

IT 2051 - Leveraged lease transactions

 This cover sheet is provided for information only. It does not form part of *IT 2051 - Leveraged lease transactions*

the partner lodges returns of income.

- (e) The amount of debt, equity and the debt equity ratio.
- (f) A statement of annual partnership losses and profits over the term of the lease, including details of rental, depreciation, interest, investment allowance and other deductions.
- (g) A statement setting out details of all cash flows, under dates, forming part of or associated with the leasing arrangements, supported by explanations of any cash flows that do not enter into the calculation of partnership losses or profits or partners' taxable incomes.

4. BORROWINGS

- (a) A schedule of borrowings including dates and the amount of each draw down.
- (b) A schedule of proposed repayments of principal and payments of interest, including dates.
- (c) Rates of interest.
- (d) Where a lessee to lessor loan is involved (paragraph 12 of the ruling) details as in (a), (b) and (c) above should be provided in respect of the reciprocal loan between the lessee and lender.
- (e) Where overseas borrowings are involved detail arrangements for hedging or off-setting possible exchange gains or losses.

5. DOCUMENTS

- (a) A set of all the documentation involved, duly completed, should be provided.
- (b) Advise expected date of execution.
- (c) The period of the lease.
- (d) Draw attention to any provisions in the documents that may have a bearing on income tax considerations, e.g. options or rights in the lessee or an associate to purchase.
- (e) If any matter is not in accordance with the Ruling a full statement of the reasons why the matter should be accepted.