Trust reimbursement agreements

Detailed information about trust reimbursement agreements.

Managing section 100A for the 2021-22 income year

Work out if S100A applies to your 2021–22 trust distributions.

Trust taxation - reimbursement agreement

Find out when section 100A might apply to your circumstances, and where you can get more information.

QC 70837

Managing section 100A for the 2021–22 income year

Work out if S100A applies to your 2021–22 trust distributions.

Last updated 22 June 2022

About this guidance

This guidance will assist registered tax agents and trustees understand when **section 100A of the Income Tax Assessment Act**

1936 (section 100A) may be relevant, including:

- trust distributions for the 2021–22 income year
- what happens when section 100A applies
- where you can access our new draft guidance
- what records will assist in the event of a review.

This information is also available as a PDF – see Managing section 100A for the 2021–22 income year (PDF, 523KB)

When section 100A may apply

Section 100A of the *Income Tax Assessment Act 1936* is an anti-avoidance rule. It applies to an agreement (called a 'reimbursement agreement') where one person receives a benefit from the trust but another person is made presently entitled to income and assessed.

Each of the following must be satisfied for section 100A to apply:

- The present entitlement is connected to an agreement, arrangement or understanding.
- There is a benefit provided to someone else. A benefit can take the form of a transfer of trust property, a payment or loan of money or provision of services.
- At least one party had a purpose of reducing or deferring income tax.

There cannot be a reimbursement agreement where either:

- the arrangement is 'entered into in the course of ordinary family or commercial dealing' (further details below)
- the beneficiary is a child under 18 years old or under a legal disability
- at the time the beneficiary became presently entitled, there was no agreement, arrangement or understanding to provide a benefit to someone else. However, a repeated pattern may lead to an inference there was an understanding.

Key points about section 100A

- It is usual for a trustee to allocate the income of a trust to beneficiaries and for beneficiaries to pay tax at their own rates on those amounts.
- The result is different if there is a 'reimbursement agreement' – in that case the trustee pays tax at the highest marginal rate.
- A 'reimbursement agreement' does not include an arrangement 'entered into in the course of ordinary family or commercial dealing'.
- A 'reimbursement agreement' can involve a distribution to a family member.
- Section 100A does not apply where the beneficiary simply receives or enjoys the benefit of their distribution.
- The majority of small business trust arrangements involve nothing more than presently entitled beneficiaries receiving their entitlement, or controllers re-investing the profits of the trust into the working capital of the business. These arrangements present a very low risk of section 100A applying.

Managing your section 100A risk for 30 June 2022

For trust entitlements for the year ending 30 June 2022, trustees can, in addition to using this guide material:

- consider our draft guidance to help you understand our view of what is an 'ordinary family or commercial dealing' and the instances where there is a potential risk that section 100A may apply
- refer to our **2014 website guidance** which sets out examples for when section 100A may or may not apply
- maintain good records to evidence arrangements.

Trustees who believe section 100A may apply to their affairs should speak to their registered tax agent. They can also apply for a **private ruling** or contact us by emailing ReimbursementAgreement@ato.gov.au.

Consequences of section 100A applying

Where section 100A applies, the beneficiary's entitlement is taken to be disregarded. The trustee is then assessed on the beneficiary's share of the trust's taxable income at the top marginal rate.

Where this occurs, it only changes the taxation consequences of the beneficiary's entitlement. It does not change the trust law outcomes.

Example – loan with no reimbursement agreement

Thomas is attending university while living at home. His parents have loaned him money to purchase a car and pay for his university fees.

At the end of the income year, he is made presently entitled to trust income. The trust applies Thomas' income to repay the loan advanced by his parents.

How we assess section 100A risk

In essence, we will focus our compliance resources to high-risk arrangements. Together, the **2014 website guidance** and **Draft Practical Compliance Guideline PCG 2022/D1** (the PCG) set out our compliance approach to applying section 100A. The PCG sets out arrangements we consider to be lower risk (Green zone) and higher risk (Red zone) arrangements.

Common arrangements in the Green zone

An arrangement is considered low risk (Green zone) where either:

- a beneficiary simply uses their entitlements to benefit themselves, their spouse and dependents, or
- in most cases, the beneficiary's entitlement is retained by the trustee for use in commercial or income earning operations of the trust, provided that either
  - the beneficiary is employed in managing the business conducted by the trustee
  - the beneficiary (or their spouse) controls the trustee
  - the beneficiary is a private company that enters into a loan agreement with the trustee that complies with Division 7A.

Arrangements in the Red zone

High risk arrangements commonly have elements of contrivance, undue complexity, or other features that do not show a commercial or family-based reason, but instead a motivation to shelter income from higher rates of tax. Examples include:

- A university student who has no other sources of income, is made presently entitled to $180,000 and agrees to pay the $180,000 less tax to reimburse their parents for the costs their parents incurred when the student was a minor
- A circular distribution where a company is made presently entitled to income each year and, all or part of that income includes a dividend sourced from that company.

Records you should keep

Keep good records that explain the transactions that have happened. Having a clear understanding as to why entitlements have been dealt with in the way they have will help support your position. It will also assist in timely resolution in the event that we review your arrangement.

While each arrangement depends on its facts, the following will be important:

- the trust deed (including amendments), trustee resolutions, and contact details of the trustee
- for an inter-party loan, copies of the loan agreements and records of the purpose for making the loan
- evidence to demonstrate that a beneficiary has received or enjoyed the benefit of their entitlement.

It is acknowledged that intra-family arrangements are typically conducted with a greater level of informality than commercial dealings that are conducted by unrelated parties. Nonetheless, to the extent possible, the trustee or their registered tax agent should maintain contemporaneous records that demonstrate the objectives an arrangement was intended to achieve and how it helped to achieve them.

For further information about ordinary family or commercial dealings, see paragraphs 20 through 30 of Draft Taxation Ruling TR 2022/D1 *Income tax: section 100A reimbursement agreements*.

Further guidance

The Commissioner of Taxation's views on section 100A and our compliance approach are set out in the following guidance:

- Draft Taxation Ruling TR 2022/D1 *Income tax: section 100A reimbursement agreements*
- Draft Practical Compliance Guideline PCG 2022/D1 *Section 100A reimbursement agreements – ATO compliance approach*
- Taxpayer Alert TA 2022/1 *Trusts: parents benefitting from the trust entitlements of their children over 18 years of age*
- 2014 website guidance which sets out examples for when section 100A may or may not apply.

For more information see Trust taxation – reimbursement agreement.

QC 69897

Trust taxation – reimbursement agreement

Find out when section 100A might apply to your circumstances, and where you can get more information.

Last updated 8 December 2022

Reimbursement agreement and section 100A

Section 100A is an anti-avoidance rule that can apply where a beneficiary's trust entitlement arose from a reimbursement agreement. Broadly, a reimbursement agreement involves an arrangement under which a beneficiary is made presently entitled to trust income and:

- someone other than that beneficiary receives a benefit in connection with the arrangement
- at least one of the parties enters into the agreement for a purpose of reducing tax.

Exclusions from reimbursement agreements

There is no reimbursement agreement in any of the following circumstances:

- an arrangement simply involves a beneficiary receiving and using their trust entitlement
- the agreement has been entered into in the course of ordinary family or commercial dealing
- the presently entitled beneficiary is under 18 years of age or otherwise under a legal disability.

Example 1: ordinary family or commercial dealing

Harry and Nina are a couple that live with their 2 children and Harry's aunt, Petunia. Petunia contributes to some housekeeping but is reliant on Harry and Nina for financial support.

Harry and Nina manage a grocery business through a discretionary trust, H&N Foods Trust. Harry is the trustee of the trust. In the 2022–23 income year, the trust distributes $25,000 to each of Harry and Nina. The funds representing the entitlements are deposited by the trustee in Harry and Nina's joint account. Harry takes funds from that account throughout the next year to pay for the mortgage and school fees. Harry and Nina have also provided Petunia with a linked credit card that allows her to pay for her medication and groceries for the family.

Harry and Nina have shared financial responsibilities and ultimately enjoy the shared benefits of the distribution and use the funds to meet the expenses of their family and dependents. Based on these facts, this arrangement would generally be an ordinary family dealing.

What is a benefit

'Benefit' is widely defined to include the payment or loan of money (including by way of loan), the transfer of property, providing services or any other benefits.

A 'payment of money' includes an agreement that provides for a person to release, abandon, fail to demand payment of, or postpone payment, of a debt.

What is an agreement

‘Agreement’ is defined widely to include arrangements and understandings whether formal, informal, express or implied. An agreement can include a single step or a series of steps or transactions. An agreement doesn't need to be binding for it to be a reimbursement agreement.

An individual might represent multiple entities. The acts of an individual can result in an agreement where they act as a representative for one or more entities. For example, if an individual is both a beneficiary and a director of a corporate trustee.

Beneficiary doesn't have to be party to agreement

The beneficiary entitled to the trust income does not have to be a party to or know of the reimbursement agreement. This means a reimbursement agreement could be an agreement between any parties involved. For example, it could be between:

- the trustee and beneficiary
- the beneficiary and another person
- another person and the trustee.

> Example 2: beneficiary receives the benefit of their entitlement
>
> Margaret Gertrude is the sole trustee of the Gertrude Trust. The beneficiaries of the trust include Margaret and her son Gareth, aged 21.
>
> For the 2022–23 income year, the income of the Gertrude Trust is $40,000 (the trust's net income is also $40,000).
>
> On 30 June 2023, Margaret as the trustee of the Gertrude Trust resolves to make Gareth presently entitled to $40,000 of the trust income.

Gareth's entitlement to trust income is paid to Margaret in repaying a loan she made to him during the year which he used to purchase a new car for his personal use.

Although Gareth's entitlement to trust income is not directly paid to him, he benefits from his trust entitlement since it is applied to reduce his debt.

Based on these facts there is a low risk of section 100A applying. Margaret lent money to Gareth that was used to purchase a car for his personal use. Gareth's trust entitlement was used to benefit Gareth in reducing his indebtedness to Margaret.

The result in this example would still be the same if the specific expense was for something different (the purchase of a new car in this example). The arrangement, while in fact involving a payment of an amount to Margaret, is one in which Gareth actually enjoys the benefit of his entitlement as it is used to benefit him by reducing his indebtedness).

Example 3: trust income distributed to a loss entity outside the family group

The Banksia Trust carries on a property development business. Alexi is the trustee of the Banksia Trust and the beneficiaries include Alexi, his family and any entity he controls. The trust income of the Banksia Trust for the 2022–23 income year is $250,000 (the net income is also $250,000).

During the 2022–23 income year, Alexi is introduced to Mr Herschel by his accountant. Mr Herschel controls Herschel Pty Ltd, a company with $1,000,000 in available tax losses. Alexi and Mr Herschel agree that the Banksia Trust will distribute $200,000 to Herschel Pty Ltd to utilise tax losses and that Herschel Pty Ltd will be paid $20,000 and not call for the payment of the balance of its entitlement to trust income.

The trust deed of the Banksia Trust is amended on 31 March 2023 to include Herschel Pty Ltd as a beneficiary of the trust. On 30 June 2023, the Banksia Trust makes Herschel Pty Ltd presently entitled to $200,000 of the trust income and the balance of $50,000 to Alexi.

Herschel Pty Ltd receives $20,000 and the balance of its entitlement remains unpaid. The balance of the trust entitlement is used by the trustee to make loans to Alexi.

This is a high risk arrangement because the distribution was made:

- to a beneficiary outside of the family group
- for the purpose of reducing tax
- to someone other than the presently entitled beneficiary received a benefit.

Ordinary family or commercial dealing

An agreement will not be a reimbursement agreement if it is entered into in the course of ordinary family or commercial dealing. Broadly, an arrangement is entered into in the course of ordinary family or commercial dealing, if the purpose of the arrangement is to achieve family or commercial objectives.

Whether a particular agreement is entered into in the course of 'ordinary family or commercial dealing' depends on all of the relevant facts. The exclusion must be considered having regard to all of the steps comprising the reimbursement agreement – not merely components of it.

Factors relevant to whether a dealing is 'ordinary family or commercial dealing' can include family living arrangements, financial dependence on one another, cultural traditions, and financing arrangements.

An agreement will not necessarily be considered to have been entered into in the course of ordinary family dealing simply because all of the entities involved are members of the same family group. Conversely, an arrangement can still achieve commercial objectives in the absence of dealing at arm's length or market value.

Features indicating that a dealing may not be ordinary family or commercial dealing include:

- the arrangement is artificial, contrived, is overly complex or contains steps that might be explained by objectives different to those said to be behind the ordinary family or commercial dealing

- circumstances or conduct that is inconsistent with the legal or economic consequences of the beneficiary's entitlement, such as
  - appearing unlikely that the beneficiaries will receive their entitlements when the assets or funds representing the entitlement are purportedly paid or lent to others without any intention of being returned or repaid
  - funds representing the entitlement are dealt with in a way that is inconsistent with the beneficiary’s right to demand the entitlement
  - beneficiaries are not informed of their entitlements

- where income entitlements have actually been paid to the beneficiary and there is an agreement for the beneficiary to pay some or all of their income entitlement to another person.

Example 4: beneficiary gifts their entitlement to another party

Thomas is the controller and trustee of Thomas Trust. During the year Thomas uses trust funds to pay for his personal living expenses.

Tracey is Thomas' adult daughter who is a student with no income other than her trust entitlement. Thomas has other sources of income and pays tax at the highest marginal rate.

Thomas wants to avoid paying more tax so that he can maximise his ability to borrow funds and purchase more investments. Under an agreement between Tracey and Thomas, she agrees to gift her trust entitlement to Thomas (less an amount used to pay her income tax for the year).

The trustee of Thomas Trust then makes Tracey, presently entitled to all of the trust income for that income year.

The trustee reduces the loan owed to it by Thomas by the amount gifted from Tracey to Thomas. Thomas benefits from the trust income but is not assessed on any part of it.

Even though Thomas and Tracey share a close family relationship, with Tracey being financially dependant upon

Thomas, it is high risk because the arrangement appears to be explained by the objective of reducing the tax that would otherwise have been payable had the trustee simply accumulated the income.

We would dedicate compliance resources to conduct further analysis on the facts and circumstances of the arrangement to consider if section 100A may apply.

Example 5: complex arrangement that is not ordinary family or commercial dealing

Andy and Gabriella are cousins who operate a hardware business through a discretionary trust. Andy, Gabriella and their families are beneficiaries of the trust. Andy and Gabriella's families, other than co-owning the business, are not financially dependent on each other. There is an informal understanding between Andy and Gabriella that the profits of the business are to be shared equally between their respective families.

In the 2022–23 income year, Andy and Gabriella each draw a salary of $25,000 from the business. Andy's only other source of income is from negatively geared rental properties he owns which have generated rental losses of $50,000 for the year. Gabriella's only other source of income is from trading in cryptocurrency which has generated assessable income of $180,000.

The trust has $200,000 net income (after the payment of salaries). The trust deed defines income of the trust estate to equal the trust net income. Gabriella wants to avoid paying more tax so rather than distribute the income equally, Gabriella and Andy agree to distribute $200,000 to Andy and nil to Gabriella. They agree that Andy will pay $100,000 (less $25,000 used to pay tax on that $100,000) to Gabriella.

In earlier income years, Andy and Gabriella entered into similar agreements where Andy was made presently entitled to trust income to take advantage of his lower marginal tax rate.

> Even though Andy and Gabriella are cousins and business partners, they have their own family units and are not financially dependent on each other. This arrangement was entered into to take advantage of Andy's lower marginal tax rate. This is a high risk arrangement and we will devote compliance resources.

Consequences of a reimbursement agreement

Generally, (in relation to amounts other than trust capital gains and franked distributions) when a beneficiary is presently entitled to a share of trust income and is not under a legal disability, a corresponding share of the trust's net income is assessed (taxed) to either the:

- beneficiary, if they are an Australian resident
- trustee, if the beneficiary is a foreign resident (but only to the extent to which that proportion of the trust's net income is from Australian sources).

However, to the extent a beneficiary's entitlement arises out of a reimbursement agreement, section 100A disregards it. This means that the net income that would otherwise have been assessed to the beneficiary (or trustee on their behalf) is instead assessed to the trustee at the top marginal tax rate.

There is comparable treatment for a reimbursement agreement that involves franked distributions or capital gains.

How we assess section 100A risk

Practical Compliance Guideline **PCG 2022/2** *Section 100A reimbursement agreements – ATO compliance approach* (Guideline) sets out how we differentiate risk and how we manage that risk through our compliance approach for a range of trust distributions to which section 100A may apply.

Where an arrangement does not meet one of the exclusions, and your circumstances align with what is described in the low risk zones of the Guideline (the white zone and the green zone), you can be confident that we will not allocate compliance resources to that arrangement, except to confirm you meet the requirements of that zone.

The Guideline uses 3 coloured zones to describe our compliance approach to arrangements that fall within those zones.

Risk zones and the relevant compliance approach

Risk level	Risk zone	Description and compliance approach
Low risk	White zone	Applies to arrangements entered into in income years that ended prior to 1 July 2014 and describes the circumstances in which we will not dedicate new compliance resources to consider the application of section 100A to these arrangements.
Low risk	Green zone	Describes arrangements that exhibit features that are consistent with ordinary family or commercial dealing, or an absence of a purpose of reducing tax, and are considered low risk.
High risk	Red zone	Describes arrangements which will attract our attention and for which you might expect further engagement from us as a matter of priority. These arrangements commonly have elements of contrivance, undue complexity, or other features that do not show a commercial or family-based reason, but instead a motivation to shelter income from higher rates of tax. If further analysis confirms the facts and circumstances of your arrangement are high risk, we may proceed to audit where appropriate.

We will not dedicate compliance resources to arrangements described in the white or green zone, other than to confirm that the zone conditions are met.

The Guideline explains how we will manage risk and apply our compliance resources. Not all arrangements will be described by one of the coloured zones. Where an arrangement is not described by one of the coloured zones, we may engage with you to:

- further understand the facts and circumstances
- determine if there's a risk that section 100A may apply so that further compliance resources should be applied.

For trust entitlements arising before 1 July 2022:

- the administrative position outlined in **Trust taxation – reimbursement agreement** (July 2014) will continue to apply where it is more favourable to the taxpayer's circumstances than the Guideline.
- we will not dedicate compliance resources to consider the application of section 100A where you demonstrate to us either:
  - your arrangement satisfies the white zone
  - you have taken reasonable care in applying the administrative position in **Trust taxation – reimbursement agreement** to determine that section 100A does not apply to that arrangement.

Example 6: company beneficiary's present entitlement retained by the trustee running a business

LL Trust runs a small takeaway business. Len and Laura are the trustees for LL Trust. Len, Laura and a private company MM Pty Ltd are beneficiaries of LL Trust. Len and Laura are the directors and shareholders of the private company beneficiary MM Pty Ltd.

On 30 June 2023, LL Trust appoints 100% of the trust income, $30,000 to MM Pty Ltd. MM Pty Ltd incudes the trust income in its tax return for the 2022–23 income year. The trustee pays part of the entitlement to enable MM Pty Ltd to pay tax on that income. LL Trust enters a loan with MM Pty Ltd on commercial terms to retain the balance of MM Pty Ltd's entitlement to trust income. The loan is Division 7A compliant.

This is a low risk arrangement because:

- the funds representing MM Pty Ltd's remaining present entitlement are retained by the trustee of LL Trust and used as working capital to operate the takeaway business
- LL Trust and MM Pty Ltd put in place a loan agreement on commercial terms, for the amount of the unpaid present

entitlement.

As this is low risk, we would not dedicate compliance resources, other than to confirm the facts of the arrangement.

Example 7: trust income is returned to the trust by the beneficiary in the form of assessable income

A private group includes the Jones Trust and a private company Smith Pty Ltd. The company is wholly owned by the trustee of the Jones Trust.

The Jones Trust received an assessable insurance payment of $2 million in December 2015 which was included in its assessable income in the year ended 30 June 2016.

The trustee of the Jones Trust used $1.4 million of the $2 million insurance payment to purchase a holiday house in February 2016 for the personal use of Ms Jones-Smith who controls the trust.

On 30 June 2016, the trustee of the Jones Trust made Smith Pty Ltd presently entitled to the $2 million income of the Jones Trust.

The company's taxable income for the year ended 30 June 2016 was $2 million which was wholly comprised of the net income of the Jones Trust.

During the year ended 30 June 2017, Smith Pty Ltd received $600,000 of its trust entitlement which was used to pay its income tax liability.

The trustee of the Jones Trust does not have liquid funds available to pay the $1.4 million unpaid entitlement of Smith Pty Ltd.

During the year ended 30 June 2017, Smith Pty Ltd paid a $1.4 million dividend that was fully franked to the Jones Trust. The distributable income of the trust for that year was $1.4 million and the net income of the Jones Trust was $2 million. The trustee made Smith Pty Ltd presently entitled to the $1.4 million franked dividend income of Jones Trust. The taxable income of Smith Pty Ltd was $2 million which is comprised of the $1.4

million dividend and $600,000 franking credits included in the $2 million net income of the Jones Trust.

The distribution between Jones Trust and Smith Pty Ltd is repeated in each subsequent income year. In effect, there is a circular distribution of the $1.4 million.

The arrangement concerning Smith Pty Ltd's entitlement to income of the Jones Trust is high risk because the arrangement cannot be explained by any commercial objective and appears to be explained by the objective of reducing the tax that would otherwise have been payable had the trustee simply accumulated the income. We would dedicate compliance resources to conduct further analysis on the facts and circumstances of the arrangement to consider if section 100A may apply.

Example 8: arrangement that attracts our attention

Donald Angel is the trustee of the Angel Family Trust. The primary beneficiaries under the deed include himself, his daughter Samantha and his son Alex. The trust carries on a business of importing and wholesaling furniture products to small retailers.

Samantha works part-time in the business of the trust as a marketing assistant while Alex is self-employed as a musician. During the 2022–23 income year, Samantha earns $30,000 from her employment (which is comparable with her experience and qualifications) and Alex earns $15,000 from performances. The trust has net income of $500,000 and the deed defines income of the trust estate to equal the trust net income. Donald as the trustee resolves to distribute $150,000 to each of Samantha and Alex and the remaining $200,000 to Donald.

Prior to making the resolution, Donald informs Samantha about her expected trust entitlement and they agree that she will be paid $55,000 to pay her tax bill and the balance ($95,000) will be placed in a one-year term deposit in her name. Upon maturity Samantha will receive the interest earned on the term deposit and she will pay the $95,000 to Donald.

Donald does not inform Alex about his present entitlement and instead manages his son's tax affairs by organising for Alex's tax return to be lodged without his knowledge. Donald worries that if Alex knew about his trust distribution, Alex would ask for it to be paid to him, so has the Angel Family Trust record Alex's trust entitlement as being fully satisfied and pay entitlement to Donald. Donald uses $49,500 of Alex's entitlement to pay Alex's tax liability and retains the balance of the entitlement to meet his personal expenses.

The arrangements with Samantha and Alex is a high risk arrangement because:

- an agreement was entered into between Samantha and her father, Donald, before her entitlement arose and that agreement provided for Samantha's after-tax entitlement to be paid to Donald
- Donald has not notified Alex of his entitlement to trust income and someone other than the presently entitled beneficiary (Alex) received a benefit (Donald).

We would dedicate compliance resources to conduct further analysis on the facts and circumstances of the arrangement to consider if section 100A may apply.

Records you should keep

You should keep sufficient records that explain the transactions that have happened, as this will either:

- help demonstrate how a trustee's circumstances meet the requirements of the green zone (where applicable)
- will assist in the timely resolution of any compliance activity we undertake.

The records relevant to an arrangement will differ depending on the circumstances. However, as a general guide, the following documents and records should be kept where possible:

- trust deed (including amendments), trustee resolutions, your contact details and details of the former trustee(s) if any

- notes, records of discussions or meetings explaining the transactions that have happened or calculations made
- details of how
  - the beneficiary was notified of their present entitlement to trust income
  - the trust income was received or used by the beneficiary
  - you utilised the beneficiary's present entitlement if they were not paid
- loan agreements and records showing how loan repayments were satisfied
- file notes of a meeting between you and your registered tax agent.

Intra-family arrangements are typically conducted with a greater level of informality than dealings between unrelated parties. Where possible, trustees (or their registered tax agent) should keep sufficient records that:

- are ordinarily created for other purposes
- demonstrate the objectives an arrangement was intended to achieve and how it would achieve them.

For example, this could be in the form of a file note of a meeting between the trustee and their registered tax agent.

Related information

Taxation Ruling TR 2022/4 *Income tax: section 100A reimbursement agreements* sets out our view on when the entitlement of a beneficiary to trust income arises out of a reimbursement agreement.

Practical Compliance Guideline PCG 2022/2 *Section 100A reimbursement agreements – ATO compliance approach*.

Managing section 100A for the 2021-22 income year – guidance for registered tax agents and trustees dealing with trust distributions for 2021–22 when section 100A may apply.

Trust entitlements – how a beneficiary's entitlement arising out of a reimbursement agreement may be assessed to the trustee instead of to the beneficiary.

Unit trust arrangements and unpaid present entitlements – we have concerns about several arrangements involving UPEs and unit trusts that may have implications under Division 7A of the ITAA 1936.

QC 41167

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.