



The Public Trustee of Queensland - Growth Trust

Investor Notification

There is a new taxation system for managed investment trusts that will apply to the Public Trustee of Queensland Growth Trust from 1 July 2017.

The Public Trustee would like to notify investors that the *Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016* (the Act), which establishes a new tax system for managed investment trusts (MITs), was passed by the Commonwealth Parliament on 5 May 2016.

Under the changes enacted in May 2016, an eligible MIT may elect into the new taxation regime. Those MITs that choose to apply the new tax system are referred to as attribution managed investment trusts (AMITs). The election has been made for Public Trustee of Queensland Growth Trust (PTQ Growth Trust) to apply the new tax system from the 1 July 2017. The decision follows a comprehensive cost/benefits analysis including expert tax and legal advice.

The new rules are intended to reduce complexity, increase certainty and minimise compliance costs for MITs and their investors. The new tax system also allows for greater flexibility in the tax treatment of income and capital gains of the trust. For the 2016/2017 tax year there will be no change to the tax treatment of the income and capital gains of the PTQ Growth Trust. Any change made in future tax years must be determined on a fair and reasonable basis with appropriate policies and documentation to substantiate the decision.

The distinct advantage for the PTQ Growth Trust is if tax discrepancies are uncovered from previous tax years the discrepancy can be corrected in the year of discovery, removing the necessity of re-issuing tax statements.

There will be initial transition costs for electing into the new taxation system, however, these costs will not be borne by the investors of the PTQ Growth Trust. The transition costs relate primarily to the review and possible amendment to the Trust Deed, policies and documentation of the PTQ Growth Trust.

Any advice relating to the impact of the new taxation system for the PTQ Growth Trust should be obtained from your Taxation Professional or from the ATO website (<https://www.ato.gov.au/general/trusts/in-detail/managed-investment-trusts/managed-investment-trusts---overview/?anchor=NewtaxsystemforMITs>).

We will provide further updates on our website, www.pt.qld.gov.au.

Yours sincerely,

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