

Worksheet 1

Working out your control and attribution percentages

Answer the following questions to determine:

- if a foreign company is a CFC
- if you are an attributable taxpayer in a CFC
- your attribution percentage.

In the questions that follow, the test time is the end of the statutory accounting period of the foreign company that falls within your income year, or the time at which a dividend was paid by a foreign company. Fill out a separate worksheet for each test time.

1 Have you or your associates held, or had an entitlement to acquire, any interest in a foreign company during the income year? The interest may be held directly or through other entities.

YES

NO

If you ticked no, the CFC measures do not apply.

2 Did you or your associates have an interest in the foreign company at the test time? The interest may be held directly or through other entities.

YES

NO

If you ticked no, the CFC measures do not apply.

If you ticked yes, go to question 3.

3 What was your direct control interest in the foreign company at the test time?

To work this out, take the highest of the following interests that you held, or were entitled to acquire, in the foreign company at the test time.

- percentage of the total paid-up capital of the company %
- percentage of the total rights to vote, or participate in any decision making, concerning any of the following:
 - making distributions of capital or profits %
 - changing the constituent documents %
 - varying the share capital %
- percentage of the total rights to distributions of capital of the company on winding up %
- percentage of the total rights to distributions of profits on winding up %
- percentage of the total rights to distributions of capital of the company other than on winding up %
- percentage of the total rights to distributions of profits of the company other than on winding up. %

Insert the highest percentage of the above interests here.

a

%

4 At the test time, did any of your associates hold, or have an entitlement to acquire, a direct interest in the foreign company?

YES NO

If you ticked yes, work out that interest and enter it here.

b %

5 At the test time, did you hold, or have an entitlement to acquire, an indirect control interest in the foreign company through another controlled foreign company, controlled foreign partnership or controlled foreign trust?

YES NO

If you ticked yes, work out that interest and enter it here.

Do not include interests taken into account in question 4.

c %

6 At the test time, did any of your associates hold, or have an entitlement to acquire, an indirect interest in the foreign company?

YES NO

If you ticked yes, work out the total of those interests and enter it here.

Do not include an interest taken into account in questions 3, 4 or 5.

d %

7 At the test time, did you have an associate-inclusive control interest of 1 per cent or more in the foreign company?

To answer this, add the following amounts:

your direct interest in the foreign company—from **a** question 3.a %your associates' direct interest in the foreign company—from **b** question 4.b %your indirect interests in the foreign company—from **c** question 5.c %your associates' indirect interests in the foreign company—from **d** question 6.d %**Total of (a + b + c + d)** %**This is your associate-inclusive control interest in the CFC.**

If your answer is less than 1 per cent, the CFC measures do not apply.

If it is 1 per cent or more, go to question 8.

8 At the test time, did 5 or fewer Australian entities, each with an associate-inclusive control interest of 1 per cent or more, have a total associate inclusive control interest of 50 per cent or more in the foreign company?

YES NO

If the answer is yes, the foreign company is a CFC at the test time. Go to question 11.

If the answer is no, go to question 9.

- 9 At the test time, is there a single Australian entity whose associate-inclusive control interest in the company is at least 40 per cent? Tick no if the foreign company is controlled by an unassociated party or parties.**

YES

NO

If the answer is yes, the foreign company is a CFC at the test time. Go to question 11.

If the answer is no, go to question 10.

- 10 Is the foreign company in fact controlled by a group of 5 or fewer Australian entities, alone or with associates?**

YES

NO

If the answer is yes, the foreign company is a CFC at the test time. Go to question 11.

If the answer is no, the CFC measures do not apply.

- 11 At the test time, do you have an associate-inclusive control interest of at least 10 per cent in the CFC?**

YES

NO

If the answer is yes, you are an attributable taxpayer. You have to work out the attributable income of the CFC at the test time. Go to question 13.

If the answer is no, go to question 12.

- 12 If the CFC is controlled by a group of 5 or fewer Australian entities, either alone or with associates, are you an Australian 1 per cent entity who is one of those 5 entities?**

YES

NO

If the answer is yes, you are an attributable taxpayer. Go to question 13.

If the answer is no, the CFC measures do not apply.

- 13 What is your direct attribution interest in the CFC?**

This is the same percentage as the direct control interest.
Copy the answer from (a) at question 3.

%

Go to question 14.

- 14 What is the total of your indirect attribution interests in the CFC?**

Do not include the interests of your associates.

%

Go to question 15.

- 15 Add the answers to questions 13 and 14**

This is your attribution percentage in the CFC at the test time.

%