



Trust Deeds amendment offer

On June 2 Tax Laws Amendment Bill 2011 was introduced into the House of Representatives. When law, this will ensure that, where permitted by the trust deed, the capital gains and franked distributions of a trust can be streamed for tax purposes to beneficiaries by making them entitled to those amounts.

If you have clients who may be streaming or intend to stream taxable income (such as capital gains) through their discretionary trusts in the current year, the trust deed must permit the trustee to stream income to different beneficiaries. If the trust deed does not permit streaming, then any such streaming of income may be challenged by the ATO as being outside the trustee's powers.

Therefore, we suggest that if you have clients who may be streaming income during the financial year ending 30 June 2011, (and assuming their trust deed does not contain an income streaming power), the trust deed should be amended **prior to 30 June 2011** to permit streaming. It may not be legally possible to amend a trust deed on or after 1 July 2011 to apply for a period prior to 30 June 2011.

Given the narrow window of opportunity to make the appropriate changes to trust deeds Madgwicks has set up a team of lawyers to assist its clients to meet this deadline and is offering a fixed cost per deed to facilitate this process.

For further details about this offer please contact:



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