Australian Taxation Office

Thin capitalisation schedule 2002

schedule and explanatory notes

If you are subject to the thin capitalisation provisions it will be necessary for you to complete this form when preparing your tax return. The *completed* form *only* should be mailed to:

Australian Taxation Office
PO Box 1365
Albury NSW 2640

Some entities are excluded from the requirement to apply the thin capitalisation provisions and do not need to complete this schedule. To find out whether you are so excluded or, if not, how to calculate the amounts requested on the schedule, refer to the publication *Guide to thin capitalisation*.

Items 1 and 2
There may be advantages in grouping for thin capitalisation purposes. If you decide to group, a member of your group needs to be chosen to be the *reporting entity*. It is this *reporting entity* that provides the thin capitalisation details of the group on this schedule. Each other member of the group is only required to complete items 1 and 2 of the schedule.

Item 3
Show at label **C** the code which represents the type of thin capitalisation entity you or your group (if you are the reporting entity) is at the end of the income year or relevant period. If you do not know what type of entity you are, you will need to obtain copies of the publication *Guide to thin capitalisation* and the *Income Tax Assessment Act 1997* (ITAA 1997).

Non ADI

Code	Type
1	Outward investor (general)
2	Outward investor (financial)
3	Inward investment vehicle (general)
4	Inward investment vehicle (financial)
5	Inward investor (general)
6	Inward investor (financial)

ADI

Code	Type
7	Outward
8	Inward

Item 5
Show at label **E** the code which represents the type of averaging method that you or your group (if you are the reporting entity) have used for calculating 'average values'. For more information refer to the publications *Guide to thin capitalisation* and the ITAA 1997.

Code	Method of average calculation used
1	Opening/closing balances
2	3 measurement days
3	Frequent measurement - quarterly
4	Frequent measurement - regular intervals
5	Transitional year method (Generally only relevant for the entity's first income year commencing after 30 June 2001. There may be an exception if you are an early balancer. Refer to the publication *Guide to thin capitalisation* and ITAA 1997.)

Item 6
All entities subject to thin capitalisation are required to complete item 6. However, banks (ADIs) are not required to insert an amount at label **K**. Refer to the publication *Guide to thin capitalisation* to find out how to calculate the amounts to be inserted.

Item 7
If you are a bank (ADI) you are required to complete all relevant labels at item 7. Refer to the publication *Guide to thin capitalisation* to find out how to calculate the amounts to be inserted.

Item 8
If you are **not** a bank (non-ADI) complete all relevant labels at item 8. Refer to the publication *Guide to thin capitalisation* to find out how to calculate the amounts to be inserted.

Items 9 and 10
All entities that rely on the arm's length test (Item 9) or the worldwide gearing debt/capital test (Item 10) are required to complete items 9 and 10 as appropriate. Refer to the publication *Guide to thin capitalisation* to find out how to calculate the amounts to be inserted.

Thin capitalisation schedule 2002

Australian Taxation Office

This schedule forms part of the tax return of:

Tax file number

Name of entity

Australian Business Number (ABN)

Signature as prescribed in tax return

For detailed notes on the completion of this schedule refer to the publication *Guide to thin capitalisation* available from the Australian Taxation Office. Show whole dollars only.

1 Are you part of a resident TC group for thin capitalisation purposes?

A ☐ Print **Y** for yes or **N** for no.

> If you answered **N** for no, proceed to item **3**.

2 Show the ABN of the entity reporting your resident TC group's detail. **B**

> Only complete items **3** to **10** if you are the entity reporting your resident TC group details.

3 Show your resident TC group or entity type at the end of the income year. **C** CODE ☐

4 Have you, or any entity within your resident TC group, where you are the entity reporting for your resident TC group, changed status from 'general' to 'financial' during the income year?

D ☐ Print **Y** for yes or **N** for no.

5 Show the method used for calculating 'average values'. **E** CODE ☐

6 **General information—**All entities, including TC groups, to complete.

Debt deduction **F**

Amount of excessive debt deduction disallowed **G**

Average debt **H**

Average of the asset revaluation reserve **I**

Excess debt (non-ADI)/ capital shortfall (ADI) **J**

Average value of assets (Non-ADIs only) **K**

7 **ADI**—Complete as applicable.

7a (Adjusted) average equity capital **L**

Average value of risk weighted assets **M**

7b Outward investing entity

Equity capital attributable to overseas permanent establishment(s) **N**

Average value of controlled foreign entity equity **O**

Tier 1 prudential capital deductions **P**

7c Inward investing entity

Average of risk weighted assets attributable to Australian permanent establishment(s) **Q**

Average value of dotation capital **R**

F

Thin capitalisation schedule 2002

Signature as prescribed in tax return

8 **Non-ADI—**Complete as applicable.

8a

Average value of non debt liabilities **A**

Average value of associate entity debt **B**

Average value of associate entity equity **C**

Average value of associate entity excess amount **D**

8b Financial entity

Average zero capital amount **E**

Average on-lent amount **F**

8c Outward investing entity

Average value of controlled foreign entity equity **G**

Average value of controlled foreign entity debt **H**

9 **Arm's length tests**

If relying on this test show: Arm's length debt (non ADI) or capital (ADI) amount **I**

10 **Worldwide gearing debt/capital test**

If relying on this test show:

ADI

Worldwide group capital ratio **J** .

Worldwide capital amount **L**

Non-ADI

Worldwide debt **K**

Worldwide equity **M**

Worldwide gearing debt amount **N**   **F**