



Extension of time to make minimum yearly repayments on Division 7A loans

- <https://www.ato.gov.au/Business/Business-bulletins-newsroom/Large-business/Extension-of-time-to-make-minimum-yearly-repayments-on-Division-7A-loans/>
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We know this has been another challenging year for many due to the ongoing effects of COVID-19.

Loans from a private company that comply with Division 7A (Division 7A loans) are not treated as assessable dividends. Under a Division 7A loan, the borrower must make minimum yearly repayments (MYR) before the end of the lender's income year.

To offer more support, an extension of the repayment period is now available for those who are unable to make their MYRs by the end of the lender's 2020-21 income year (generally 30 June) due to the ongoing effects of COVID-19 under section 109RD.

You can [apply for administrative relief for Division 7A MYR](#) using our streamlined online application. Please be aware, you must make up the shortfall of your 2020–21 MYR by 30 June 2022.

A similar extension was also available for the 2019–20 MYR. If you obtained this extension, remember you must make up the shortfall of your 2019–20 MYR by 30 June 2021.

If you don't meet this deadline, you will need to either obtain a further extension of time for the 2019-20 MYR outside the streamlined process or amend your 2019-20 tax return to include a dividend.

The extension available through the streamlined online application for the 2019-20

and 2020-21 MYR is not intended to be available in the 2021-22 income year and beyond.

We encourage you to review information available on our website or speak to your tax professional to determine your eligibility for this support.

Next step:

- [Request to extend time to make minimum yearly repayments for COVID-19 affected borrowers under section 109RD](#)

Find out about:

- [Private company benefits – Division 7A dividends](#)
- [Support for businesses and employers](#)

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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