



***TD 93/137 - 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?***

 This cover sheet is provided for information only. It does not form part of *TD 93/137 - 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?*

 This document has changed over time. This is a consolidated version of the ruling which was published on *8 July 1993*

This Determination, to the extent that it is capable of being a 'public ruling' in terms of Part IVAAA of the *Taxation Administration Act 1953*, is a public ruling for the purposes of that Part. Taxation Ruling TR 92/1 explains when a Determination is a public ruling and how it is binding on the Commissioner. Unless otherwise stated, this Determination applies to years commencing both before and after its date of issue. However, this Determination does not apply to taxpayers to the extent that it conflicts with the terms of a settlement of a dispute agreed to before the date of issue of the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

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## Taxation Determination

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**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**

8/7/93

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Related Determinations:

Related Rulings:

Subject Ref: Foreign Investment Funds

Legislative Ref: ITAA 500

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