reform the foreign source income attribution rules.

The announced reforms will implement all but one of the Board's recommendations contained in its report and will significantly change the tax treatment of investment offshore.

The Government has announced that it will:

- 'modernise' the controlled foreign company (CFC) provisions and rewrite them into the *Income Tax Assessment Act 1997* (ITAA 1997)
- repeal the foreign investment fund (FIF) provisions and replace them with a specific narrow anti-avoidance rule
- repeal the deemed present entitlement rules, and

- amend the transferor trust rules to "enhance their effectiveness and improve their integrity".

The Board's recommendation that Australian listed public companies be exempted from the attribution rules has not been accepted.

Those who have investments offshore will welcome the Government's favourable response to the Board's recommendations, particularly the narrowing of the categories of income now potentially subject to attribution, and the prospect of relief from the compliance burden created by the FIF rules.

The details of the measures have yet to be announced. However, the Government has already commenced consultation with the release on Budget night of a Treasury Discussion Paper (Discussion Paper) outlining the framework for the redesign of the foreign source income attribution rules. The Discussion Paper presents a whole new raft of issues for consultation,

including design aspects of the attribution measures thought to be long settled and not subject to change.

The Discussion Paper also raises a number of surprise proposals which go beyond those originally envisaged and go beyond the Board's report. These include a possible change to the non-resident capital gains tax (CGT) rules which could affect the treatment of the disposal of certain instruments held by non-residents in land-rich Australian entities.

The Government has indicated that the new measures will apply for income years commencing on or after the date of Royal Assent. It would seem likely therefore that the earliest date on which the reforms could take effect would be the income year commencing on or after 1 July 2010.

The closing date for submissions on the Discussion Paper is 9 June 2009. PricewaterhouseCoopers will be lodging a submission to Treasury and welcomes comments from clients affected by the proposals.

Background

On 10 October 2006, the Government commissioned the Board to review the current anti-tax deferral regimes in order to:

- reduce the complexity and compliance costs associated with the regimes, including [consideration of] whether the current regimes can be collapsed into a single regime, and
- examine whether the anti-tax deferral regimes strike an appropriate balance between effectively countering tax deferral and unnecessarily inhibiting Australians from competing in the global economy.

The anti-tax deferral regimes which were considered by the Board were the:

- CFC measures
- FIF measures
- ‘transferor trust’ measures, and
- trust deemed present entitlement rules.

The Board presented its report and recommendations to the Government in September 2008. The Board’s recommendations are substantially in line with positions that it adopted in its Position Paper of January 2008 and its Issues Papers of May 2008 (see Table A for a chronology of the Review).



Table A: Chronology of Board of Taxation’s Review

10 October 2006	Former Government commissions review of anti-tax deferral regimes
25 May 2007	Board of Taxation releases Discussion Paper and invites submissions
10 July 2007	PricewaterhouseCoopers provides written submission to Board of Taxation (along with other interested parties)
12 March 2008	Board of Taxation releases Position Paper
19 May 2008	Board of Taxation releases Issues Papers and invites further submissions
June 2008	PricewaterhouseCoopers participates in public and private consultation forums to provide submissions on proposals in Position Paper and Issues Papers
30 June 2008	PricewaterhouseCoopers provides additional written submission to Board of Taxation (along with other interested parties)
September 2008	Board of Taxation recommendations provided to the Federal Government
12 May 2009	Board of Taxation recommendations released to the public together with the Government response and Treasury Discussion Paper outlining basic design principles for the new rules and inviting comments from interested parties

The Board's recommendations accepted by Government

Retain the CFC provisions as the primary set of rules designed to counter tax deferral

The CFC rules, currently comprising Part X of the *Income Tax Assessment Act 1936* (ITAA 1936), will be rewritten into the ITAA 1997. As indicated in both the Board's report and Treasury's Discussion Paper, this will involve substantial design changes. The Discussion Paper suggests that a principles-based drafting approach will be adopted in relation to the new measures.

The Board also recommended that the rewritten CFC rules should extend to closely-held fixed trusts and interests in non-common law entities. This addresses an issue that was previously raised in the Board's Position Paper of January 2008, where it noted that the current rules did not adequately address interests in civil law entities such as anstalts and foundations.

Treasury's Discussion Paper also indicates that consideration will be given to extending the operation of the rewritten CFC rules to other controlled foreign entities and invites submissions on what conditions should be imposed for this purpose.

Retain and modernise existing legal based passive income rules

For the purposes of the CFC rules, amounts included in 'passive income' (e.g. interest, dividends, certain royalties and rent, and capital gains in respect of 'tainted assets') are relevant to both the application of the 'active income test' (which is generally a threshold condition for the application of the CFC rules) and to the inclusion of amounts in the 'notional assessable income' of a CFC where the active income test is failed.

As part of the review process, the Board raised the possibility of determining whether an amount was passive income on the basis of the economic substance, rather than the legal form, of the transaction. In its final recommendations, the Board has endorsed retaining tests that are based on the legal form of the amounts.

The Board also endorsed a 'modernisation' of the definition of passive income in order to accommodate modern business practices. Specific initiatives identified include:

- 'updating' of the definition of 'financial intermediary business' (which is

relevant to the concessional definition of passive income which applies to an 'Australian financial institution subsidiary') to encompass additional activities ordinarily undertaken by financial intermediaries

- narrowing of the definition of 'tainted rental income' in order to comprehend different ownership and management structures, and
- narrowing of the definition of 'tainted royalty income'.

Allow a group approach for applying active income test

The Board's Report endorses the adoption of a group approach in applying the active income test in circumstances where CFCs are consolidated for accounting purposes. This would ensure that only passive income derived from non-group entities would be taken into account in determining whether the CFC passes the active income test.

The detail of how such an approach would be applied and the issue of whether it would be optional or mandatory are not addressed in the Board's report. However there are suggestions by Treasury in the Discussion Paper that:

- one way of adopting this recommendation may be to restrict its operation to members of a group located within a single jurisdiction, and
- amounts of income which are subject to comparable tax in a listed jurisdiction would be excluded from the active income test.

Remove 'base company income' rules, subject to express integrity rules

Under the current CFC rules, the three key components of the notional assessable income of a CFC (which are also relevant to the application of the active income test) are passive income, 'tainted sales income' and 'tainted services income'. The Board recommended that the last two categories, which comprise 'base company income', be removed from the application of the active income test and the calculation of the notional assessable income of a CFC.

As tainted sales income involves sales to, or acquisitions from, associates who are likely to be subject to Australian income tax, there is an obvious overlap

with the Australian transfer pricing provisions. For this reason, the Board took the view that such matters should be addressed exclusively by the transfer pricing provisions and, accordingly, tainted sales income should be excluded from the calculation of the attributable income of a CFC.

The focus of ‘tainted services income’ is on the supply of services to those within the Australian tax net, without any limitation by reference to associates. As such, the policy seems to be to discourage the substitution of the provision of services into Australia from offshore for those that might otherwise have been provided from within the Australian tax base. The Board expressed the concern that this placed Australian investors at a competitive disadvantage to other investors. On this basis, the Board recommended that tainted services income should also be excluded from the calculation of the attributable income of a CFC.

Exempt complying superannuation entities from the CFC rules

In line with the current exemption from the FIF measures for interests in FIFs held by a complying superannuation entity, the Board recommended that a similar exemption be available for complying superannuation funds in respect of the CFC rules.

The exact breadth of such an exemption is yet to be determined. Treasury raises in the Discussion Paper the possibility of extending this relief to interests held by approved deposit funds, pooled superannuation trusts and retirement savings accounts.

Allow taxpayers a choice of methods in calculating attributable income

Under the current CFC rules, an Australian attributable taxpayer must calculate its share of the attributable income of a CFC by applying a branch equivalent approach, notionally applying modified versions of the ITAA 1936 and the ITAA 1997 to the affairs of the CFC.

The Board has recommended that, in addition to such an approach, a taxpayer should be able to choose to calculate its share of attributable income on the basis of changes in the market value of their interest in the CFC (along the lines of the market value method under the FIF provisions) or by applying a compounding deemed rate of return (again along the lines of the deemed rate of return method of calculating FIF income).

Treasury has raised for consultation in the Discussion Paper questions about the desirability of having this choice, whether choices should be irrevocable and whether any modifications should

be adopted to the current FIF rules to improve the operation of the methods.

Retain the tax law approach for branch equivalent calculations

As part of the consultation process, the Board raised the possibility of calculating attributable income under a ‘branch equivalent approach’ based on accounting data, rather than the current modified application of the tax laws. The Board’s final recommendation was to continue with the current modified tax law approach.

Repeal section 404

Under s404 of the ITAA 1936, a dividend paid by a company resident in a ‘listed country’ (i.e. Canada, France, Germany, Japan, New Zealand, United Kingdom, United States) or ‘s404 country’ (very broadly, those countries with which Australia has a double tax treaty) to a CFC resident in another listed country or ‘s404 country’ is notional exempt income of that CFC (and therefore not attributable).

The Board recommended the repeal of s404 of the ITAA 1936 because the section created a deficiency in the CFC rules. Section 404 of the ITAA 1936 allowed an Australian resident company to establish a CFC in a section 404 or listed country to receive portfolio dividends which would be treated as

notional exempt income under s404 of the ITAA 1936. The CFC could then remit the profits so received to the Australian resident company as a non-assessable non-exempt ‘non-portfolio dividend’ (i.e. where the payee has a voting interest of at least 10% in the company paying the dividend) under s23AJ of the ITAA 1936. In contrast, if the Australian resident company had derived such portfolio dividends directly, they would have been included in its assessable income.

Amend non-portfolio dividend treatment to allow equity-like features to be taken into account and preclude debt-like interests

In broad terms, s23AJ of the ITAA 1936 operates to treat non-portfolio dividends paid by a non-resident company as non-assessable non-exempt income in the hands of a recipient Australian resident company. The ‘debt/equity rules’ do not currently apply to determine the character of the receipt, or the character of the interest on which the distribution is made, for the purposes of s23AJ of the ITAA 1936. The relief afforded by s23AJ of the ITAA 1936 is currently available in respect of (and limited to) legal form dividends paid in respect of legal form shares, where the shareholder has the required percentage of *voting* rights (at

least 10 per cent) in the company paying the dividend.

The Board recommended that relief under s23AJ of the ITAA 1936 should be available for distributions in respect of interests with ‘equity-like features’, such as rights to dividends, capital and returns upon winding up, but should not be available for distributions in respect of ‘debt-like interests’.

In the Discussion Paper, Treasury suggests that the concepts of ‘equity interest’ and ‘debt interest’, contained in the debt/equity rules in Division 974 of the ITAA 1997, could be applied as the basis for the s23AJ exemption. If this proposal is adopted, it may mean that a distribution in respect of an interest which is classified as an equity interest for the purposes of the debt/equity rules, including legal form debt (non-share equity), might satisfy the requirements for relief under the measure. It may also mean that a distribution in respect of legal form equity, which satisfies the debt test in the debt/equity rules (non-equity share), may no longer qualify for relief under s23AJ of the ITAA 1936.

An additional consequence would be a change in the manner in which the requisite non-portfolio (10 per cent) interests would be measured, which is likely to include the 10 per cent interest being determined by reference to some other measure of economic interest

rather than merely voting interests (see further below).

Repeal FIF rules and replace with specific anti-roll-up fund measure

The Board recommended that the FIF rules be repealed and that the provisions be replaced with a much narrower anti-avoidance regime targeting interests in non-resident accumulation funds that do not satisfy the control tests in the CFC rules. The Treasury Discussion Paper does not address the design of this rule.

Repeal the deemed present entitlement rules

The ‘deemed present entitlement rules’ represent one of three overlapping regimes addressing the taxation of residents in respect of non-resident trusts (the others being the ‘transferor trust rules’ and the FIF rules). The repeal of these provisions had been accepted by the former Government following the recommendation of the Ralph Review of Business Taxation in 1999. The Board’s recommendation to repeal these rules effectively endorses that decision.

Remove the control requirement for pre-commencement and pre-resident transferor trusts

The transferor trust rules currently exclude from their operation taxpayers who transferred amounts to a non-resident trust estate before the transferor trust measures commenced where the taxpayer was not in a position to control the affairs of the trust at any time after the commencement of the measures.

There is a similar exemption for taxpayers who transferred amounts to a non-resident trust estate before such taxpayer became a resident where the taxpayer was not in a position to control the affairs of the trust at any time after the taxpayer became a resident.

The Board has recommended the removal of both of these exemptions. However, the Board has conceded that further changes may be required in order to ameliorate the impact of their removal. Treasury does not address this issue in its Discussion Paper but highlights that issues concerning transferor trusts will be considered in more detail during the development of legislation.

Base attributed income for transferor trusts with multiple transferors on value of property or services transferred

For foreign entities with multiple transferors, the Board has recommended that the amount of income to be attributed to each transferor (under the transferor trust measures) should be based on the respective value of the property or services they transferred to the foreign entity and, where it is not possible to determine this amount, the transferor would be deemed to hold a 100 per cent interest in the foreign entity. As mentioned above, Treasury does not address issues concerning transferor trusts in its Discussion Paper. Issues concerning transferor trusts will be considered in more detail during the development of legislation.



The Board's recommendation rejected by Government

Australian listed public company exemption

As part of the consultation process, the Board mooted the possibility of the introduction of a new exemption from attribution under the CFC rules for Australian resident publicly listed companies, subject to appropriate 'integrity' safeguards. Although this formed part of the Board's final recommendations (recommendation 2), it was the only recommendation explicitly rejected by the Government.



Additional Treasury observations in Discussion Paper

In the Discussion Paper, Treasury outlines its preliminary views concerning the basic design principles for the new foreign source income attribution rules (see Table B). The Discussion Paper also raises a number of issues not addressed in the Board's Report. Some of the more significant issues raised are addressed briefly below.

'Equity' test to apply for determining 'ownership interests' and uniform substantial ownership test

The attribution of income under the existing CFC rules is generally limited to 'attributable taxpayers' with a minimum economic ownership interest in the CFC. In most cases this requires that the taxpayer, together with associates, holds (directly or indirectly) at least 10% of defined 'control interests' in the CFC. The proportion of a CFC's attributable income which is assessed to such an attributable taxpayer is determined by reference to the percentage of total 'attribution interests' which the taxpayer holds in the CFC. Such control interests and attribution interests are currently

defined by reference to rights that attach to shares, with legal form debt largely ignored, unless it carries entitlements to acquire equity.

In a similar vein to the proposed changes to the non-portfolio dividend exemption (see above), the Discussion Paper raises the possibility of the new rules using 'equity interests', as determined under the debt/equity rules in Division 974 of the ITAA 1997, to identify the direct and indirect 'ownership interests' held in a foreign entity by a taxpayer. Under this proposed approach, some legal form equity might be ignored and some legal form debt may become relevant in determining:

- whether a taxpayer is an attributable taxpayer, and
- the taxpayer's attribution percentage of the foreign entity's attributable income which will be assessed to the taxpayer.

Treasury also raises in the Discussion Paper the possibility of using a new 'substantial ownership interest' test (ie a direct and indirect associate-inclusive ownership interest of at least 10 per cent)

as a uniform threshold for the purposes of determining the application of the:

- ‘attributable taxpayer’ threshold
- ‘non portfolio dividend’ exemption in s23AJ of the ITAA 1936
- conditions for CGT ‘participation exemption’ relief (ie reduction of a capital gain or loss made in respect of certain CGT events happening to share in a foreign company to the extent that the foreign company is engaged in an active business)
- rules for tracing indirect interests in Australian real property under the ‘taxable Australian property’ threshold tests for the application of the CGT provisions to non-residents, and
- ‘thin capitalisation’ measures.

De facto control test to be primary test for control

Under the current CFC rules, there are three alternative tests to determine whether a non-resident company is a CFC at a particular time. The first two tests look to whether minimum control and concentration of control thresholds are met by reference to objectively verifiable ‘control interests’ held by residents and their associates. The last test (the de facto control test), which is largely seen as a ‘test of last resort’, broadly looks to see whether five or

fewer Australian residents, alone or together with their associates, in fact ‘control’ the foreign company.

In the Discussion Paper, Treasury proposes the adoption of the de facto control test as the primary test for determining whether a foreign company or trust is a controlled foreign entity (CFE) for the purposes of the new rules.

This would have the capacity to introduce considerable uncertainty to the task of determining whether an entity is a CFE. It also raises the possibility that some companies that are currently CFCs may no longer be CFEs under the new test.

Standard timing rules for attribution, non-portfolio dividend and participation exemptions

Under the current law:

- control and attribution percentages for CFC purposes are generally determined at the end of the ‘statutory accounting period’ of the CFC (usually 30 June)
- the necessary 10 per cent voting interest for relief under s23AJ of the ITAA 1936 is determined at the time of payment of the relevant dividend, and
- the necessary 10 per cent voting interest, for relief under the participation exemption must be present for 12 months in the last 24 months.

Treasury raises in the Discussion Paper the possibility of the adoption of a common timing test for all of these matters.

Redefinition of passive income to fit concept of active foreign business in participation exemption rules

Treasury acknowledges in the Discussion Paper the consideration by the Board during its review of the reform of the definition of passive income. Some interesting observations made by Treasury regarding the redefinition of passive income include that:

- it would be expected that rent from the leasing of movable property will generally be treated as active income
- non-portfolio dividends (ie where there is a substantial ownership interest – see above) would not be passive income, and

- one of the considerations in redefining passive income will be to ensure that there is a good fit with the concept of active foreign business in the participation exemption provisions. This may mean some consequential changes to that concept and some of the ideas in the participation exemption concerning what is an active business may be used in defining passive income.

Interests held by CFE in partnerships and trusts

The Discussion Paper proposes that where a CFE has interests in partnerships or trusts, the main principle that should be followed in calculating the attributable income of the CFE, is that there should be no difference in what is regarded as assessable or deductible from that which would occur had the Australian resident attributable taxpayer held those interests directly rather than through a CFE.



The adoption of the above proposition would represent a material change. This is because, under the current CFC rules, there is a substantial alignment between the rules ‘filtering’ what is directly included in the notional assessable income of a CFC, and those that apply to amounts derived ‘through’ a partnership or trust. Thus Treasury’s proposition would appear, on its face, to substantially increase the potential scope of the amount of notional assessable income of the CFE.

Branch equivalent calculations of attributable income

Few exceptions allowed in applying Australian tax law

Under the current CFC rules, in the interests of simplicity, a number of regimes are excluded from the calculation of the attributable income of a CFC, including the debt/equity rules and thin capitalisation rules.

Treasury suggests in the Discussion Paper that, under the new rules, the number of such exclusions should be limited. Treasury specifically flags the possibility of requiring a notional application of both the debt/equity rules and the taxation of financial arrangements (TOFA) rules in branch-equivalent

calculations. Treasury suggests that amendments to the definition of passive income may mitigate the impact of such a change.

Simple limit on debt deductions might be applicable to improve integrity

As mentioned above, the thin capitalisation measures are currently excluded from the calculation of the attributable income of a CFC.

Treasury proposes in the Discussion Paper that a ‘simplified’ thin capitalisation rule might be introduced, possibly limiting the amount of debt deductions allowable to a stipulated percentage of passive income. The introduction of some form of the thin capitalisation rules in the calculation of attributable income could materially increase compliance costs.

Interim dividend deduction may be removed

Under the current CFC rules, the notional assessable income of a CFC will be reduced to the extent that it pays an assessable interim dividend to an attributable taxpayer (s387 of the ITAA 1936). While in many cases, the availability of s23AJ of the ITAA 1936 will prevent s387 applying, it is still a valuable concession, particularly where a dividend is paid to an attributable taxpayer which is not a company. Treasury suggests that this concession might be removed, in the interests of simplicity.

Double accruals taxation relief

Where certain conditions are satisfied, the application of another country’s attribution rules to a CFC can lead to a reduction of amounts assessed to an Australian attributable taxpayer under the CFC rules. The Discussion Paper proposes that double accruals taxation might be relieved by deduction for the foreign accruals tax paid, rather than the current exemption. This may result in a worse outcome for affected taxpayers.

Deduction only for tax paid

Under the current CFC rules, foreign or Australian tax paid by a CFC in respect of amounts included in its notional assessable income is a notional allowable deduction to the CFC. However, where an attributable taxpayer is a company with an attribution percentage of 10 per cent or more, a foreign income tax offset is available in respect of such foreign or Australian tax paid, rather than a notional deduction.

In the Discussion Paper, Treasury advocates the removal of such offset relief. This could have a material detrimental impact on some corporate attributable taxpayers.

Interaction of TOFA and attribution rules

The introduction of the new TOFA provisions has raised the possible interaction or overlap between the TOFA regime and the anti-tax deferral regimes. The current TOFA provisions exclude ownership interests in foreign companies and trusts, pending the results of the Board’s review.

In the Discussion Paper, Treasury proposes that gains and losses from an ownership interest of an attributable taxpayer (i.e. a taxpayer who has at least 10 per cent or more ownership interests in a CFE) would be dealt with under the new foreign source income attribution rules. Gains and losses from other ownership interests in foreign entities (e.g. less than 10 per cent interests in CFCs or equity interests in non-CFCs) would be dealt with under the TOFA rules.

Table B: Foreign source income attribution rules – overview of Treasury’s preliminary design principles and concepts*

Broad operative principle:

An Australian resident who holds a ‘substantial ownership interest’ in a ‘controlled foreign entity’ in an income year will include in assessable income their ‘share’ of the ‘passive income’ derived by the foreign entity.

Key design principles and concepts:

- **Australian resident:** A company or individual who is an Australian resident (as defined under the tax law), a resident trust estate, a corporate unit trust or public trading trust, or a partnership with at least one Australian partner will be within the new rules. Complying superannuation funds (other than where the fund holds an indirect interest in a foreign entity through a resident company), a dual Australian resident/resident of a treaty partner country that is taken for the purposes of the treaty to be resident of the other country, and temporary residents will be excluded. Those Australian residents with relatively small investments in controlled foreign

entities will also be excluded (de minimis exemption).

- **Substantial ownership interest:** An Australian resident (‘attributable taxpayer’) will have a ‘substantial ownership interest’ where the Australian resident has a total direct and indirect ‘ownership interest’, alone or together with associates, of not less than 10 per cent of all direct ownership interests in the foreign entity.
- **Ownership interest:** An entity’s ownership interest in another entity will be its ‘equity interest’ (determined under the current debt/equity rules) in that other entity.
- **Share of the passive income:** The attributable taxpayer’s share (‘attribution percentage’) of the income to be attributed will be the attributable taxpayer’s total direct and indirect ownership interests (as a percentage or fraction) in the foreign entity.
- **Controlled foreign entity:** A foreign resident company or trust will be a controlled foreign entity (CFE) at a particular time only if the foreign company or trust is ‘controlled’ by a group of five or fewer Australian residents at that time, either alone or together with associates.
- **Income attributable:** Where a foreign entity fails the ‘active income test’, the attributable income of the foreign entity will be certain types of passive income and other amounts derived by the foreign entity through its participation in trusts and partnerships. Attributable income will not include passive income of a foreign entity in a year in which the foreign entity passes the active income test.
- **Active income test:** A foreign entity (or group in the same jurisdiction) will pass the active income test if it carries on business (but not a business of generating passive income) outside Australia through a permanent establishment and its passive income for the year according to acceptable accounting records is less than 5 per cent of its total turnover.
- **Passive income:** The income being targeted is the income or gains from certain types of assets, investments or transactions where little else other than the investment of capital is involved. Non-portfolio dividends from a substantial ownership investment (to be defined, but possibly based on the substantial ownership interest concept - see above) in another foreign company will not be passive income.
- **Calculation of attributable income:** The attributable income of a foreign entity will be calculated by determining what would be the taxable income/net income of the entity if it were an Australian resident and its only income and gains were attributable income, with appropriate modifications to the Australian income tax law (the branch equivalent calculation method). As an alternative, an attributable taxpayer may be able to choose either a deemed rate of return method or market value method to calculate the amount to be included in assessable income.
- **Relief from double tax:** Where an attributable taxpayer uses the branch equivalent calculation method and foreign or Australian tax has been paid on the attributable income by the foreign entity, the attributable taxpayer may claim a deduction for the share of the amount of foreign income tax or Australian tax that is properly referable to its share of the attributable income of the foreign entity.

- **Treatment of distributions:** An exemption will apply to dividends paid by a foreign company to an Australian resident company where the Australian company has a substantial ownership interest (see above) in the foreign company. This exemption will not apply in respect of a return on a 'debt interest' (determined under the existing debt/equity rules). Dividends

and distributions paid out of previously attributed income will be exempt. Other dividends and distributions paid by a foreign entity to an Australian resident will be assessable.

- * These principles and concepts are as outlined in the Treasury Discussion Paper. Treasury notes however that the contents of the Discussion Paper are the preliminary, not final views, of Treasury or the Government.

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