



Taxation Administration (Coronavirus Economic Response Package—Ancillary Funds) Amendment Guidelines 2020

I, Zed Seselja, Assistant Minister for Finance, Charities and Electoral Matters, make the following guidelines.

Dated 10 June 2020

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Parliamentary Secretary to the Treasurer

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1 Name

This instrument is the *Taxation Administration (Coronavirus Economic Response Package—Ancillary Funds) Amendment Guidelines 2020*.

2 Commencement

- (1) Each provision of this instrument specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this instrument	The day after this instrument is registered.	

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.

- (2) Any information in column 3 of the table is not part of this instrument. Information may be inserted in this column, or information in it may be edited, in any published version of this instrument.

3 Authority

This instrument is made under the *Taxation Administration Act 1953*.

4 Schedules

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

Schedule 1—Amendments

Public Ancillary Fund Guidelines 2011

1 At the end of the instrument

Add:

TRANSITIONAL RULE: CORONAVIRUS ECONOMIC RESPONSE—CARRY FORWARD CREDIT FOR DISTRIBUTIONS IN EXCESS OF MINIMUM

57. This guideline applies to a *public ancillary fund if the fund exceeds its annual minimum distribution for the *financial years 2019-20 to 2020-21, as calculated under guideline 57.1, by more than 4.
- 57.1. Work out how much a *public ancillary fund exceeds its annual minimum distribution for the *financial years 2019-20 to 2020-21 as follows:

Method statement

- Step 1. Work out the fund's actual distribution for the 2019-20 financial year by dividing the fund's distributions made in that financial year by the *market value of the fund's net assets (as at the end of the previous financial year). The result should be expressed as a percentage and rounded to the nearest whole number.
- Step 2. Work out the fund's actual distribution for the 2020-21 financial year by dividing the fund's distributions made in that financial year by the market value of the fund's net assets (as at the end of the previous financial year). The result should be expressed as a percentage and rounded to the nearest whole number.
- Step 3. Add the result of step 1 with the result of step 2.
- Step 4. Reduce the result of step 3 by 8, but not so as to reduce the result to an amount less than nil. The result is how much a *public ancillary fund exceeds its annual minimum distribution for the financial years 2019-20 to 2020-21.

- 57.2. Where this guideline applies, the minimum annual distribution rate for a *public ancillary fund for the purposes of guideline 19 for a *financial year covered by guideline 57.3 is 3 per cent.
- 57.3. The following are the *financial years covered by this guideline for a *public ancillary fund:

- the 2021-22 financial year; and
- the 2022-23 financial year; and
- a subsequent financial year or years for each amount of 2 the result of the method statement in guideline 57.1 exceeds 4.

Example: If the result of the method statement is 7 for a public ancillary fund, the 2023-24 financial year is also covered by this guideline.

Taxation Administration (Private Ancillary Fund) Guidelines 2019

2 At the end of the instrument

Add:

Division 3—Transitional rule: coronavirus economic response

31 Carry forward credit for distributions in excess of minimum

- (1) This section applies to a *private ancillary fund if the fund exceeds its annual minimum distribution for the *financial years 2019-20 to 2020-21, as calculated under subsection (2), by more than 4.
- (2) Work out how much a *private ancillary fund exceeds its annual minimum distribution for the *financial years 2019-20 to 2020-21 as follows:

Method statement

- Step 1. Work out the fund's actual distribution for the 2019-20 financial year by dividing the fund's distributions made in that financial year by the *market value of the fund's net assets (as at the end of the previous financial year). The result should be expressed as a percentage and rounded to the nearest whole number.
- Step 2. Work out the fund's actual distribution for the 2020-21 financial year by dividing the fund's distributions made in that financial year by the market value of the fund's net assets (as at the end of the previous financial year). The result should be expressed as a percentage and rounded to the nearest whole number.
- Step 3. Add the result of step 1 with the result of step 2.
- Step 4. Reduce the result of step 3 by 10, but not so as to reduce the result to an amount less than nil. The result is how much a *private ancillary fund exceeds its annual minimum distribution for the financial years 2019-20 to 2020-21.

- (3) Where this section applies, the minimum annual distribution rate for a *private ancillary fund the purposes of subsection 15(1) for a *financial year covered by subsection (4) of this section is 4 per cent.

- (4) The following are the *financial years covered by this subsection for a *private ancillary fund:
- (a) the 2021-22 financial year; and
 - (b) the 2022-23 financial year; and
 - (c) a subsequent financial year or years for each amount of 2 the result of the method statement in subsection (2) exceeds 4.

Example: If the result of the method statement in subsection (2) is 7 for a private ancillary fund, the 2023-24 financial year is also covered by subsection (4).