
News Flash June 2017

WARNINGS!!!! to any Client's whom are Australian Resident expecting to sell their Australian real property over \$750,000 from 1 July 2017, they may need to do the following before settlement:

In the recent budget, 9 May 2017, the government announced proposed changes to the foreign resident capital gains withholding (FRCGW) threshold and withholding rate.

The changes will apply to contracts entered into on or after 1 July 2017:

- For real property disposals where the contract price is \$750,000 and above (currently \$2 million)
- The FRCGW withholding tax rate will be 12.5% (currently 10%)

The existing threshold and rate will apply for any contracts that are entered into before 1 July 2017, even if they are not due to settle until after 1 July 2017.

Australian resident vendors can avoid the 12.5% withholding by providing one of the following to the purchaser prior to settlement

- For Australian real property, a clearance certificate obtained from the ATO

Please note that this foreign resident capital gains withholding (RRCGW) certificate apply to all Australian residents.

They can apply the clearance certificate for Australian residents from 1 July 2017 on the following link below:

https://www.ato.gov.au/FRWT_Certificate.aspx

About Futuro Financial Services Pty Ltd:

Futuro is an independently owned, non-aligned ASF licensee and manages a national network that accounts for more than \$2 billion in funds under advice. Since it was established in 2002, Futuro has grown organically to cover some 80 authorised representatives in around 45 offices nationally. The core vision of the group is to be the dealer of choice for highly successful groups of planners, or those that aspire to be so.