

## Consolidated groups – notices to be given to the Commissioner

### Key point

The Commissioner must be notified in the approved form where a choice in writing is made to form a consolidated group or where there is a change in the membership of the group or the group ceases to exist.

### Choice in writing to be notified

Where a choice in writing is made to form a consolidated group, the head company must give the Commissioner a notice in the approved form with the relevant information. The choice in writing must be kept by the head company for record keeping purposes, but there is no requirement to give the written choice to the Commissioner. → 'Choice in writing', C 7-1-110

### Changes to a consolidated group

The head company must also notify the Commissioner in the approved form of any of the following changes to a consolidated group:

- an entity becomes a member of the group
- an entity ceases to be a member of the group
- the consolidated group ceases to exist.

Where an entity joins or leaves a group before the choice to form a consolidated group is notified, the relevant information about the change in membership must be included on the choice notice and no additional notification is necessary.

### Interposed head company

The Commissioner should also be notified where an interposed shelf company becomes the head company of a consolidated group because it makes a choice, under section 124-380 of the *Income Tax Assessment Act 1997*, for the consolidated group to continue to exist. This information is required so the ATO can update its income tax, PAYG instalments and franking account details for the group.

### Notices

The approved notification forms for consolidated groups are listed in table 1.

### Note

#### MEC groups

A different set of notices must be given to the Commissioner when a multiple entry consolidated (MEC) group forms or changes. → 'MEC groups – notices to be given to the Commissioner', C10-1-110

Table 1: Notices to be given to the Commissioner

What must be notified	Notification deadline and form (→ forms available at <a href="http://www.ato.gov.au/consolidation">www.ato.gov.au/consolidation</a> )	Who must give notice
<p>1. A choice in writing is made to form a consolidated group under section 703-50</p> <p>Notice required by section 703-58</p>	<p>The notice must be lodged by no later than:</p> <ul style="list-style-type: none"> <li>the date of lodgement of the group's income tax return for the income year in which the day specified in the choice occurs, or</li> <li>if a return is not required for that income year, the date it would have otherwise been due.</li> </ul> <p>Notify using <i>Notification of formation of an income tax consolidated group</i> (NAT 6781)</p>	Head company
<p>2. An entity becomes a member of a consolidated group</p> <p>Notice required by section 703-60</p>	<p>Within 28 days of the entity joining the group</p> <p>Notify using <i>Notification of members joining and/or leaving an income tax consolidated group</i> (NAT 6782)</p> <p>If the entity joins the group before the notification of formation of a consolidated group has been lodged, the required information must be included in <i>Notification of formation of an income tax consolidated group</i> (NAT 6781)</p>	Head company
<p>3. An entity ceases to be a member of a consolidated group</p> <p>Notice required by section 703-60</p>	<p>Within 28 days of the entity leaving the group</p> <p>Notify using <i>Notification of members joining and/or leaving an income tax consolidated group</i> (NAT 6782)</p> <p>If the entity leaves the group before the notification of formation of a consolidated group has been lodged, the required information must be included in <i>Notification of formation of an income tax consolidated group</i> (NAT 6781)</p>	Head company, or the public officer just before the head company ceased to exist
<p>4. The consolidated group ceases to exist</p> <p>Notice required by section 703-60</p>	<p>Within 28 days of the group ceasing to exist</p> <p>Notify using <i>Notification of head company no longer eligible: income tax consolidated group ceases to exist</i> (NAT 6783)</p> <p>If the group ceases to exist before the notification of formation of a consolidated group has been lodged, this notice must be given by the time the income tax return is lodged for the year in which the choice to form the group is made, or, if a return is not required, the date it would have otherwise been due</p>	The company that was the head company of the group, or the public officer of the company that was the head company just before it ceased to exist
<p>5. An interposed shelf company becomes a head company as a result of a choice made under subsection 124-380(5)</p> <p>Notification required for administrative purposes</p>	<p>Within 28 days of the share exchange being completed</p> <p>Notify using <i>Notification of the continuation of a consolidated group with a new interposed head company</i> (NAT 71275)</p>	New interposed head company of the group

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## References

*Income Tax Assessment Act 1997*, subsection 124-380(5)

*Income Tax Assessment Act 1997*, sections 703-50 and 703-60; as amended by *Tax Laws Amendment (2010 Measures No. 1) Act 2010* (No. 56 of 2010), Schedule 5

*Income Tax Assessment Act 1997*, section 703-58; as inserted by *Tax Laws Amendment (2010 Measures No. 1) Act 2010* (No. 56 of 2010), Schedule 5

Explanatory Memorandum to Tax Laws Amendment (2010 Measures No. 1) Bill 2010, paragraphs 5.369 to 5.381

Revision history

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