


IT 2333 - Income tax : OECD traineeship scheme

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TAXATION RULING NO. IT 2333

INCOME TAX : OECD TRAINEESHIP SCHEME

F.O.I. EMBARGO: May be released

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I 1209623	LIVING-AWAY-FROM-HOME ALLOWANCE OECD TRAINEESHIPS	51A

FACTS

The Organisation for Economic Co-operation and Development (OECD) operates a traineeship scheme which is intended to give young nationals of member countries the opportunity to gain international experience through serving in a particular Directorate of the OECD, with the possibility of short-term consultant positions or appointments with the permanent OECD Secretariat Staff following the conclusion of the traineeship.

2. A traineeship is of six months duration with an option to extend for a further six months. The positions are located in Paris. In the majority of cases the department or organisation by which the trainee is employed finances the traineeship, i.e. it is responsible for all costs, salary, fares and allowances paid to the trainee.

3. The OECD itself finances only one or two trainees per year. The trainees do not receive any fees as such for their services but are paid a monthly living allowance designed to defray the costs of relocation and living in Paris. This Ruling is concerned with OECD financed traineeships.

RULING

4. The monthly living allowance paid to OECD financed trainees who participate in the traineeship scheme is accepted as a living-away-from-home allowance within the meaning of section 51A of the Income Tax Assessment Act. Income tax deductions are allowable in terms of section 51A.

COMMISSIONER OF TAXATION
30 June 1986

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