



Australian Government
Australian Taxation Office

Continuing the focus on Division 7A: The section 109RB discretion

Presenters:

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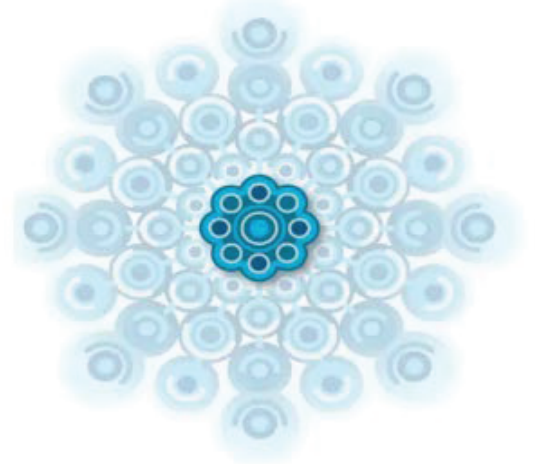
Assistant Commissioner Anthony Marvello | Small Business

OFFICIAL- EXTERNAL

Welcome

Acknowledgment of country

"We would like to respectfully acknowledge the traditional owners and custodians of the land on which we meet throughout Australia and the continuing connection to land, waters, and community. We pay our respects to them and their cultures, and elders past, present and emerging."



Introduction

- Division 7A has been an integral part of Australian tax law for over 25 years. It prevents private company profits and benefits from being provided to shareholders or their associates tax-free.
- It is expected that tax professionals with private company clients understand the core provisions of Division 7A. Tax professionals should actively seek sufficient information from clients to understand how Division 7A applies to their circumstances.
- Surprisingly, the majority of the Division 7A breaches we see relate to its fundamental aspects and we have observed that many breaches could be easily avoided by taking some simple steps.
- Division 7A contains several discretions that the Commissioner may exercise where a Division 7A breach has occurred. Each discretion can only be exercised if the taxpayer meets its specific requirements.
- The onus is on the taxpayer to demonstrate they meet the requirements of the particular discretion they are requesting.

Today's session will cover:

- An overview of Division 7A
- Introduction to section 109RB
- The requirements of section 109RB
 - What is an honest mistake and inadvertent omission?
 - What circumstances support the exercise of the discretion?
 - What is appropriate corrective action?
- Examples
- Other Division 7A discretions
- How to apply for a discretion
- Review rights

Division 7A – the basics

- Division 7A is an integrity rule that prevents private company profits from being provided to shareholders or their associates tax-free.
- Division 7A may apply to a loan, payment or other benefit (including the use of a company asset or debt forgiveness) from a private company to its shareholders or their associates.
- Where it applies to a loan, payment, or other benefit, the recipient is deemed to have received an unfranked dividend subject to the company's distributable surplus, that is included in their assessable income.
- Some payments and loans from private companies are excluded from being taken to be a deemed dividend, including loans on complying Division 7A terms or payments that are otherwise assessable like salary and wages and dividends.
- Division 7A can apply when a private company provides loans or payments to shareholders or their associates through another entity(s) (e.g. other companies, trusts and individuals).

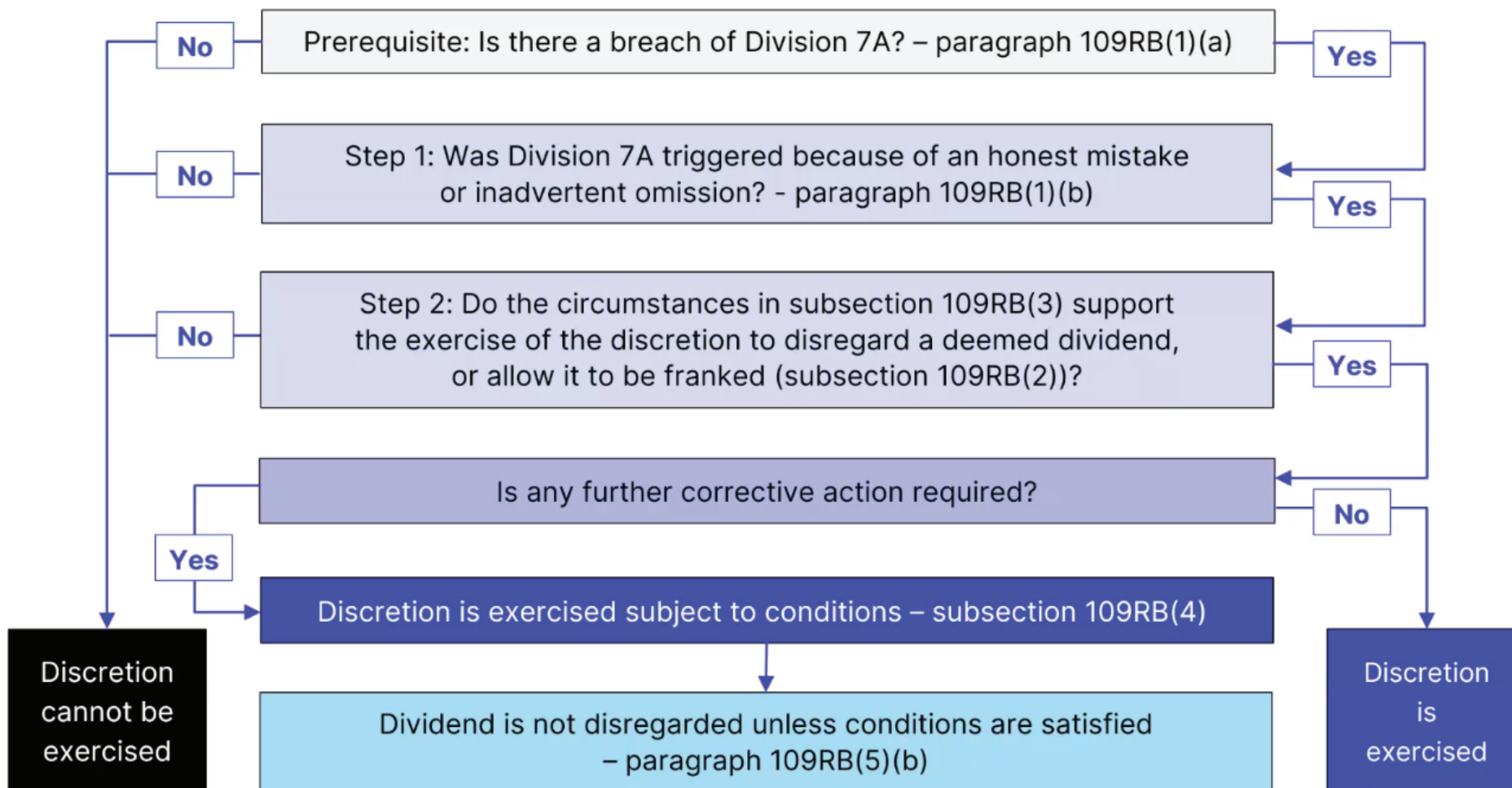
Section 109RB – introduction

Division 7A operates automatically to deem amounts paid, lent or forgiven by a private company to shareholders or their associates to be unfranked dividends.

No action by a taxpayer can undo the deemed dividend. It is only the Commissioner who can alter or undo the effect of the deeming through the exercise of a discretion.

[Section 109RB](#) allows the Commissioner to disregard a deemed dividend taken to be paid by Division 7A or allow it to be franked if **both** of the following apply:

- Step 1: the deemed dividend was triggered because of an honest mistake or inadvertent omission (paragraph 109RB(1)(b)), and
- Step 2: the facts and circumstances support the exercise of the discretion (subsection 109RB(3)).



Prerequisite – Is there a Division 7A breach?

Before considering the discretion you need to determine whether the amount in question is brought to account for tax under another provision as these amounts are not treated as Division 7A dividends (e.g. [section 109L](#) and [subsection 109ZB\(3\)](#)).

For example, is it ordinary income under section 6-5 of the ITAA 1997 or is it a benefit on which FBT is payable? If it is, the discretion is not available.

The discretion can only be considered if Division 7A applies with the result that (paragraph 109RB(1)(a)):

- a private company is taken to have paid a deemed dividend to a shareholder or their associate by Division 7A, for example under sections 109C (payment), 109D (loan), 109E (shortfall in MYR) or 109F (debt forgiveness) or
- an amount is included in the assessable income of the shareholder or their associate as if it were a dividend by reason of Subdivision EA (payments, loans and debt forgiveness by trusts).

What is an honest mistake or inadvertent omission?

The result of the operation of Division 7A must arise because of an honest mistake or inadvertent omission of the recipient, the private company or any other entity that contributed to the result.

[TR 2010/8](#) discusses the meaning of 'honest mistake' and 'inadvertent omission'.

- The honest mistake or inadvertent omission must be genuine. The belief relating to the purported mistake must be actually held by the entity and is assessed **based on objective evidence**.
- A mistake is an incorrect view or opinion or misunderstanding about how Division 7A operates; about facts that are relevant to its operation; or about other matters that affect its operation. E.g. mistakes in calculating the minimum yearly repayment (MYR), recording transactions or drafting loan agreements. Such a mistake must be honestly made.
- An omission is a failure to take action that is relevant to, or affects, the operation of Division 7A. Such an omission must be inadvertent.
- Inadvertence implies a degree of pre-existing knowledge and can include a failure to observe, or failure to pay attention. Inadvertence does not cover a case where in the immediate duty which you are performing, you ought to have a full knowledge of the law.

What is an honest mistake or inadvertent omission?

- Ignorance, lack of due diligence or reasonable care, will generally not constitute an honest mistake or inadvertent omission. The surrounding circumstances must be considered.
- Deliberate indifference, wilful blindness and actions or omissions made to circumvent Division 7A cannot satisfy the requirements of honest mistake or inadvertent omission.
- If a tax professional's conduct caused the result produced by the operation of Division 7A but that conduct does not amount to an honest mistake or inadvertent omission, it may be difficult for the taxpayer to demonstrate that another entity's honest mistake or inadvertent omission is the cause of the result produced.
- **The taxpayer must demonstrate on the balance of probabilities that an honest mistake or inadvertent omission has occurred relevant to Division 7A.** The facts and circumstances provided in a request for the discretion must be sufficiently detailed to demonstrate the existence of the honest mistake or inadvertent omission.
- If there is not enough evidence to establish an inadvertent omission or honest mistake, the Commissioner cannot exercise the discretion.

Is the discretion available if the taxpayer relied on a tax professional?

- **It depends on the individual facts and circumstances of each case.**
- The actions of the adviser must have contributed to the breach and the reliance on the professional advice for Division 7A purposes must have been reasonable. Relevant factors include the knowledge of the entity, disclosures made to the adviser, the nature of the advice and whether the adviser made an honest mistake or inadvertent omission.
- It will be difficult to demonstrate that the client has reasonably relied upon professional advice for Division 7A purposes where no Division 7A advice is obtained or where the tax professional has not turned their mind to the application of Division 7A to the client's circumstances.
- It is expected that a tax professional with private company clients:
 - understands the core rules in Division 7A
 - actively seeks sufficient information from clients to understand how Division 7A applies to their client's circumstances.

Example 1 – is the reliance on the tax professional reasonable?

- Each income year a private company makes loans to a shareholder. The loans are not repaid before the company's lodgment date, no interest is paid and no written loan agreement is in place, resulting in section 109D deemed dividends in those years.
- The shareholder relies on their tax agent to ensure they meet all their taxation obligations. The tax agent has sent a Division 7A fact sheet on loans to all their clients, including the shareholder.
- The shareholder provides only summary statements to their agent for the purpose of preparing their tax returns, which do not disclose the loans. The tax agent simply accepts the information and makes no enquiries as to transactions between the company and the shareholder. The information provided to the tax agent does not provide the agent with sufficient information to allow them to form a view as to the application of Division 7A to their client's circumstances.
- Although the conduct of the tax agent may have had a minor contribution to the result, in the absence of other factors, there is nothing in the facts which demonstrates that the tax agent has made an honest mistake or inadvertent omission that satisfies subsection 109RB(1).
- The taxpayer has not reasonably relied upon their adviser for Division 7A purposes as they did not make relevant disclosures to their tax agent or seek advice on the loans.

Example 2 – Burden of proof and relying on professional advice

- In [*Howard and Commissioner of Taxation \[2019\] AATA 1910*](#), the taxpayer was a shareholder of a private company. Their adviser recommended and implemented a restructure for the taxpayer's group which included creating a Finance Trust who then provided a loan to the taxpayer.
- The AAT found that Subdivision E applied with the company taken to make a loan via the Finance Trust to the taxpayer. The loan with the Finance Trust did not comply with paragraph 109N(3)(a) as the property used to secure the 25 year loan was mortgaged by a bank, resulting in a section 109D dividend.
- The applicant submitted that the failure to comply with [section 109N](#) was due to an inadvertent error by the them or their accountant, arising out of the urgency to implement the loan agreement.
- The AAT was unable to conclude that the failure to comply with section 109N was due to an honest mistake or inadvertent omission:
 - There was a lack of contemporaneous evidence to support the taxpayers assertions on the timing of the loan and the AAT found the loan had been entered into at a later date. The urgency to implement the loan hardly came into it.
 - The taxpayer was at all material times being professionally advised on the restructure.
 - Deliberate steps were taken based on professional advice and an awareness of Division 7A.

Example 3 – knowledge of Division 7A and relevant facts

- In *Buzadzuc and Commissioner of Taxation [2021] AATA 4820*, the taxpayer had extensively intermingled private and business expenses over an extensive period, resulting in outstanding loan balances owed by the shareholder at the end of the income year.
- The AAT found that Division 7A applied (section 109D dividends) to the outstanding loan balances in the amounts disclosed in the finalised accounts for various companies.
- The AAT noted in relation to section 109RB:
 - The evidence was that those advising the taxpayer were highly aware of Division 7A and actively took steps at year end to declare dividends and make distributions to minimise its impact. Those advisers also compiled the finalised financial statements. They would have known that those accounts disclosed outstanding loan balances as at year end.
 - The circumstances that led to the mistake or omission do not support a decision that the operation of Division 7A ought to be disregarded.

Example 4 – error in drafting the loan agreement

- In *[Building Company Owner and Commissioner of Taxation \[2012\] AATA 755](#)* the taxpayer was a shareholder of a private company.
- The company made several payments to the taxpayer in two income years and entered into a simple loan agreement prepared by his accountant. The loan agreement did not specify the term of the loan and consequently failed to comply with section 109N.
- The AAT concluded that the section 109D dividends arose because of an honest mistake or inadvertent omission by an entity whose conduct contributed to that result:
 - but for the lack of inclusion of the term of the loan, the company would not have been taken by section 109D to have paid a dividend
 - the AAT was satisfied that the taxpayer was mistaken in believing that that the loan agreement would be sufficient for Division 7A purposes and there was no inference that the mistake was anything other than an honest one
 - other factors weighed in favour of exercising the discretion, including the extent and timing of repayments of the loans and that Division 7A had not previously applied.

Example 5 – knowledge of, and failure to turn mind to Division 7A

- In *Abichandani and Commissioner of Taxation [2019] AATA 4296*, two individuals were shareholders and directors in a private company and partners in a partnership. They were experienced accountants and tax agents and had a business that included marketing Division 7A loan agreements.
- The AAT confirmed that section 109D (loan) dividends resulted from:
 - loans made by the company to the partnership that were not on section 109N terms, and
 - the company's shareholder loan account recording advances for personal expenditure.
- The individual's contended when the company paid for the personal expenditure e.g. groceries using the company credit card, they were paying themselves directors' fees. The AAT found no evidence of this from the objective facts.
- The taxpayer's claimed there was an 'honest mistake' or 'inadvertent omission' because they were busy they 'did not turn their minds to preparing written loan agreements for the payments or loans' from their company and that they 'misunderstood this complex area of the law, believing that their partnership was a separate entity for the purpose of Division 7A'.

Example 5 – knowledge of, and failure to turn mind to Division 7A

The AAT noted:

- This case illustrates how things can go wrong when you use company money for private expenses.
- The circumstance that presents is of two experienced tax agents that had some knowledge of Division 7A but failed to consider its application in what were reasonably obvious circumstances. It is impossible to accept that neither individual realised that the payments over a long period would not be caught by Division 7A, or that Division 7A was at least potentially in play.
- There were serious difficulties in there being an honest mistake or inadvertent omission, due to the individuals being tax agents and accountants and their Division 7A loan business.
- The discretion cannot be considered as they were not satisfied there was an honest mistake or inadvertent omission about matters relevant to Division 7A, its operation or matters affecting its operation.

Example 6 – ignorance of the law

- The taxpayer is the sole director and shareholder of their private company.
- On 1 July of each income year, the taxpayer transferred retained earnings out of their private company's bank account and into their personal mortgage offset account, which offsets interest on their personal mortgage.
- By 30 June each year, they repay the amounts to the private company. They repeat this 'loan arrangement' each income year for many years.
- The taxpayer engaged a tax agent in respect of their private company. The tax agent advised the taxpayer about Division 7A prior to the commencement of the arrangement. The taxpayer was aware that loans from the company needed to be either repaid or made subject to a Division 7A complying loan agreement before the company's lodgment day.
- The taxpayer chose not to disclose their 'loan arrangement' to their tax agent in any form, or seek advice about it. They thought that because the company didn't need the money during the income year and it caused no harm to the company, they should be entitled to use the company money for private purposes.

Example 6 – ignorance of the law cont.

- The Commissioner commenced a review of the private company and queried the loan arrangement.
- On becoming aware of the loan arrangement at the time of the review, the tax agent informed their client that section 109R disregarded the payments they made on 30 June. This triggered section 109D dividends, as the loans were not taken to have been repaid before the company's lodgment day and no complying loan agreements were in place.
- The taxpayer requested that the Commissioner exercise the section 109RB discretion. The taxpayer submitted that their ignorance of section 109R caused the Division 7A breach, and this was an honest mistake as they were an unsophisticated taxpayer.
- The Commissioner was not satisfied there was an honest mistake or inadvertent omission:
 - the taxpayer had sufficient knowledge that Division 7A applied to loans
 - the arrangement was an attempt to avoid Division 7A by temporarily repaying the loans
 - the taxpayer's decision to not seek professional advice about the arrangement over numerous years demonstrated deliberate indifference and wilful blindness to the operation of Division 7A.

Do the circumstances warrant the exercise of the discretion?

Even if the breach was the result of an honest mistake or inadvertent omission, the relevant circumstances may be such that the Commissioner considers it inappropriate to exercise discretion.

In considering whether to exercise the discretion, the Commissioner must have regard to the relevant factors in subsection 109RB(3):

- the circumstances that led to the mistake or omission
- the extent to which any of the entities have taken action to try to correct the mistake or omission and if so, how quickly that action was taken
- whether this Division has operated previously and if so, the circumstances in which this occurred (if Division 7A has previously applied, factors that will weigh against the exercise of the discretion include where there has been no increase in the care taken or where similar mistakes are made)
- any other matters that the Commissioner considers relevant.

The circumstances considered in subsection 109RB(3) are not limited to what caused the breach.

[PS LA 2011/29](#) contains a non-exhaustive list of factors the Commissioner will consider.

Corrective action

Corrective action (subsection 109RB(3)) requires the Commissioner to consider the extent, and how quickly, the entity(s) has taken action to try and correct the mistake or omission that caused the Division 7A breach.

Timely and appropriate corrective action will weigh in favour of exercise of the discretion.

Appropriate corrective action should put the relevant parties in the position that they would have been in if Division 7A had been complied with.

The type of corrective action appropriate depends on the particular facts. It can include:

- converting the payment, loan or debt forgiveness to a loan that complies with section 109N, and
- making catch-up or shortfall minimum yearly repayments, as if the transaction always complied with section 109N (plus interest compounded to reflect non-payment in earlier years).

For specific examples see Appendix A of [PS LA 2011/29](#)

Example 7 – inheriting Division 7A mistakes

- The taxpayer is the sole director of a private company, of which they and their partner are shareholders. The taxpayer drew loans from the private company in multiple income years.
- The taxpayer relied on their previous tax agent to prepare complying loan agreements for these prior year loans, however the loan agreements were non-complying as they had an interest rate less than the benchmark interest rate. The loans, therefore, triggered deemed dividends under section 109D. The taxpayer did make some repayments on the loans, but they fell short of the amounts required under their loan agreement and the amounts under subsection 109E(6).
- The taxpayer decided to engage a new tax agent as they were dissatisfied with their current agent. The new agent made them aware of the Division 7A breaches on the prior year loans. The taxpayer and new tax agent agreed to amend future loan agreements to correct the error.
- However, the taxpayer chose not to take corrective action (in the form of catch-up MYRs) or correct the error in past loan agreements or approach the Commissioner to request an the exercise of the discretion. They decided to leave the past in the past, and hoped the breach would go unnoticed.

Example 7 – inheriting Division 7A mistakes cont.

- The Commissioner commenced a review in respect of the private company, identified the loan transactions and requested information about these from the taxpayer.
- When the review commenced, the taxpayer made a voluntary disclosure regarding the Division 7A breaches and requested the Commissioner to exercise the section 109RB. They claimed they would make appropriate corrective action if the discretion was granted.
- The Commissioner considered that the taxpayer had made an honest mistake in relation the loan agreement. It was evident they believed they had entered into a loan agreement that complied with Division 7A and this was the cause of the section 109D deemed dividends.
- Despite this, the Commissioner decided it was inappropriate to exercise the discretion. In reaching this decision, the Commissioner considered the relevant circumstances in subsection 109RB(3), including the taxpayer's actions following the Division 7A breach:
 - The taxpayer's failure to make MYRs in accordance with their loan agreement suggested that the taxpayer was not genuinely attempting to comply with Division 7A.
 - The taxpayer had not, on becoming aware of their Division 7A breaches, taken appropriate corrective action. They chose not to remedy the loan agreements, make catch up repayments or approach the Commissioner in a timely manner, hoping the breaches would go unnoticed.

Example 7 – inheriting Division 7A mistakes alternate scenario

Assume the same facts as the previous slides, but instead as soon as taxpayer became aware of the Division 7A breaches, they:

- amended the past loan agreements to make them compliant with section 109N
- made the required catch-up interest and principal repayments under the revised compliant loan agreements
- requested the Commissioner to exercise the discretion under section 109RB.

In this scenario, the Commissioner remains satisfied that Division 7A was triggered by an honest mistake and the facts and circumstances support the exercise of the discretion.

The Commissioner would exercise the discretion under section 109RB to disregard the deemed dividends. As appropriate corrective action had already been undertaken, the discretion would be exercised without any conditions.

Observations on the range of cases

There is a wide range of possible mistakes or omissions that could result in Division 7A being triggered and a wide spectrum of relevant circumstances the Commissioner may consider.

The discretion is more likely to be exercised where:

- the **objective evidence** supports the taxpayers claims and demonstrates the taxpayer has genuinely attempted to comply with Division 7A
- but for a minor mistake, the taxpayer would have otherwise complied with Division 7A e.g.:
 - arithmetic error in the calculation of the MYR in one year
 - transposition error when making payment
 - a loan agreement that satisfies section 109N but for one minor errorand there is no evidence suggesting the mistake was anything other than honest
- **AND** the circumstances support the exercise of discretion, e.g:
 - timely and appropriate corrective action
 - good Division 7A compliance history.

Observations on the range of cases

The discretion is less likely to be exercised where:

- there is a lack of **objective evidence** to support the taxpayer's contentions or that Division 7A operated as a result of an honest mistake or inadvertent omission
- deliberate steps are undertaken based on advice from a tax professional that resulted in a Division 7A breach
- the relevant parties or advisers have knowledge of Division 7A and knowledge of the relevant facts but fail to turn their minds to or take action to comply with Division 7A, particularly (but not limited to) where the failure occurs over a long period of time e.g. failure over numerous years to make MYRs or put complying loan agreements in place
- there is no evidence that Division 7A was considered
- other relevant circumstances are present, e.g.:
 - arrangements to avoid the operation of Division 7A or where the circumstances are part of a broader behaviour that involves tax avoidance, fraud or evasion
 - failure to disclose known Division 7A breaches or failure to record relevant transactions.

Disregard or frank the deemed dividend?

If the threshold requirements of section 109RB are met, the Commissioner has the discretion to either (subsection 109RB(2)):

- disregard the deemed dividend or the assessable amount under Subdivision EA, or
- allow the deemed dividend to be franked (not available for an associate of a shareholder).

In making this decision, the Commissioner will consider:

- whether the retained profits of the private company will be restored to the private company
- whether the private company receives the correct repayments of principal and interest that it would have received under a section 109N loan agreement, and pays income tax on the interest
- is the recipient of the benefit appropriately taxed
- the effect of franking the distribution for the company, the recipient or other entity, e.g.:
 - For the company, the effect on its franking account, does it have available franking credits, is it prepared to frank the deemed dividend or will it breach the benchmark franking rule?
 - Whether franking the deemed dividend will result in franking credit streaming.

Discretion exercised subject to conditions

Where appropriate corrective action has not already been taken by the taxpayer, a decision by the Commissioner to disregard a deemed dividend will generally be made on the condition that specified corrective action is undertaken within a specified time, including (subsection 109RB(4)):

- the recipient or another entity must make specified payments to the private company or another entity within a specified time;
- a specified requirement in Division 7A must be met within a specified time.

If the Commissioner exercises the discretion subject to a condition, the relevant deemed dividend is not disregarded until such time as any conditions imposed by the Commissioner are satisfied. Therefore, any amount assessable as a result of Division 7A remains assessable if the condition is not satisfied within the specified time limit.

Any corrective action or conditions should normally be undertaken in the income year in which the Commissioner's discretion is exercised.

Other Division 7A discretions

Discretion	What does it allow the Commissioner to do?
<u>Section 109Q</u>	Disregards a deemed dividend under section 109E, where the MYR shortfall occurred because of circumstances beyond the loan recipient's control and the recipient would suffer undue hardship if the private company were taken to pay them a dividend under section 109E.
<u>Section 109RD</u>	Disregards a dividend deemed under section 109E and allows an extension of time to make a MYR where the loan recipient is unable to pay an MYR because of circumstances beyond their control.
<u>Subsection 109G(4)</u>	A debt forgiveness is not treated as a section 109F dividend where the repayment of the debt would cause the recipient undue hardship, the recipient had capacity to repay the debt at the time it was incurred, and lost the ability to repay the debt as a result of circumstances beyond their control.

Applying for a discretion

- Taxpayers may apply to seek the Commissioner's discretion under section 109RB to disregard the operation of Division 7A, or to allow a deemed dividend to be franked, if a deemed dividend arises. Or, they can request one of the other discretions if they are more appropriate.
- A request does not need to be in a particular form but would normally be in writing and should contain enough information and evidence to enable a decision to be made.
- The onus is on the applicant to demonstrate an honest mistake or inadvertent omission occurred.
- You can apply for a discretion via:
 - Online services for agents (OSfA)
 - Online services for business
 - in writing to PO Box 3000, Penrith NSW 2740.

What we expect in a request for the section 109RB discretion

- Details of each breach including the amount, income year and type of breach, e.g. 109C or 109D.
- A submission on what and who caused the breach and how it meets the requirements of the discretion you are requesting e.g. honest mistake or inadvertent omission.
- Contemporaneous relevant evidence that supports the request, such as:
 - loan agreements, Division 7A working papers, tax return preparation and information
 - documents evidencing advice or correspondence received
 - any evidence which goes to knowledge, awareness or intent of the relevant entities in relation to Division 7A and the transactions that caused it to be breached
 - accounting records and any supporting documents, e.g. offset agreements and documents evidencing the existence of liabilities that are offset
 - minutes of meetings and trustee or director resolutions
 - invoices, bank accounts or other source documents.
- Details and evidence of the corrective actions made or proposed to be made (including timing).

Review rights

- Taxpayers will be advised in writing if the discretion is not exercised and the deemed dividend must be included as an unfranked dividend in their income tax return.
- If a taxpayer is dissatisfied with an assessment affected by a decision not to exercise the discretion, they may [object](#) to the assessment on the grounds of a failure to properly exercise the section 109RB discretion.
- A taxpayer who is dissatisfied with the objection decision can apply to the Administrative Review Tribunal (ART) or appeal to the Federal Court against the decision (section 14ZZ of the TAA).

Key Messages

- No action by a taxpayer can alter the operation of Division 7A once that Division has deemed a dividend to have been paid to a taxpayer. It is only the Commissioner who can alter or undo the effect of a deemed dividend through the exercise of a discretion.
- Don't assume your client will be able to rely on the Commissioner exercising a discretion in their favour if a Division 7A unfranked deemed dividend is triggered.
- The section 109RB discretion can only be exercised if Division 7A was triggered because of an honest mistake or inadvertent omission **and** the facts and circumstances support the exercise of the discretion.
- Timely corrective action and disclosure of Division 7A breaches are relevant circumstances in considering whether it is appropriate to exercise the section 109RB discretion.
- If you are seeking the exercise of a discretion, make sure you have sufficient information to show that you meet the requirements including, that appropriate corrective action has or will be made.
- The Commissioner will be thoroughly scrutinising requests for the section 109RB discretion and ensuring the conditions are satisfied and supported by sufficient evidence.

Division 7A resources

Topic	Page ref.
<u>Private company benefits – Division 7A dividends</u>	QC 17861
<u>Using your business money and assets</u>	QC 67807
<u>Division 7A calculator and decision tool</u>	QC 21036
<u>Division 7A – benchmark interest rate</u>	QC 17928
<u>Issuing distributions statements</u>	QC 47309
<u>Tax control frameworks for medium and small corporations</u>	QC 46292
<u>Essentials to strengthen your small business</u>	

Other resources

Section 109RB public advice and guidance

[TR 2010/8](#) discusses the requirements in subsection 109RB(1), including the meaning of 'honest mistake' and 'inadvertent omission'.

[PS LA 2011/29](#) provides guidelines that case officers consider when making a decision on the exercise of the Commissioner's discretion under section 109RB.

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Thank you for attending

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