

# IMPORTANT INFORMATION FOR AUSTRALIAN TRUSTS AND PARTNERSHIPS.

This is important information if you are part of an Australian Trust or Partnership (including non-resident beneficiaries or partners).

A Trust or Partnership is a specific investment structure that you would have specified on your application form with supporting documents, and is different to the more common individual or joint investment.

If you are an Australian Trust or Partnership you may have received Non-Concessional MIT Income ('**NCMI**') in relation to the income year ended 30 June 2020. This means that you may be required to withhold tax from the NCMI and 'excluded from NCMI' components that you distribute to your non-resident beneficiaries or partners.

This may also impact the way that you complete your 2020 tax return.

## What is Non-Concessional MIT Income?

Withholding tax rules have been amended to remove concessional treatment for income that is NCMI. From 1 July 2019, the managed investment trust ('**MIT**') withholding rate on fund payments that are attributable to NCMI changed to 30%.

An amount of a fund payment will be NCMI if it is attributable to income that is:

- > MIT cross staple arrangement income;
- > MIT trading trust income;
- > MIT agricultural income;
- > MIT residential housing income.

Under transitional rules applicable from 1 July 2019, certain income that would have been considered NCMI may be excluded from NCMI and therefore subject to a lower withholding tax rate of 15% when paid to non-residents in an Exchange of Information ('**EOI**') country. The withholding tax rate on such income remains at 30% for non-residents in a non-EOI country.

## What do I need to do?

If you are not part of a Trust or Partnership you are not required to do anything.

If you are an Australian resident Trust or Partnership please go to <http://advance.com.au/forms-and-calculators/regulatory-updates/regulatory-updates.asp>. Here you can find more information regarding NCMI and 'excluded from NCMI' amounts included in distributions made by all funds in relation to the 2020 income year, as well as some general guidance on NCMI and 'excluded from NCMI' calculations.

If you are a non-resident who has received NCMI or 'excluded from NCMI' components, withholding tax may have been applied to these amounts and included in MIT withholding tax in the Summary section of your 2020 tax statement.

The tax consequences of receiving these income components will depend on your particular circumstances. If you are uncertain, we recommend that you seek independent professional tax advice to understand the implications to you in receiving these income components.

## Any further questions?

If you have any questions in relation to the above, please contact us on 1800 819 935.

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