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# Let's chat

It was the best song *[structure]* in the world – December 2024

With:

Darius Hii – Tax and estate planning lawyer; Chartered Tax Advisor; and Director at Chat Legal

*Information provided is general in nature; precise application depends on specific circumstances*



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# What this presentation isn't

The greatest and most stupendous structure in the world, it's a great structure



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**There's no right or wrong**

Only the best structure for what  
is needed right now



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# Overview

- Certain structures
- Bringing them together
- What works for when
- How many is too many



# Company and trust debate

- Pros

- 30% tax rate (maximum)
- Potentially 25% tax rate
- Franking credits
- Managing Division 7A

- Cons:

- Loss of 50% CGT discount
- Top-up tax on extraction
- Division 7A
- Dividend stripping

- Pros

- 50% CGT discount

- Cons:

- Section 100A
- Trust law issues
- No innate ability to frank
- Need for a bucket company



# Company and trust debate

- Company – better to accumulate wealth whilst holding an investment (i.e. income)
- Trust – better tax flexibility on the sale of an investment
- What's best may depend on circumstances
  - Family
  - Combined income
  - Type of investment



# Company and trust debate

- Do single people need a trust (and they know they want to stay single)?
- Do structures make sense if all income attributed to an individual (PSI)?
- Do structures make sense if losses are incurred in the long-term
- Do structures make sense for an average household?
- Does a trust make sense for that couple?
- Are bucket companies really needed?



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# Flexibility

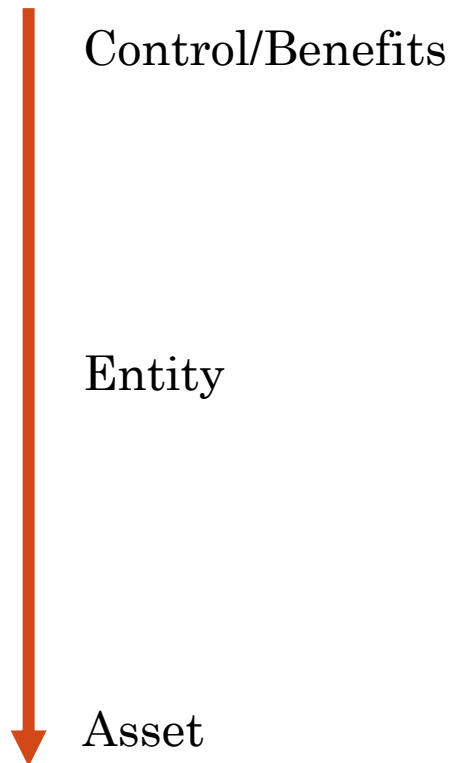
Comes at a cost (advisor fees)





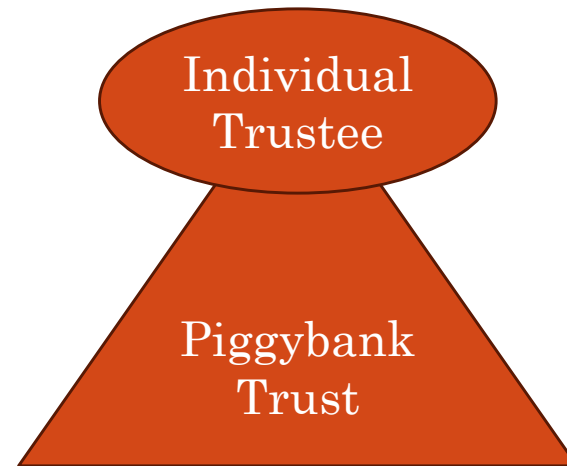
# A reminder

How lawyers see the world (interpreting their structure diagrams)



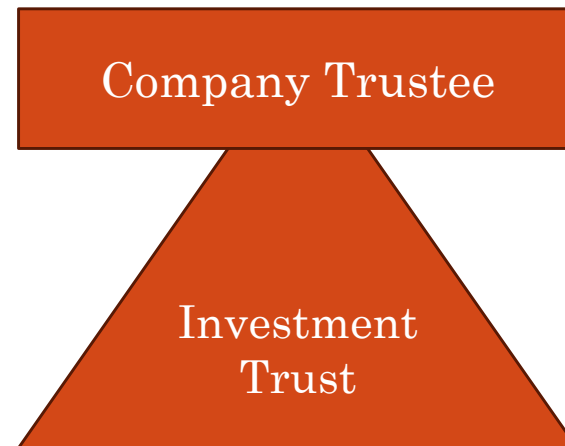


# The Piggybank Trust



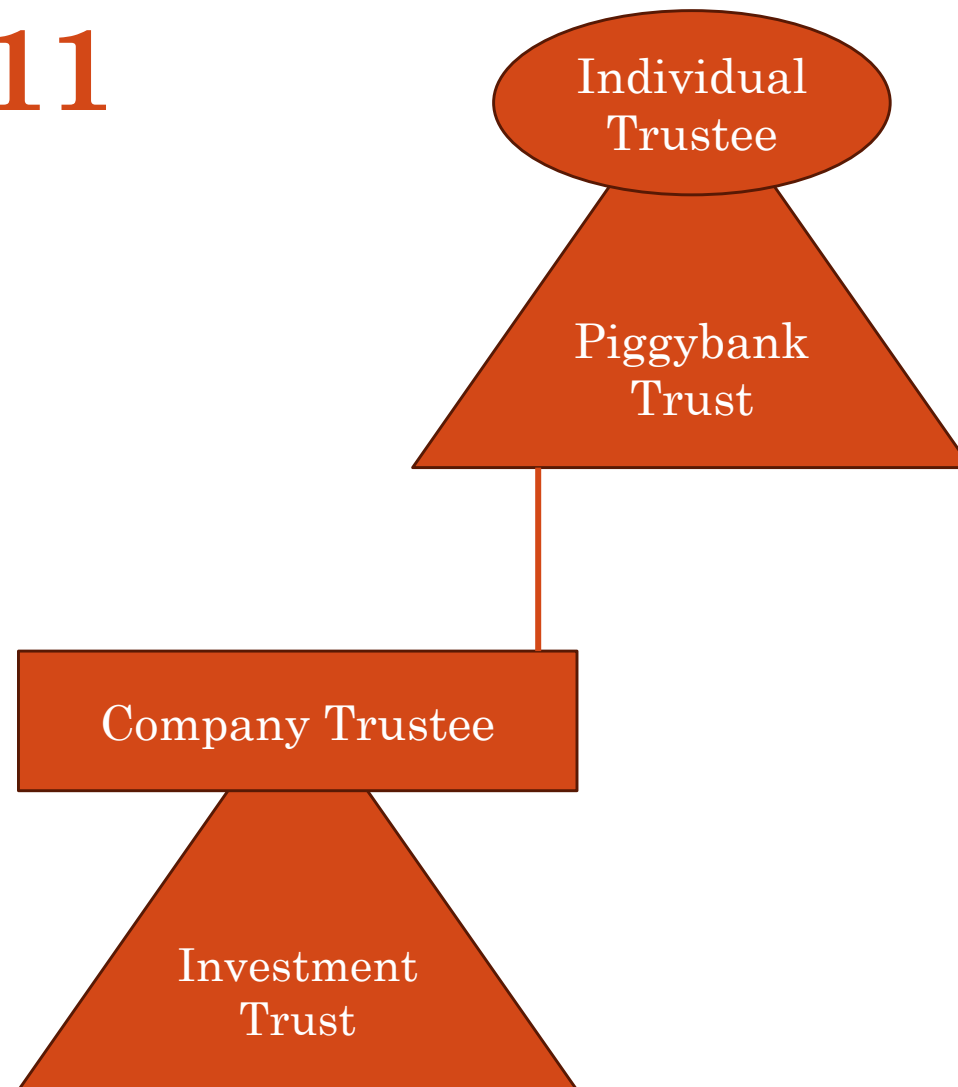


# The Investment Trust





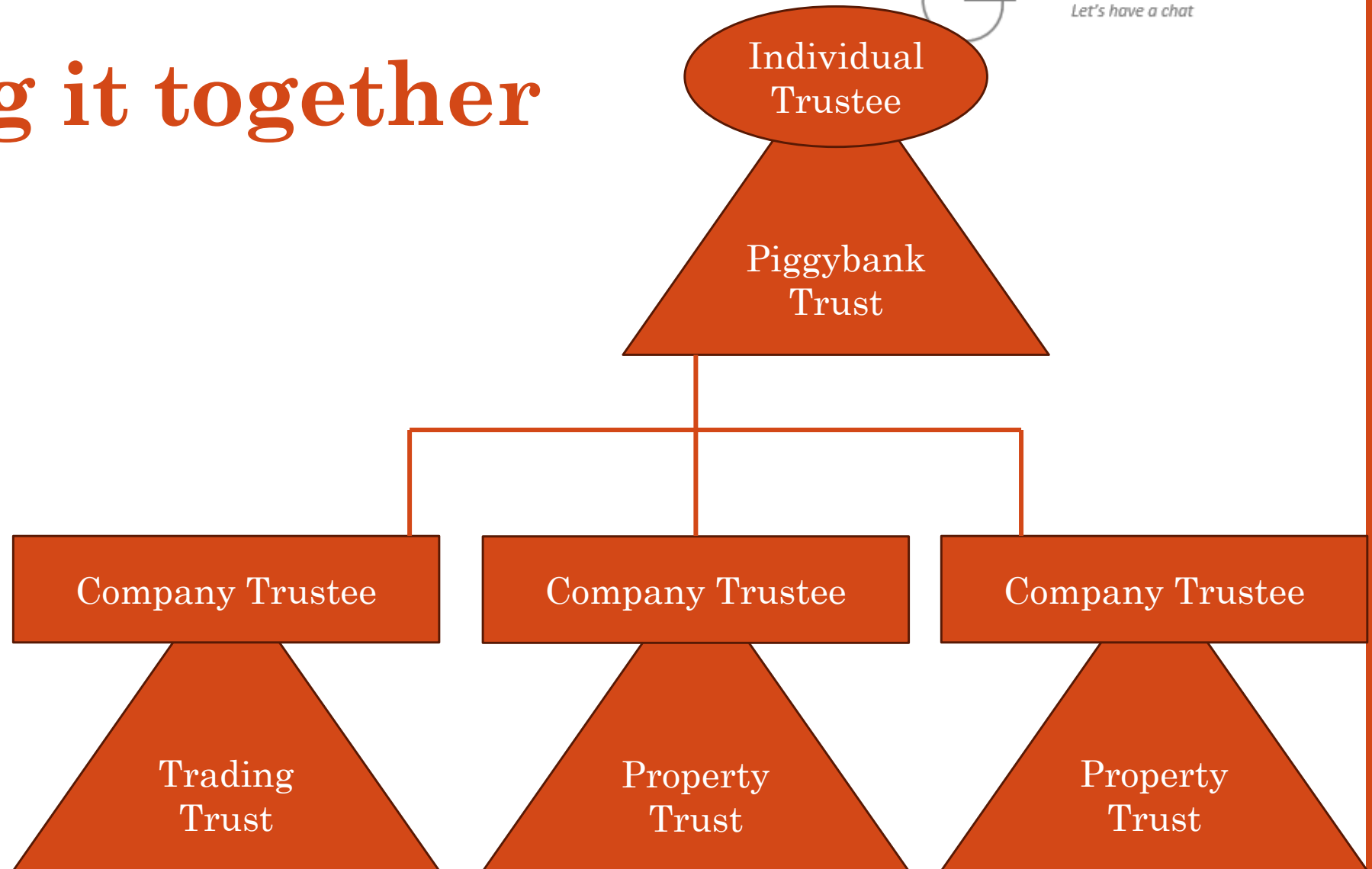
**1 + 1 = 11**



# Bring it together

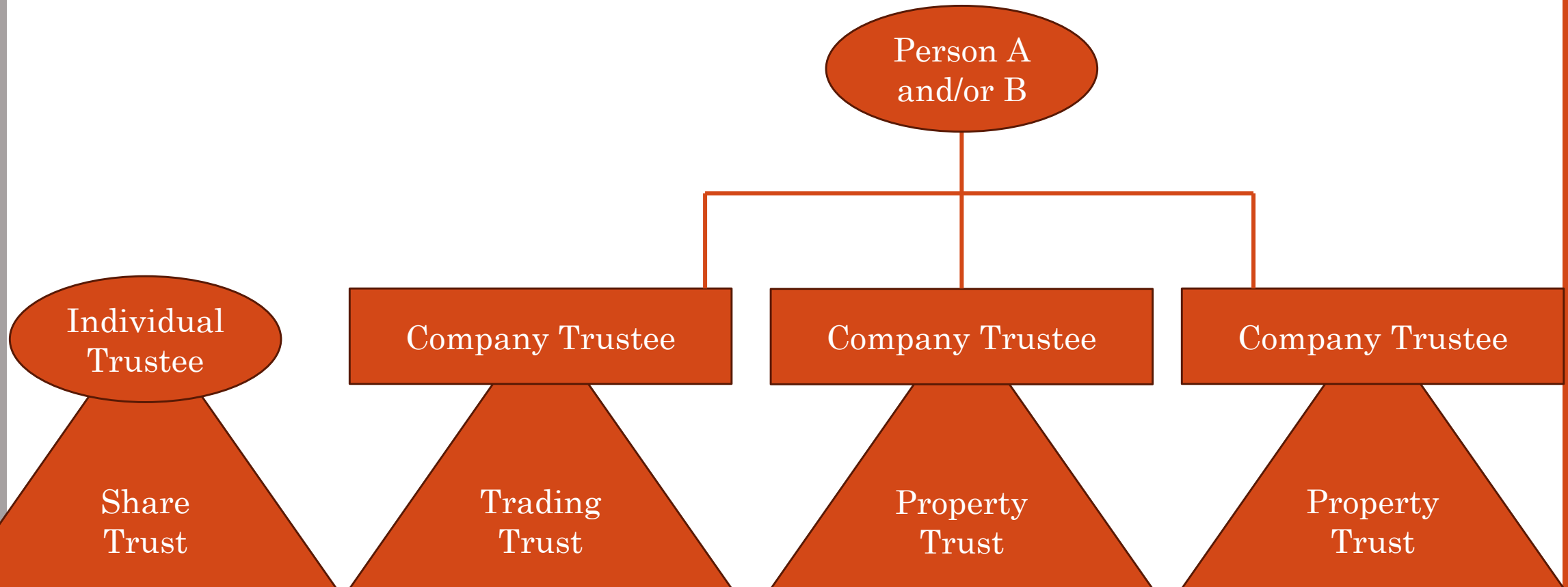


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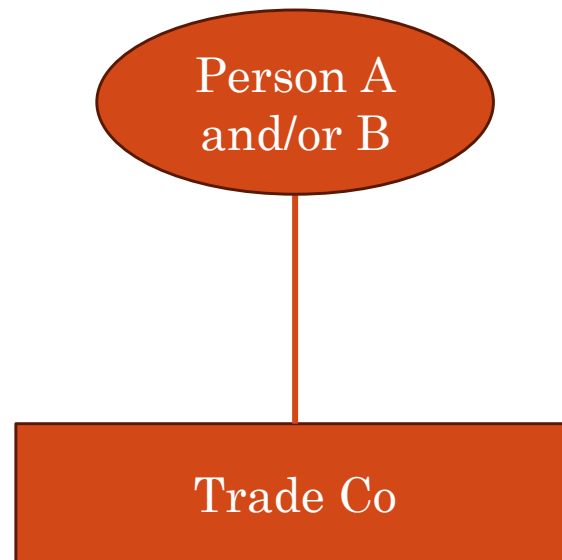


# Simpler is better?



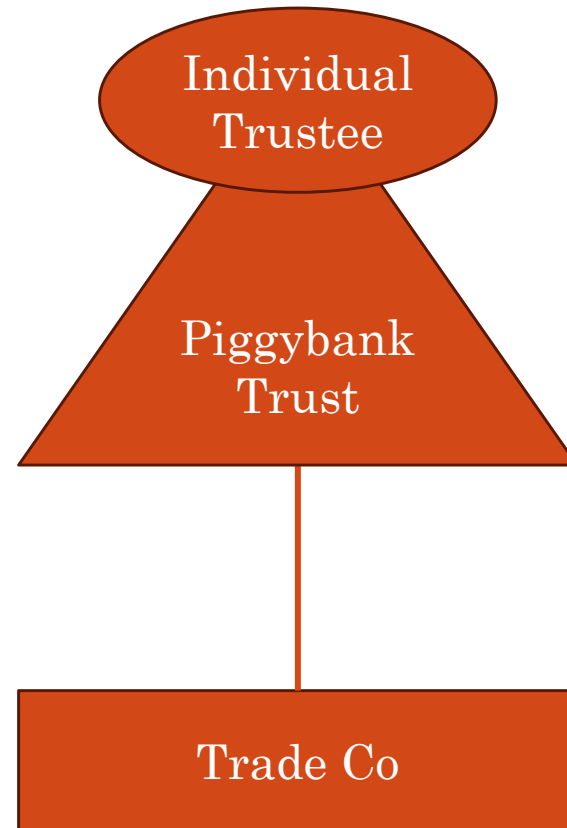


# What about companies?





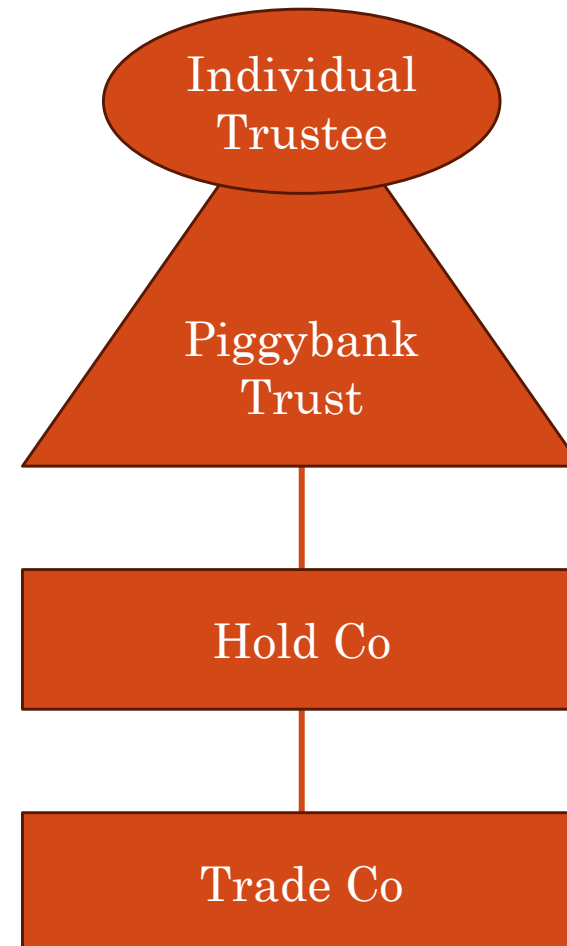
# More, more





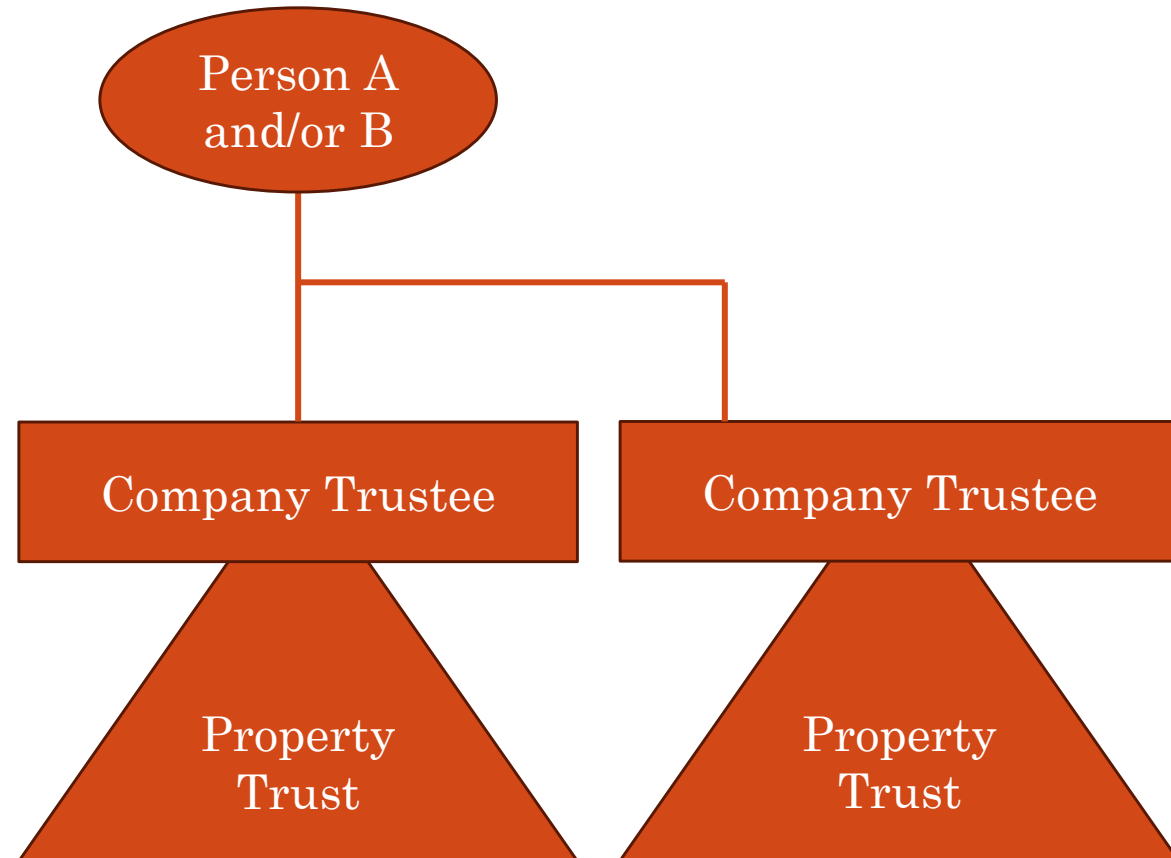
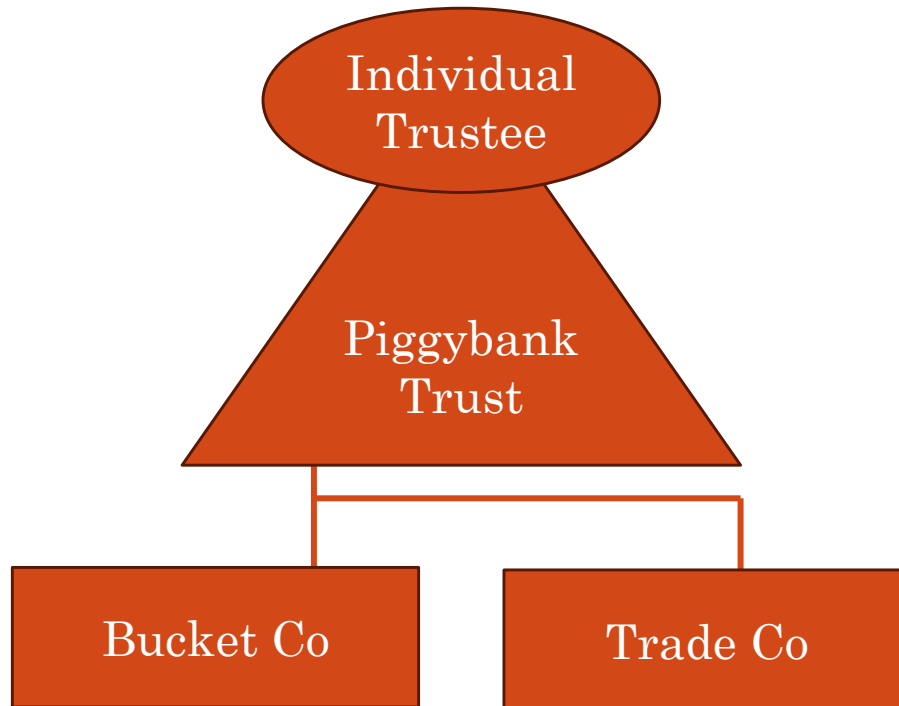


# Give me more



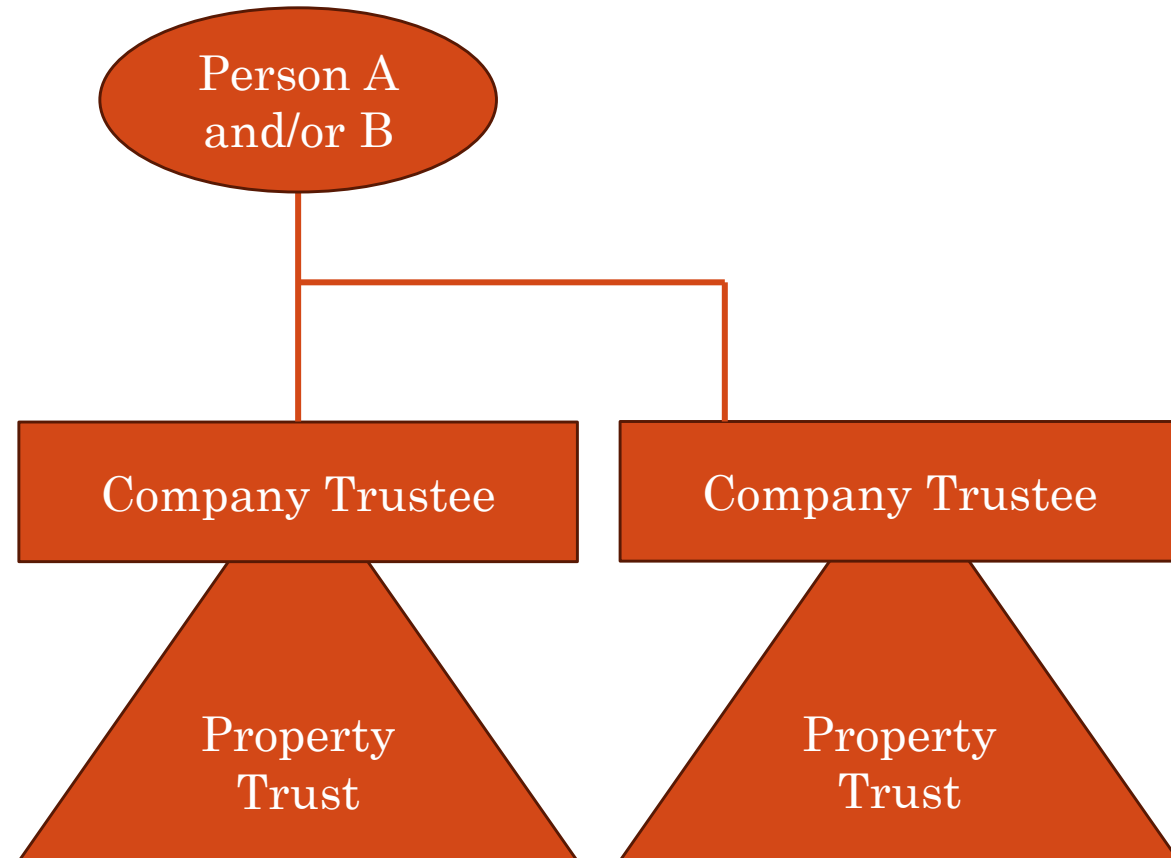
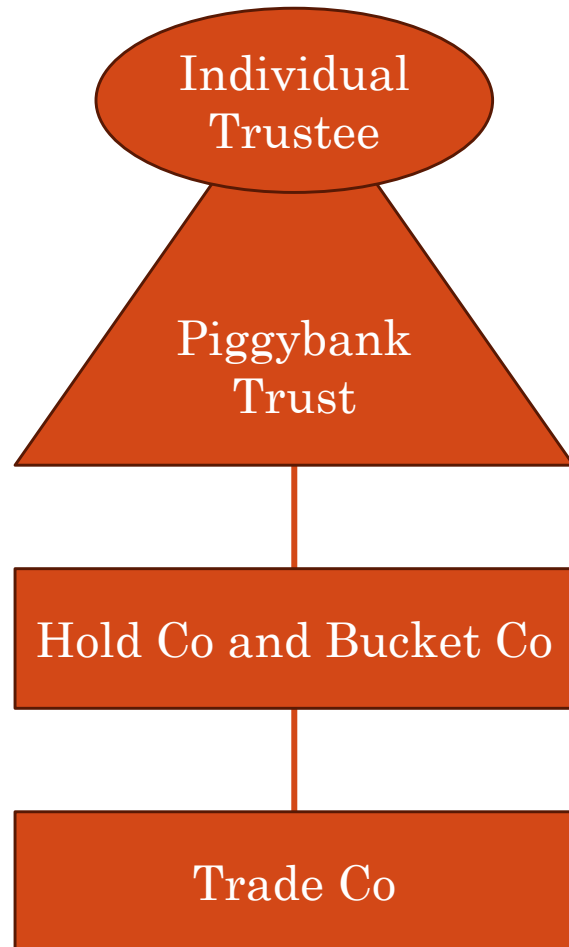


# A typical structure?



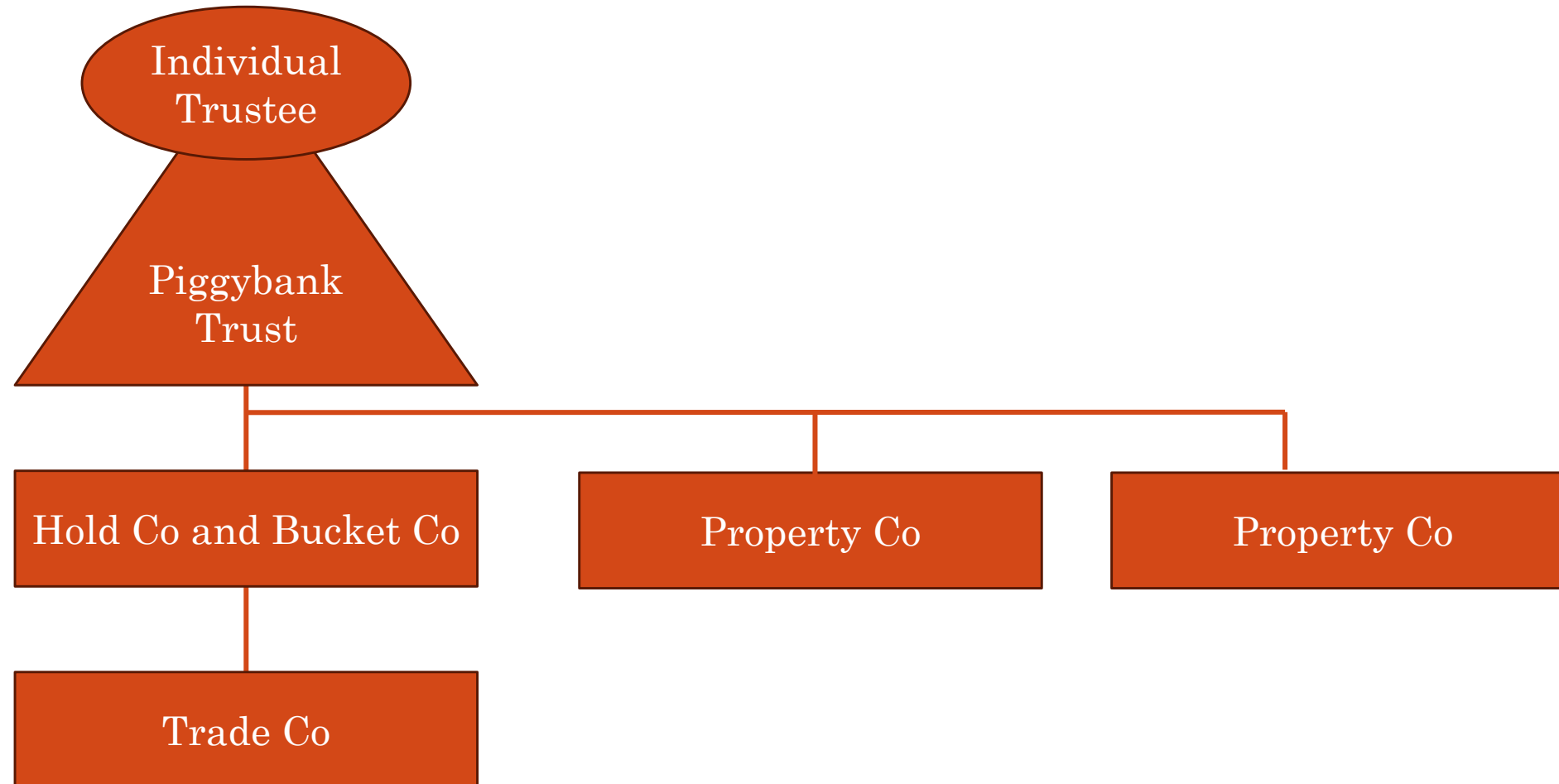


# A variation on a theme



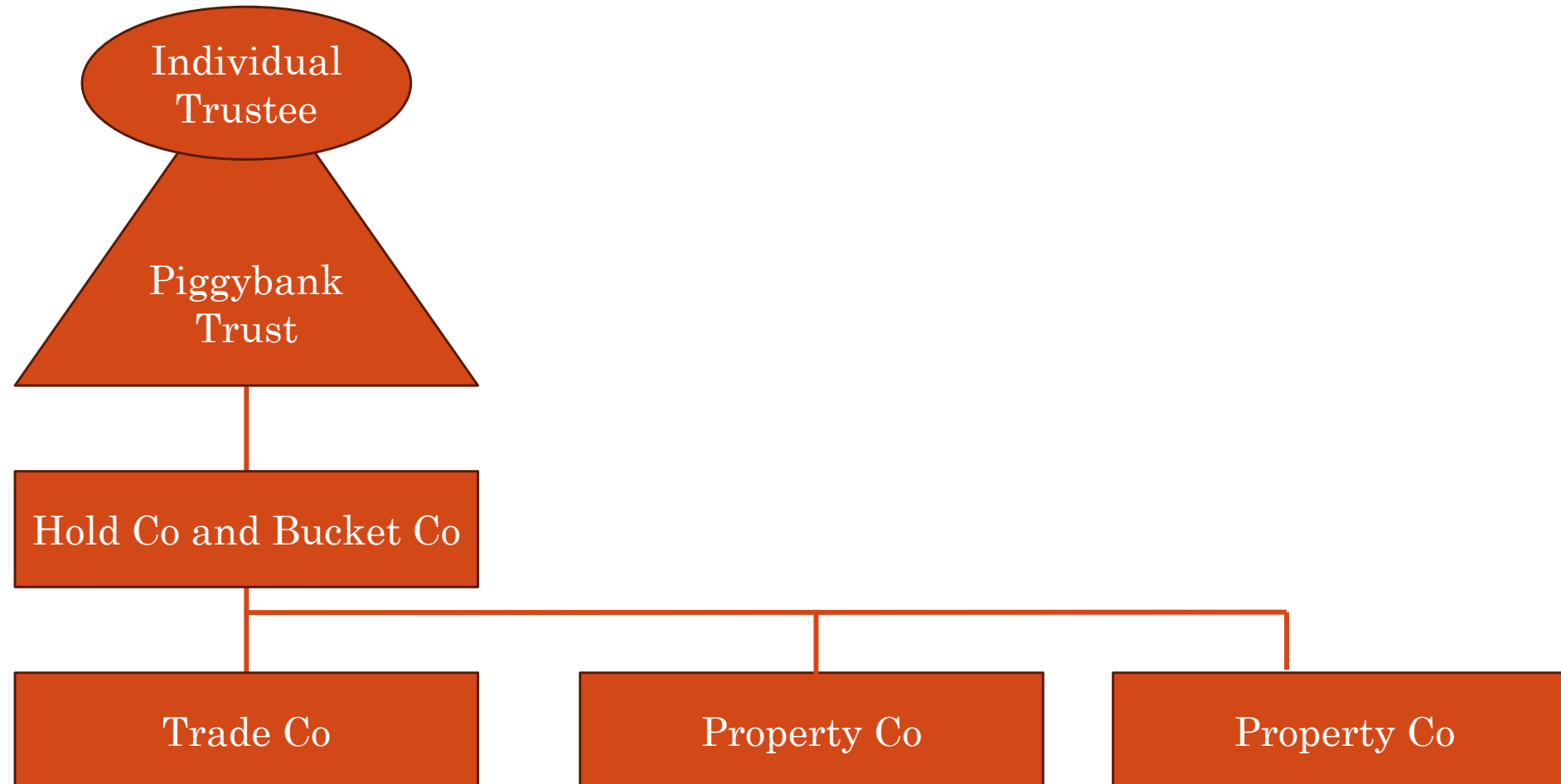


# An alternative approach?



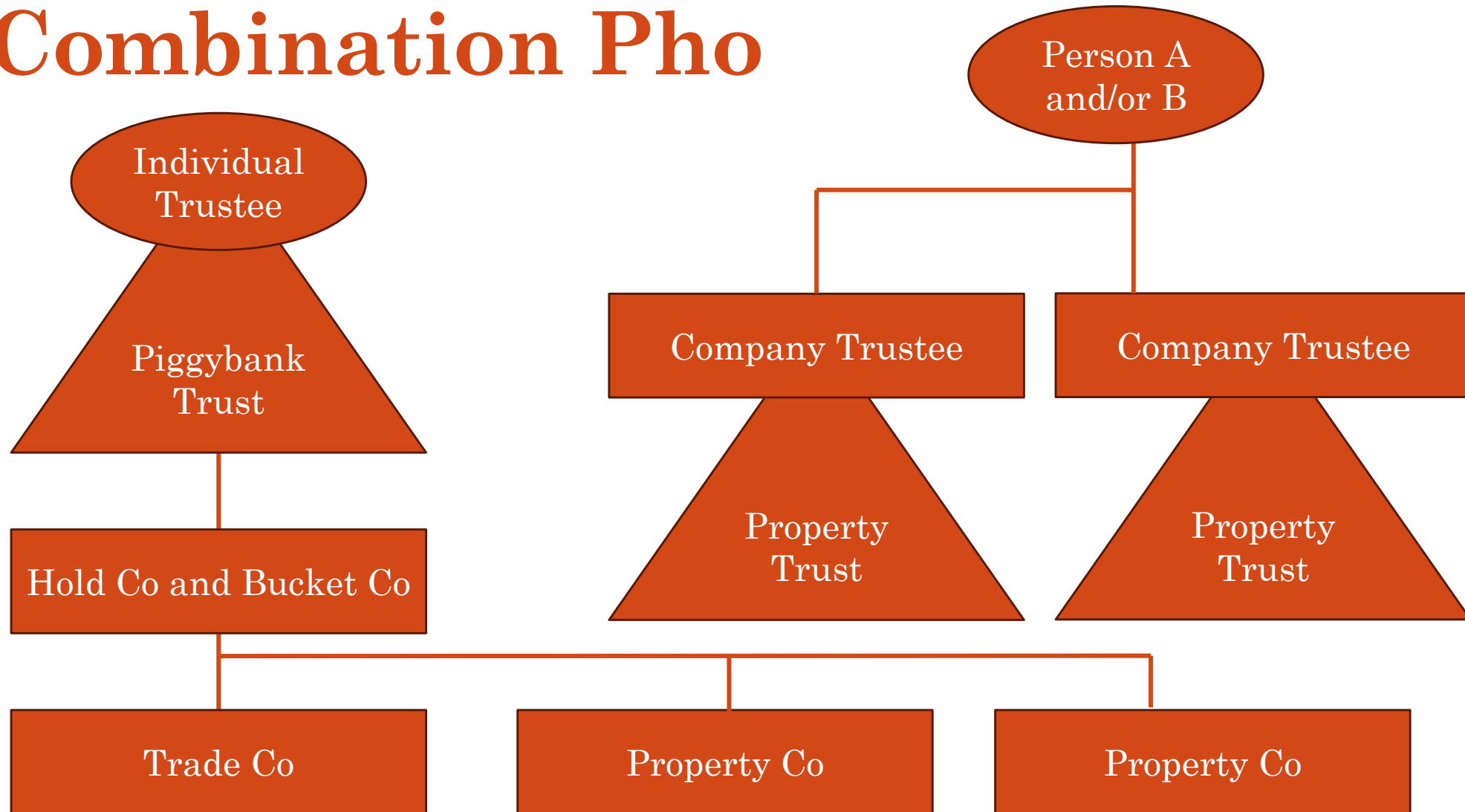


# A variation to the approach



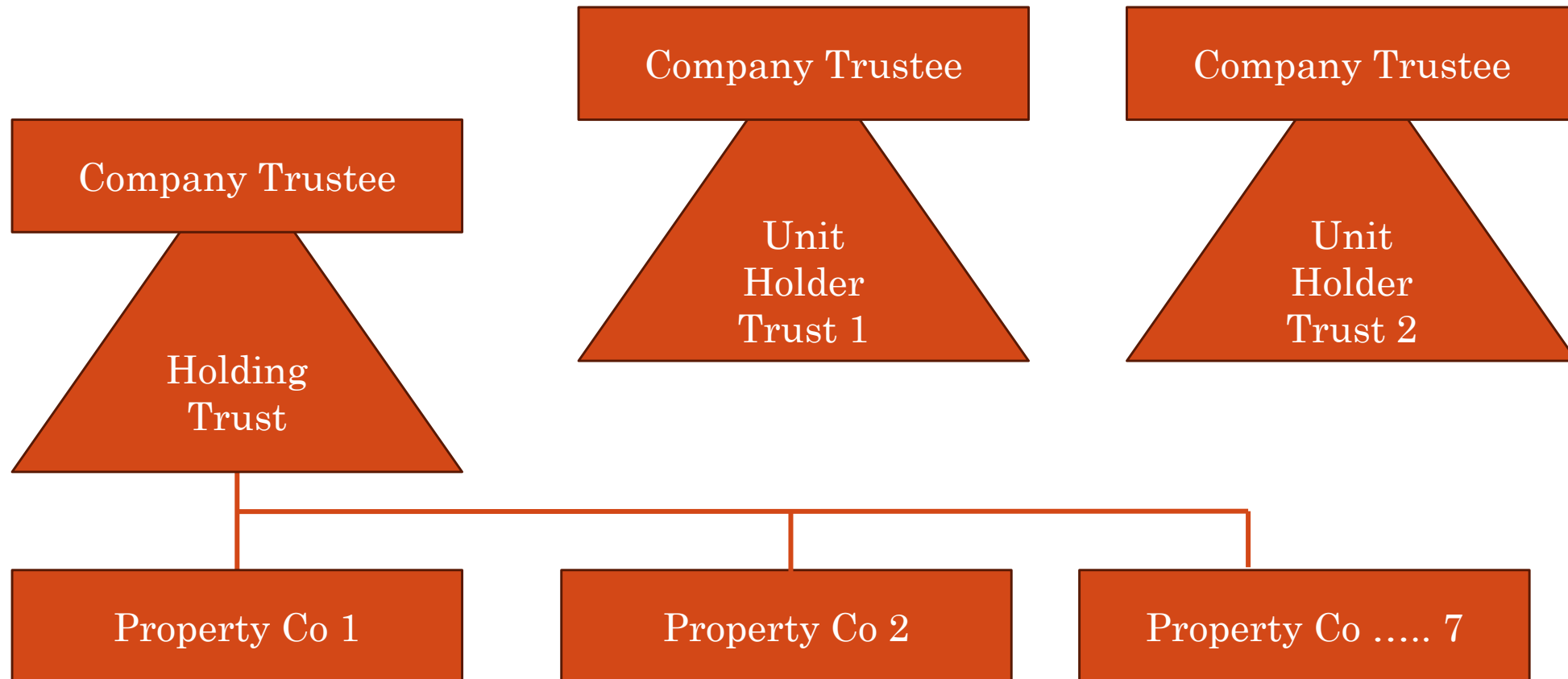


# Combination Pho



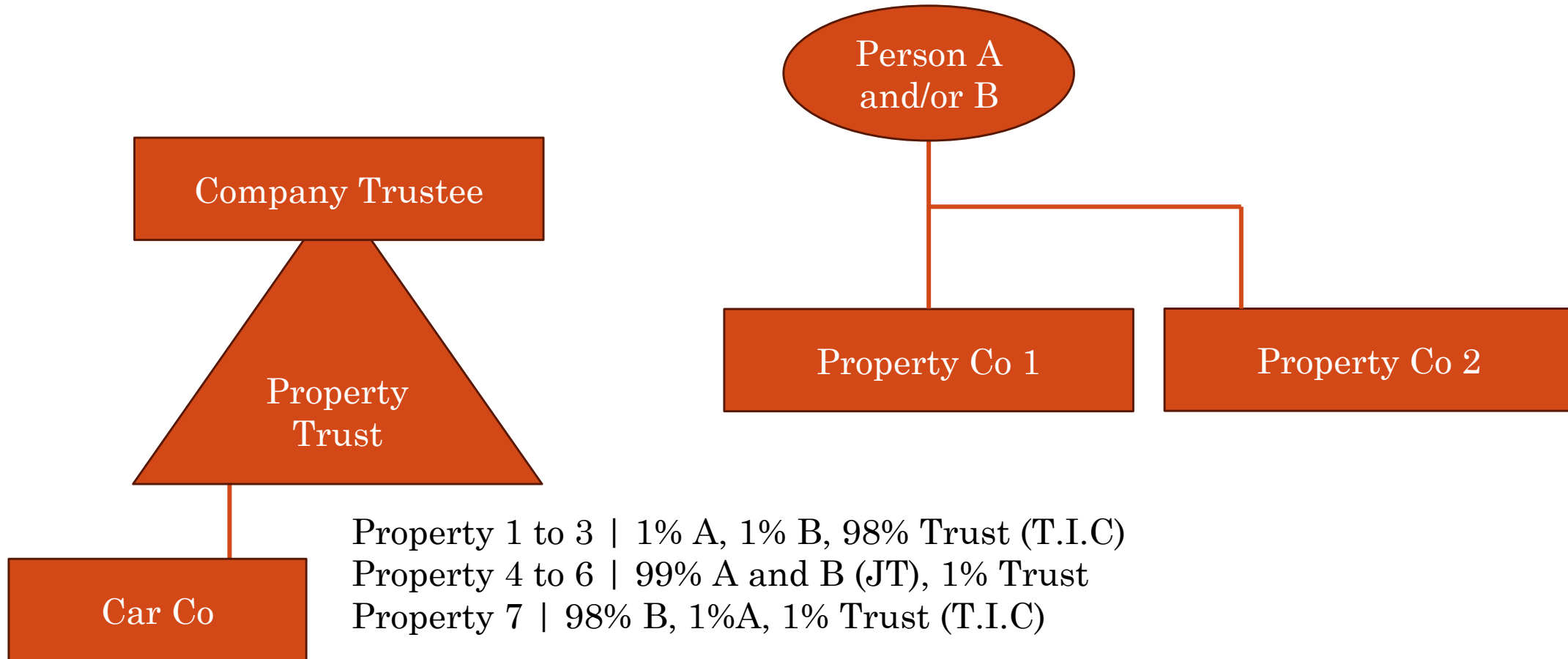


# Client examples





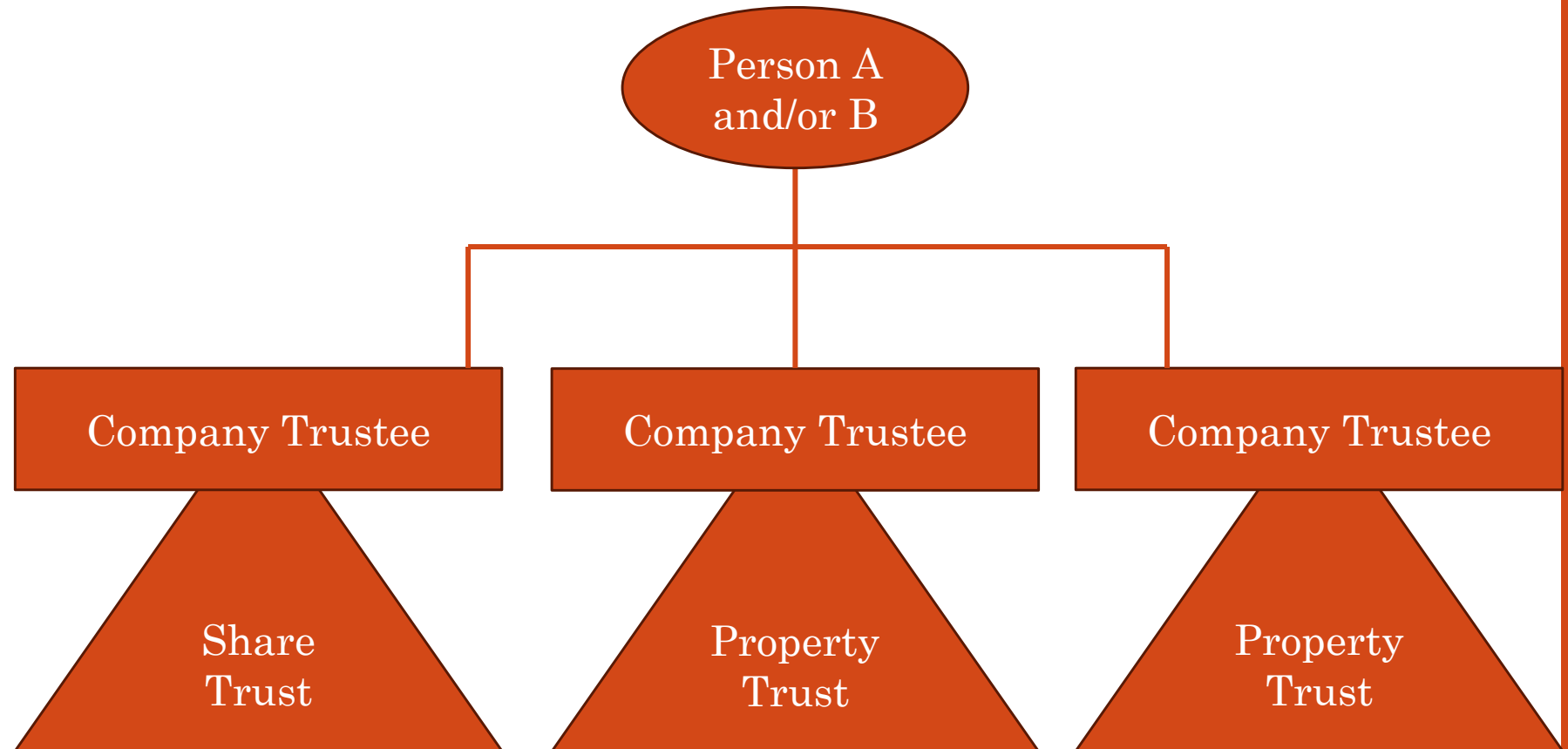
# Client examples







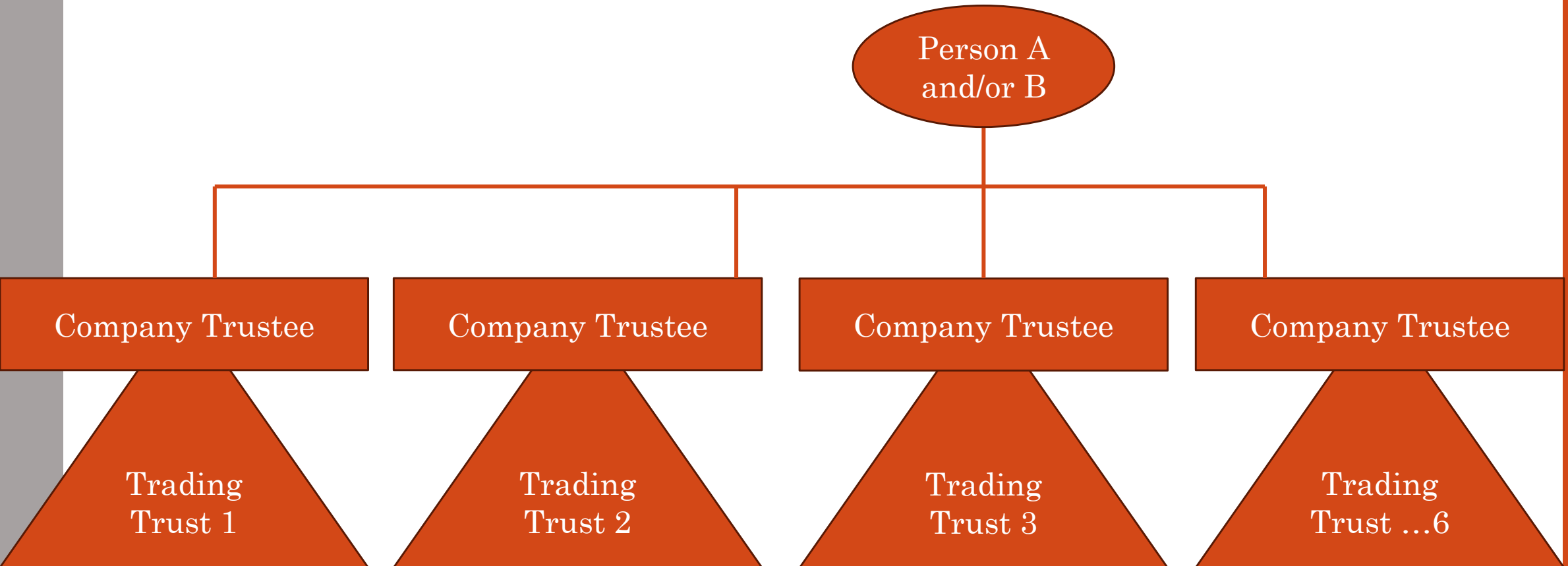
# Client example



Includes units in unit  
'service's trust



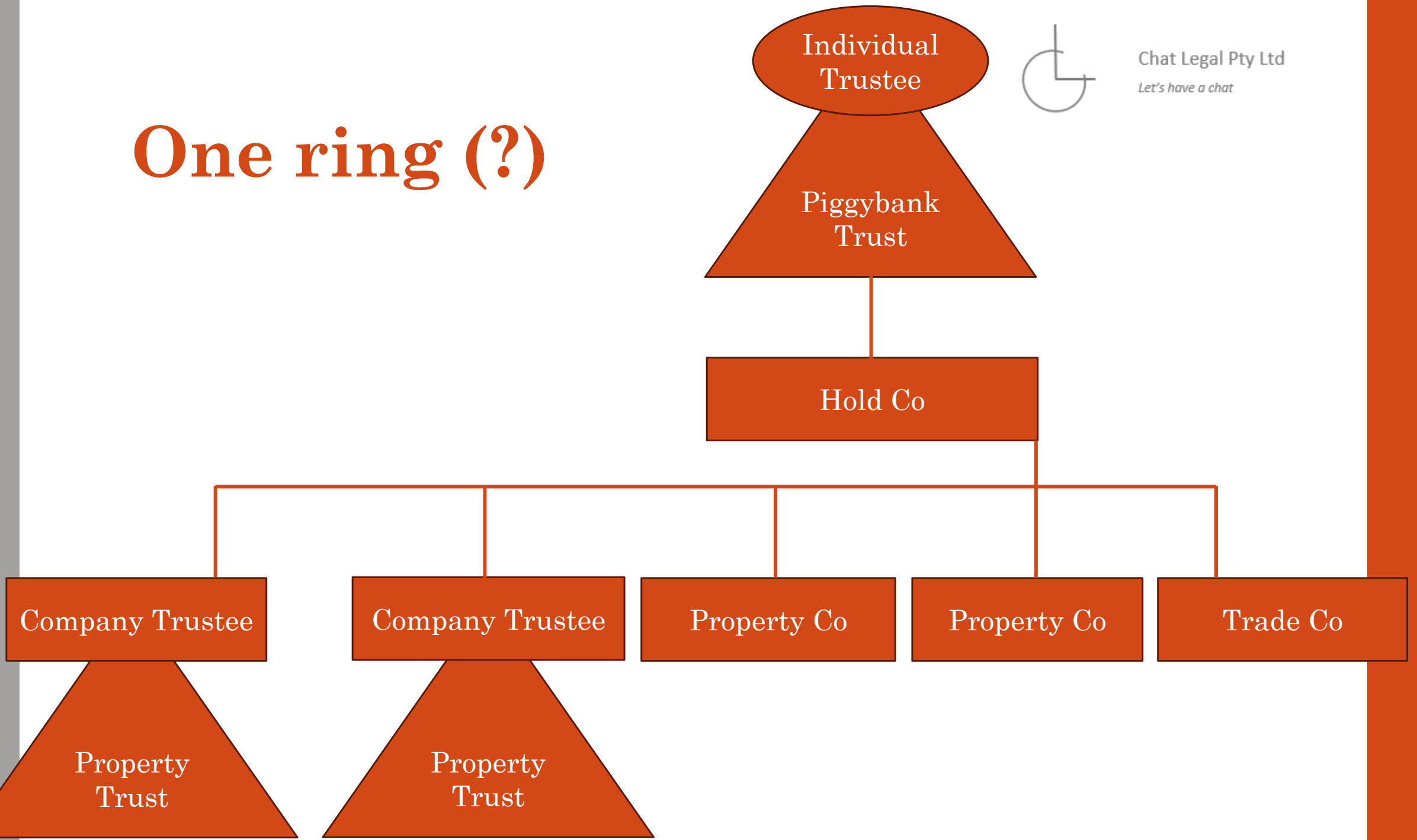
# Real life example



# One ring (?)



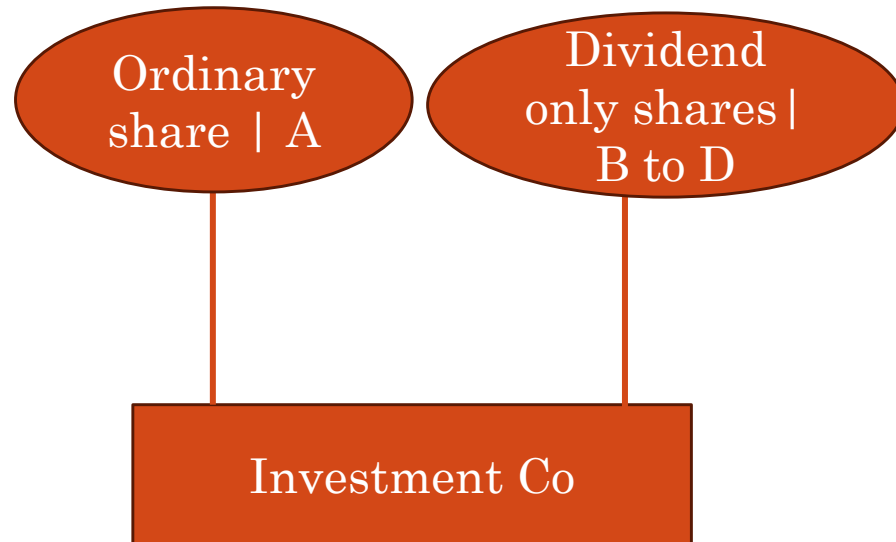
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# Why you got to make things so complicated



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# Complexity and flexibility

Comes at a cost (advisor fees)

# Contact details

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