

# Tax Guide 2023–24

## 2023–24 Capital Gains Tax Information Statement Guide

This guide will help you to understand your Capital Gains Taxation Information Statement from Colonial First State Investments Limited (CFSIL) and complete your 2023–24 tax return for individuals. It should be read in conjunction with CFSIL's **2023–24 Tax Return Information Statement Guide** and the *Personal investors guide to capital gains tax* provided by the Australian Taxation Office.

### To include your capital gains or losses in your 2023–24 tax return, you will need:

- ☐ A copy of the ATO Individual tax return instructions 2024.
- ☐ A copy of the ATO Individual tax return instructions supplement 2024.
- ☐ A copy of the ATO Tax return for individuals 2024.
- ☐ A copy of the ATO Tax return for individuals (supplementary section) 2024.

The Australian capital gains tax system is quite complex. If you have realised capital gains or capital losses from other sources, you may need to use the *Personal investors guide to capital gains tax*, which is available from the ATO.

### You should use this guide if ...

you are an individual and you have realised a capital gain or loss by withdrawing from your investment<sup>1</sup> during the 2023–24 financial year from any of the following CFSIL products:

- FirstChoice Investments
- FirstChoice Wholesale Investments
- Colonial First State Managed Investment Funds
- Colonial First State Wholesale Investments
- Wholesale Mezzanine Investments

**You may wish to give this guide to your accountant or tax agent. This guide is to be used for Australian resident individuals only.**

**You should not use this guide if you are completing a tax return for a superannuation fund, company or trust.**

**This guide contains general information and is not tax advice.  
Please contact your tax agent or accountant about personal tax matters.**

For general enquiries about your CFSIL investments, please call Investor Services on 13 13 36, Monday to Friday, 8:30am to 6pm, Sydney time.

You can view this guide by clicking on **'Find a form'** on our website at [cfs.com.au](https://cfs.com.au) and selecting the **'Tax Guides'** tab.

<sup>1</sup> For the purposes of the Capital Gains Taxation Information Statement, a withdrawal includes the switching of units from one fund/option to another and/or paying an adviser service fee

The Australian capital gains tax system has three types of capital gains. These are explained in the illustration below. Depending on when you bought the units you have now withdrawn, you may have an amount against all three capital gains types.

To help simplify the instructions for completing your tax return we have numbered the three capital gains types **1**, **2** and **3** on the example below. Please note that any losses are not discounted.

**Investor account type**

This indicates, according to our records, whether the investor is an individual, company, superannuation fund or trust.

**Net Capital Gain/(Loss) – less than 12 months**

This amount represents the taxable gain or loss you have made on withdrawals where the units have been held for less than 12 months

**Net Capital Gain/(Loss) – frozen indexation**

This amount represents the taxable gain or loss you have made on withdrawals calculated using indexation factors frozen at September 1999.

**Net Capital Gain/(Loss) – discount method**

This amount represents the taxable gain or loss you have made on withdrawals, using the ‘discounted’ method. The amount has been discounted in line with the current rules. For example, if you have a nominal gain of \$100, then as an individual investor, we have already discounted this for you and an amount of \$50 will appear on your statement.

- If the amount is a gain it will be discounted at the appropriate rate for you as an individual.
- If the amount is a loss, the gross loss is shown.
- Your account type is shown in the top right hand corner of your Capital Gains Taxation Information Statement.

FirstChoice Investments

2023–2024 Capital Gains Taxation Information Statement

Sally Citizen

546 Smith Street

Smithville NSW 0000

Account number: 070 000000000

Account type: Individual

Account name: Sally Citizen

The Capital Gains Tax information below relates to the withdrawals you made during the 2023–24 financial year.

Date of withdrawals	Withdrawals proceeds \$	1 Net capital gain/(loss) – less than 12 months \$	2 Net capital gain/(loss) – frozen indexation \$	3 Net capital gain/(loss) – discount method \$
FirstChoice Moderate				
2 April 2024	1,000.00	10.32	132.00	55.42
3 April 2024		20.18	na	148.58
4 April 2024		(8.90)	na	(70.80)

The calculation of capital gains tax amounts is complex. Taxation considerations are general and based on present taxation laws and may be subject to change. This statement does not take into consideration your own personal tax circumstances and is not tax advice that should be relied upon. Colonial First State Investments Limited (CFSIL) is not a registered tax (financial) adviser under the Tax Agent Services Act 2009 and you should seek tax advice from a registered tax agent or a registered tax (financial) adviser if you intend to rely on this information to satisfy the liabilities or obligations or claim entitlements that arise under a tax law.

Before making any decision based on this statement, you should perform your own calculation of your capital gain or loss amount as this statement gives an estimate only. If you intend to rely on this statement to satisfy the liabilities or obligations or claim entitlements that arise, or could arise, under taxation laws, you should speak to your financial tax adviser who can assist you in calculating your capital gains or loss tax position.

Calculating your own capital gains or loss amount may potentially give you a different tax outcome if you are using a different parcel selection method. We have used the First In First Out (FIFO) parcel selection method which may not give you the best tax outcome for your personal tax circumstances. To assist you further in understanding this statement please refer to the Capital Gains Tax Information Statement Guide available on our website at [www.cfs.com.au](http://www.cfs.com.au).

PLEASE RETAIN THIS STATEMENT FOR INCOME TAX PURPOSES

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**Hint:**

Normally you will need to include the amount shown in column **1** in your tax return and either the amount shown in column **2** or **3** whichever is the lowest amount.

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To calculate the information on the Capital Gains Taxation Information Statement, we have made certain assumptions and excluded certain circumstances. These are summarised on the back page of this guide. Please read this information carefully to determine if the Capital Gains Taxation Information Statement applies to you.

The capital gains or losses that appear on the Capital Gains Taxation Information Statement are in addition to any capital gains paid as part of an income distribution from your managed fund investments, and notified to you on the CFSIL Tax Return Information Statement.

We calculate these figures as a service to our investors. We suggest you check the capital gains and capital loss amounts before using the figures provided. These amounts are an estimate of your capital gain or loss. You may choose to use a different calculation method which may give you a better tax outcome.

We are required to report to the ATO all purchase and sale of units, but we have not reported the capital gains or loss amount per the Capital Gains Tax Information Statement. If you wish to do your own capital gains tax calculation you may do so.

We recommend that you speak to your tax agent or accountant.

## Do you have a capital loss from this year or previous years?

### No

If you have no capital losses from this year or carried forward from prior years complete steps 1 and 2 only.

#### Step 1

Subject to checking the capital gains tax amounts provided, print X in the YES box at **G** in Question **18** of the *Tax return for individuals (supplementary section) 2024*.

For each line in your statement add across the line, and add the sum of **1**, and either **2** or **3** (whichever is the lower dollar amount, ignoring any N/A amounts).

Enter the total of these amounts into box **A** at Question **18** of the *Tax return for individuals (supplementary section) 2024*, together with any other taxable capital gains from other sources, such as the capital gains component of your CFSIL trust distributions.

#### Step 2

For each line in the statement, determine whether you have chosen column **2** or **3** in **Step 1**.

- If you have chosen column **2**, add this to the figure in column **1** and include the total in **H** at Question **18** of the *Tax return for individuals (supplementary section) 2024* together with gains from other sources.
- If you have chosen column **3**, multiply this figure by 2 (assuming you are an individual account type) and add the result to the figure in column **1**.

The total should be entered in **H** at Question **18** of the *Tax return for individuals (supplementary section) 2024* together with gains from other sources.

# Do you have a capital loss from this year or previous years?

Yes

If you have any capital losses in this year or carried forward from prior years complete steps A, B, C and D.

## Step A

Print X in the YES box at **G** in Question **18** of the *Tax return for individuals (supplementary section) 2024*.

### Example

Please refer to the sample statement for Sally Citizen.

Sally Citizen must first determine if she has a loss or gain. Looking at her statement, Sally has made capital gains and capital losses on the 2nd, 3rd and 4th of April so she would print Y in box **G** in Question **18** of the *Tax return for individuals (supplementary section) 2024*.

### Example continued

Please refer to the sample statement for Sally Citizen.

Next, Sally must look at each withdrawal (on each line in the statement) and calculate the sum of column **1** and the lesser amount of either column **2** or **3**.

For the first withdrawal line the total is:

$$\begin{aligned} \$65.74 &= ( \quad 10.32 \quad + \quad 55.42 \quad ) \\ &\qquad\qquad\qquad \text{Column } \mathbf{1} \quad + \quad \text{Column } \mathbf{3} \end{aligned}$$

If Sally chose to use columns **1** and **2**, the amount would be \$142.32 = (10.32 + 132.00).

As \$65.74 is less than the \$142.32, Sally would normally use columns **1** and **3**. Sally then repeats this calculation for each separate withdrawal line. In this example the assets were acquired after 1999, so there is a nil amount (N/A) in column **2** on the withdrawal line for both April 3 and 4.

Sally therefore uses the amounts in columns **1** and **3**.

## Step B

Subject to checking the capital gains tax amounts, for each line in the statement, add the sum of the gain amounts in **1**, and either **2** or **3** (whichever is the lower amount and only if they are gains amounts). Determine whether you have chosen column **2** or **3**.

- For each line if you have chosen column **2**, add this to the figure in column **1** (if they are gains) and include the total in **H** of Question **18** of the *Tax return for individuals (supplementary section) 2024* together with gains from other sources.
- For each line if you have chosen column **3** (if they are gains), multiply the figure by 2 (assuming you are an individual account type) and add the result to the gain in column **1**; and include the total in **H** of Question **18** of the *Tax return for individuals (supplementary section) 2024* together with gains from other sources.

### Example continued

Please refer to the sample statement for Sally Citizen.

For Sally, the total to be shown at Box **H** will be \$439.  $\$438.50 = (10.32 + [2 \times 55.42] + 20.18 + [2 \times 148.58])$  rounded up to the nearest whole dollar.

**Note:** Where applicable, the sum of all column **1**s, selected column **2**s and doubled column **3**s should be included at Box **H** of Question **18**. For this purpose, negative amounts should be left out of the calculation.

## Step C

If you have a loss in any column, you have the option of using that loss to reduce or eliminate any other gain, even if that gain relates to another withdrawal at any other time during the same financial year.

You should not use a loss or a gain from the same line of both column **2** and column **3** of your Capital Gains Taxation Information Statement as these are alternatives.

### Example continued

Please refer to the sample statement for Sally Citizen.

In Sally's case, she had a loss on her 4 April withdrawal in both column **1** and **3**, with a total loss of  $\$79.70 = (8.90 + 70.80)$  and a loss from the previous year of \$169 (the prior year's loss does not appear on the statement but will appear at box **V** of question **18** in last year's income tax return).

**Note:** It is normally better to use losses against column **1** gains before column **3** gains. This is because column **3** attracts the CGT discount whereas column **1** does not.

- If you are using the loss against a 'net capital gain less than 12 months' **1**, subtract the loss from the gain and use the result in **Step D**.

### Example continued

Please refer to the sample statement for Sally Citizen.

Sally's total column **1** gains are  $\$30.50 = (10.32 + 20.18)$ . Therefore, \$30.50 of the \$79.70 of current year losses will be used to offset the column **1** gains leaving remaining losses of  $\$49.20 = (79.70 - 30.50)$ .

- If you are using the loss against a 'net capital gain frozen indexation' **2**, subtract the loss from the gain and use the result in **Step D**.

### Example continued

Please refer to the sample statement for Sally Citizen.

These losses, together with the prior year loss of \$169 can be used against any column **2** amounts. In Sally's case, no column **2** amounts were selected.

- If you are using a loss against a discounted capital gain **3**, you will need to multiply the discounted capital gain by 2. The loss should then be subtracted from this amount. The reduced discounted capital gain should then be divided by 2 and the final result used in **Step D**.

### Example continued

#### Please refer to the sample statement for Sally Citizen.

After using losses against column **1** gains and column **2** gains, the remainder can be used against column **3** gains.

At this stage, Sally multiplies all selected column **3** gain amounts by 2 in order to reverse the 50% CGT discount. This gives her \$408 =  $(2 \times [55.42 + 148.58])$ . (For the purposes of the example, we have ignored the loss amounts in column **3**.)

Sally can now calculate a remaining gain by offsetting both current year and prior year losses. In her case:

Notional gain	\$ 408
Current year loss	\$ (49)
Remaining gain	\$ 359
Prior year loss	\$ (169)
Remaining gain	\$ 190
Less 50% discount	\$ (95)
Taxable gain	\$ 95

## Step D

If you still have a capital gain after using all your losses as outlined in Step C, you must include the sum in box **A** at Question **18** of the *Tax return for individuals (supplementary section) 2024*, together with any other gains, from other sources, such as the capital gains component of your CFSIL distributions. If the overall calculation creates a loss, you can use this loss against other capital gains that you may have, including capital gains distributed to you from your CFSIL investments.

### Example continued

#### Please refer to the sample statement for Sally Citizen.

Sally's remaining discounted gain is \$95. This final amount should be included at box **A** of Question **18**.

If you cannot use all of your capital losses, the remaining losses should be included at box **V** of Question **18**.

### Example continued

#### Please refer to the sample statement for Sally Citizen.

As Sally has used up all of her capital losses no amount is included in box **V** of Question **18**.

## What we have assumed

In calculating the net capital gain or loss on your withdrawal (including any switches you made) of units from the fund/ option(s), we have made the following assumptions.

- The first parcel of units you withdrew was all or part of the first parcel of units purchased. This is referred to as the 'First In First Out' (FIFO) method, which has been approved by the Australian Taxation Office. This statement assumes that 'specific identification' of units sold is not your preferred method of calculating your capital gains tax liability. Where your unit holdings comprise a number of select parcels purchased at different dates (including reinvested distributions), the ability to select which parcels of units are sold under the Specific Identification Method may, in some cases, result in a tax saving compared to the FIFO method.
- The application for your initial investment was made with cash or cash equivalent.
- The only incidental cost of buying or selling units is the application fee.
- The capital gains tax provisions apply to you.
- You have a 30 June year-end for Australian income tax purposes.
- You did not receive any bonus units or compensation units in respect of your investment.
- Column **3** capital gains have been discounted by 50%. If your investor status has been recorded incorrectly an incorrect discount factor will have been used. You can check your investor status at the heading 'Account type' to the right of your address on your Capital Gains Taxation Information Statement.
- If a disposal has been made in error, the disposal will still give a rise to a CGT event and be shown on the Capital Gains Tax Information statement. We suggest that you review any erroneous disposal with your tax adviser in order to determine the appropriate tax treatment of any amount shown.

**Please note:** The capital gain and loss amounts shown allow for relevant cost base adjustments arising from AMIT cost base adjustments or for non-AMITs tax-free and tax-deferred amounts.

## When this guide may not apply

The following circumstances have not been addressed in the calculations.

- We recommend you seek professional taxation advice to help calculate your actual liability of capital gains tax where these circumstances apply.
- The units withdrawn related to, or were held jointly with, a deceased unit holder.
- The units withdrawn were transferred to you by a deceased estate.
- The units withdrawn were transferred to you due to a divorce settlement.
- Your financial adviser rebated some of the purchase price of your units by cash payment to you.
- You have transferred units to another person (including companies, trustees, partnerships) or have acquired units from another person (including companies, trustees, partnerships) at any time.
- You are able to take advantage of any form of capital gains tax rollover or loss merger relief.
- You were a non-resident for Australian income tax purposes at any time since acquiring your units.
- The units withdrawn constituted either 'trading stock' or a 'revenue asset' of a business carried on by you.
- You have incurred additional incidental costs of the acquisition, holding and/or disposal of your units.
- You took out a loan to finance the purchase of your units and were not able to claim a tax deduction for interest payments made.
- The investment is made by a superannuation fund, company, masterfund or Investor Directed Portfolio Service (IDPS).

If any of these assumptions do not apply to your investment, then the calculation of the net capital gain or loss on withdrawal of your units as disclosed on your CFSIL Capital Gains Taxation Information Statement may not be appropriate. In these circumstances please see your financial adviser or accountant.



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## Need more information?

For enquiries about your personal tax matters please talk to your financial adviser or accountant.

For general enquiries about your CFSIL account, please call Investor Services on 13 13 36, Monday to Friday, 8:30am to 6pm, Sydney time.

Colonial First State Investments Limited ABN 98 002 348 352, AFSL 232468 (CFSIL) is the responsible entity and issuer of products made available under FirstChoice Investments and FirstChoice Wholesale Investments.

This document may include general advice but does not take into account your individual objectives, financial situation, needs or tax circumstances. The Target Market Determinations (TMD) for our financial products can be found at [www.cfs.com.au/tmd](http://www.cfs.com.au/tmd), which include a description of who a financial product might suit. You should read the relevant Product Disclosure Statement (PDS) and Financial Services Guide (FSG) carefully, assess whether the information is appropriate for you, and consider talking to a financial adviser before making an investment decision. You can get the PDS and FSG at [www.cfs.com.au](http://www.cfs.com.au) or by calling us on 13 13 36.

Tax considerations are general and based on present tax laws and may be subject to change. You should seek independent, professional tax advice before making any decision based on this information.

CFSIL is not a registered tax (financial) adviser under the Tax Agent Services Act 2009 and you should seek tax advice from a registered tax agent or a registered tax (financial) adviser if you intend to rely on this information to satisfy the liabilities or obligations or claim entitlements that arise under a tax law. 30133/FS834/0624

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