


TD 93/D122 - Income tax: foreign income (foreign investment funds) - does the phrase 'assets for use in eligible activities' in section 500 of the Income Tax Assessment Act 1936 (ITAA) include assets held for use in eligible activities?

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This document has been finalised by TD 93/137.

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Draft Taxation Determination

Income tax: foreign income (foreign investment funds) - does the phrase "assets for use in eligible activities" in section 500 of the *Income Tax Assessment Act 1936* (ITAA) include assets held for use in eligible activities?

1. Yes. The phrase "assets for use in eligible activities" in section 500 of the ITAA includes assets held for use in eligible activities.
2. Accordingly, assets held for use in eligible activities will be taken into account for the purposes of the balance sheet method of determining whether a taxpayer's interest in a foreign company qualifies for the active business exemption under the foreign investment fund measures.
3. An example of an asset held for use in an eligible activity is newly installed plant ready for use in manufacturing.

Commissioner of Taxation
20/5/93

FOI INDEX DETAIL: Reference No.

Related Determinations:

Related Rulings:

Subject Ref: Foreign Investment Funds

Legislative Ref: ITAA 500

Case Ref:

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