



Thin capitalisation in focus for justified trust reviews

How we're supporting the Top 100 and Top 1,000 taxpayers to comply with the new thin capitalisation rules.

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The new thin capitalisation and debt deduction creation rules are likely to have a significant impact on the affairs of some taxpayers. The application of these new rules will be a key focus area of our Top 100 and Top 1,000 justified trust compliance and assurance programs when we review years where the new rules apply.

Justified trust gives the community confidence that large businesses are paying the right amount of tax.

If you're in these programs and subject to a justified trust review, we'll engage with you about thin capitalisation and the debt deduction creation rules to understand the impact of the new rules on your affairs. We'll ask for information that is relevant and tailored to your individual circumstances, having regard for reporting you already provide.

Broadly, the information we'll commonly require will include, but not be limited to:

- calculations and working papers that support reported thin capitalisation information
- information in relation to how restructuring may have impacted the application of the thin capitalisation and debt deduction creation rules
- a copy of the signed and dated **approved form** for entities that have chosen to apply the third party debt test or group ratio test.

By understanding your circumstances, we're building confidence that Australia's largest taxpayers are complying with the new thin capitalisation rules.

These reviews are undertaken by the Tax Avoidance Taskforce. The Taskforce plays a critical role to ensure multinational enterprises, large public and private businesses, and wealthy individuals pay the right amount of tax in Australia.

To find out more, visit [Thin Capitalisation](#) or [Large business justified trust](#).

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