Thin capitalisation test choice

Australian Government
Australian Taxation Office

Before you use this form

Use this form to make a choice to apply the group ratio test or the third party debt test pursuant to Division 820 of the *Income Tax Assessment Act 1997* (ITAA 1997) in relation to an income year. We refer to this choice as a thin capitalisation test choice. To make a choice, you must use this approved form.

Who can use this form

Use this form if all of the following apply:
- You want to make a thin capitalisation test choice for an income year.
- You are a general class investor, outward investing financial entity (non-ADI) or inward investing financial entity (non-ADI) for the income year.
- You do not meet the requirements in section 820-37 of the ITAA 1997 (the 90% Australian asset threshold exemption) for the income year.

How to use this form

If you complete:
- a paper copy, print this form and complete it in BLOCK LETTERS using a black or blue pen
- an electronic copy, type in each box and either print a copy or store electronically.

Place **X** in **all** applicable boxes. Answer all questions.

After you complete this form

Print the completed form or keep an electronic copy for your records. Don't send it to us.

> For more information on thin capitalisation test choices and completing this form, including due dates, see Thin capitalisation test choices.

Section A: **Entity details**

1 Entity's legal name

Full legal name of the entity making the choice

2 Tax file number (TFN) and Australian business number (ABN)

TFN of the entity making the choice (optional)

ABN of the entity making the choice

Section B: **Information about your choice**

3 Income year

This choice applies to the income year ending [Day] / [Month] / [Year]

4 Your choice

Select one choice for the income year listed in question 3.

- [ ] You choose to apply the group ratio test under subsection 820-46(3) of the ITAA 1997
- [ ] You choose to apply the third party debt test under subsection 820-46(4) of the ITAA 1997
- [ ] You choose to apply the third party debt test under subsection 820-85(2C) of the ITAA 1997
- [ ] You choose to apply the third party debt test under subsection 820-185(2C) of the ITAA 1997

⚠ If you are an outward investing financial entity (non-ADI) or an inward investing financial entity (non-ADI) for the income year you may only make a choice to apply the third party debt test.

Section C: **Declaration**

Name of authorised person signing this declaration

Title: Mr ☐   Mrs ☐   Miss ☐   Ms ☐   Other ☐☐☐☐☐☐☐☐

Family name

☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

First given name

☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Other given names

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Position held

Examples are public officer, trustee, authorised registered tax agent.

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Registered tax agent number (if applicable)

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Declaration

Select the declaration type depending on whether you are an authorised officer (public officer, trustee or so on) or an authorised agent.

☐   Authorised officer declaration

I declare:
- *this is a choice made pursuant to Division 820 of the ITAA 1997*
- *the entity is a general class investor, outward investing financial entity (non-ADI) or inward investing financial entity (non-ADI) for the income year*
- *the entity does not meet the requirements in section 820-37 of the ITAA 1997 (the 90% Australian asset threshold exemption) for the income year*
- *the information I have provided is true and correct*
- *I am authorised to make this declaration.*

☐   Authorised agent declaration

I declare:
- *this is a choice made pursuant to Division 820 of the ITAA 1997*
- *the entity is a general class investor, outward investing financial entity (non-ADI) or inward investing financial entity (non-ADI) for the income year*
- *the entity does not meet the requirements in section 820-37 of the ITAA 1997 (the 90% Australian asset threshold exemption) for the income year*
- *this form has been prepared in accordance with information supplied by the entity*
- *I have received a declaration in writing from the entity stating that the information is true and correct*
- *I am authorised by the entity to make this declaration.*

Signature

Date

Day ☐☐ / Month ☐☐ / Year ☐☐☐☐

⚠ Print the completed form or keep an electronic copy for your records. Don't send it to us.