



Eligibility for the small business restructure roll-over

We're checking that the small business restructure roll-over is being used correctly.

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We're concerned some wealthy groups are using the **small business restructure roll-over (SBRR)** for reasons other than a genuine restructure of an ongoing business.

The SBRR allows the tax-free transfer of active assets from one entity to another, but only when that transfer is part of a genuine restructure.

We're engaging with some tax professionals and their clients to ensure the required conditions have been met, including whether a genuine restructure has occurred. Some indicators of a genuine restructure are:

- a bona fide commercial arrangement
- maintaining economic ownership of the business
- continued use of the transferred assets in the business
- a new structure that may have been adopted when establishing the business if appropriate professional advice was obtained
- changes that facilitate growth rather than divestment
- changes that aren't artificial or unduly tax driven.

The SBRR also includes a safe harbour rule that provides an alternative way of meeting the requirement that a restructure is genuine.

To ensure SBRR eligibility, or to amend any errors or misuse, we have a range of resources available.

Contact us to:

- correct a mistake
- engage early for advice
- apply for a **private ruling** to attain certainty regarding eligibility for the SBRR
- seek a pre-lodgment compliance agreement for any **commercial deals**.

QC 102393

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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