

Foreign income return form guide

Update 1999–2000

Insert the following in the second column, page 4, immediately before the heading *Indirect control interest in a company*.

Exclusion of real estate investment trust shares

Real estate investment trust shares are not taken into account—except for section 459 of the *Income Tax Assessment Act 1936*—in working out an entity's direct control interest in a United States real estate investment trust that derives income or holds assets principally in the United States. Control interests held through a United States real estate investment trust will still be taken into account in determining whether a subsidiary of the trust qualifies as a controlled foreign company (CFC). This will attribute income from a real estate investment trust subsidiary where a taxpayer has a direct interest in the subsidiary.

This exemption applies to statutory accounting periods of CFCs ending on or after 2 July 1998.

