

EXPOSURE DRAFT

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Inserts for
**Treasury Laws Amendment (Measures
for a later sitting) Bill 2018: Extending
anti-avoidance rules for circular trust
distributions**

| Commencement information | | |
|---------------------------------|--|---------------------|
| Column 1 | Column 2 | Column 3 |
| Provisions | Commencement | Date/Details |
| 1. | | |
| 2. Schedule # | The first 1 January, 1 April, 1 July or 1 October to occur after the day this Act receives the Royal Assent. | |
| 3. | | |

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Schedule #—Extending anti-avoidance rules for circular trust distributions

Income Tax Assessment Act 1936

1 Subsection 102UC(4) (paragraph (b) of the definition of *excluded trust*)

Omit “Limited; or”, substitute “Limited.”.

2 Subsection 102UC(4) (paragraphs (c), (d) and (e) of the definition of *excluded trust*)

Repeal the paragraphs.

3 After paragraph 102UK(1)(c)

Insert:

(ca) the closely held trust is none of the following:

- (i) a family trust (within the meaning of section 272-75 in Schedule 2F);
 - (ii) a trust in relation to which an interposed entity election has been made and is in force in accordance with section 272-85 in Schedule 2F;
 - (iii) a trust covered by subsection 272-90(5) in Schedule 2F;
- and

4 After paragraph 102UT(1)(b)

Insert:

and (c) the closely held trust is none of the following:

- (i) a family trust (within the meaning of section 272-75 in Schedule 2F);
- (ii) a trust in relation to which an interposed entity election has been made and is in force in accordance with section 272-85 in Schedule 2F;
- (iii) a trust covered by subsection 272-90(5) in Schedule 2F;

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1 *Taxation Administration Act 1953*

2 **5 Subparagraph 12-175(1)(c)(ii) in Schedule 1**

3 Omit “, disregarding paragraphs (c), (d) and (e) of the definition of
4 *excluded trust* in subsection (4) of that section”.

5 **6 Application of amendments**

6 The amendments made by this Schedule apply in relation to years of
7 income starting on or after 1 July 2019.