



Notice of Withdrawal

Draft Taxation Determination

Income tax: where there is no excess debt under Division 820 of the *Income Tax Assessment Act 1997*, can the transfer pricing provisions apply to adjust the pricing of costs that may become debt deductions, for example, interest and guarantee fees?

Draft Taxation Determination TD 2007/D20 is withdrawn with effect from today.

1. Draft Taxation Determination TD 2007/D20 considered the application of the transfer pricing provisions under Division 13 of Part III of the *Income Tax Assessment Act 1936* (ITAA 1936) and the thin capitalisation provisions under Division 820 of the *Income Tax Assessment Act 1997* when an entity does not have excess debt.
2. TD 2007/D20 is being replaced by TR 2009/D6 which issued today. The new draft Ruling covers the issues in that draft Determination and also deals with a wider range of issues, such as the 'treaty power' contained within the Business Profits Articles and the Associated Enterprises Articles.

Commissioner of Taxation

16 December 2009

ATO references

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ATOlaw topic: Income Tax ~~ Entity specific matters ~~ transfer pricing