

SCENTRE GROUP

Scentre Group – AMIT Q&A

Scentre Group Trust 1 and Scentre Group Trust 2 have elected to be Attribution Managed Investment Trusts (AMITs) effective from 1 January 2019 – for the reporting year ended 31 December 2019 onwards. The Trusts operate on a calendar year basis for financial and taxation reporting.

Scentre Group Limited and Scentre Group Trust 3 are not eligible to elect to be AMITs.

What is an attribution managed investment trust (AMIT)?

The AMIT regime is a specific tax regime that managed investment trusts (MITs) can elect to apply. A MIT that has elected to apply the AMIT regime is referred to as an AMIT. The AMIT regime is intended to reduce complexity, increase certainty and minimise compliance costs for MITs and their investors.

What are the key features of the AMIT regime?

The key features of the AMIT regime are:

- AMITs use an attribution method to allocate taxable income amounts to investors (in lieu of the existing proportional method under the present entitlement regime).
- Investors in AMITs make annual adjustments to the CGT cost base of their investment in the AMIT. Depending on the circumstances these adjustments may be to increase or to decrease the CGT cost base of their investment. The ability for an investor to increase the CGT cost base of their investment in the AMIT is a major benefit of the AMIT regime.
- AMITs can carry forward adjustments to their prior year tax amounts rather than amending prior year tax returns.

Does the attribution method of allocating taxable amounts change the method that Scentre Group uses to determine the amount investors are taxed on?

Broadly, there is no change to the method used to determine the amount of the Scentre Group Trusts' taxable income that investors are taxed on.

Under the AMIT regime, Scentre Group must attribute the Trusts' taxable income to Scentre Group investors on a fair and reasonable basis. Scentre Group will attribute taxable income to investors in the same proportion as the gross cash distributed to each investor for the relevant year. This is the same method that Scentre Group has applied historically.

What are the CGT cost base adjustments?

Under the AMIT regime each investor's CGT cost base of their interest in the relevant MIT is adjusted each year for the difference between their gross cash distributions and the taxable income attributed to the investor in respect of an income year.

Broadly, if the gross cash distributions for an income year are more than the attributed taxable income for that year (an "excess"), the investor's cost base is reduced by the excess. This is same as the position that currently applies.

Conversely, if the gross cash distributions for an income year are less than the attributed taxable income for an income year (a "shortfall"), the investors cost base is increased by the shortfall. This is a benefit of the AMIT regime that hasn't applied in the past.

The increase in the investor's cost base means that investors will avoid the imposition of double taxation on amounts attributed to them but not paid as a cash distribution.

Details of the required annual cost base adjustments will be included in the annual Tax Statement issued by Scentre Group to investors.

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Will the AMIT regime change the way I fill out my tax return?

No, you are still required to include your share of the Scentre Group Trusts' taxable income, by component type, in your personal tax return.

Scentre Group will still provide you with an annual Tax Statement providing details of the amounts to be included in your tax return. The annual tax statement will be renamed as the Attribution Managed Investment Trust Member Annual ("AMMA") Tax Statement.

Will the AMIT regime change the way in which Scentre Group's income is taxed?

No, the overall way Scentre Group's income is taxed should not change.

Will the AMIT regime affect Scentre Group's distribution policy?

No, the AMIT regime does not of itself change Scentre Group's distribution policy. The distribution policy is set by the Board.

Where can I get more information on the AMIT regime?

If you have any further tax questions in relation to the AMIT regime and how that might affect your investment in Scentre Group, we recommend you consult your tax adviser or refer to the information from the ATO website at <https://www.ato.gov.au/general/trusts/in-detail/managed-investment-trusts/managedinvestment-trusts---overview/>