



Class Ruling

Lendlease Corporation Limited – stapled securities acquired under the Placement or Security Purchase Plan

❶ Relying on this Ruling

This publication is a public ruling for the purposes of the *Taxation Administration Act 1953*.

If this Ruling applies to you, and you correctly rely on it, we will apply the law to you in the way set out in this Ruling. That is, you will not pay any more tax or penalties or interest in respect of the matters covered by this Ruling.

Further, if we think that this Ruling disadvantages you, we may apply the law in a way that is more favourable to you.

Table of Contents	Paragraph
What this Ruling is about	1
Who this Ruling applies to	4
When this Ruling applies	5
Ruling	6
Scheme	10

What this Ruling is about

1. This Ruling sets out the capital gains tax (CGT) consequences on acquisition for Lendlease Group security holders who acquired Lendlease Group stapled securities under the Placement or Security Purchase Plan (SPP) announced on 28 April 2020.
2. Full details of this scheme are set out in paragraphs 10 to 17 of this Ruling.
3. All legislative references are to provisions of the *Income Tax Assessment Act 1997* unless otherwise indicated.

Who this Ruling applies to

4. This Ruling applies to you if you acquired Lendlease Group stapled securities under the Placement or the SPP.

When this Ruling applies

5. This Ruling applies from 1 May 2020 to 30 June 2020.

Ruling

Lendlease Group stapled security – CGT assets

6. Each Lendlease Group stapled security consists of a share in Lendlease Corporation Limited (LLC) and a unit in Lendlease Trust (LLT) which are stapled. The LLC share and the LLT unit are separate CGT assets (section 108-5).

Cost base and reduced cost base of Lendlease Group stapled security

7. The first element of the aggregated cost base and reduced cost base of your Lendlease Group stapled security acquired under the Placement or SPP is \$9.80 (paragraph 110-25(2)(a)).

8. The expenditure of \$9.80 you incurred for the Lendlease Group stapled security must be apportioned on a reasonably attributable basis (subsection 112-30(1)) to determine the first element of your cost base or reduced cost base in the LLC share and the LLT unit.

9. The Commissioner accepts that a reasonably attributable basis of apportioning the \$9.80 is \$7.32 to the LLC share and \$2.48 to the LLT unit.

Scheme

10. The following description of the scheme is based on information provided by the applicant. If the scheme is not carried out as described, this Ruling cannot be relied upon.

11. The Lendlease Group, consisting of LLC and LLT, is a stapled group whose respective shares and units trade as stapled securities listed on the Australian Securities Exchange.

12. On 28 April 2020, the Lendlease Group announced a capital raising under the Placement and SPP.

13. On 4 May 2020, a total of 96,938,776 new Lendlease Group stapled securities were issued under the Placement.

14. On 4 June 2020 a total of 26,535,894 new Lendlease Group stapled securities were issued under the SPP.

15. Each Lendlease Group stapled security was issued for \$9.80 under the Placement and SPP.

16. The Lendlease Group raised \$1.21 billion in total, consisting of the \$950 million Placement and the SPP of \$260 million.

17. As at 30 June 2020, the net assets of the Lendlease Group were \$5,175,535,000 for LLC and \$1,756,465,000 for LLT.

References*Previous draft:*

Not previously issued as a draft

- ITAA 1997 108-5
- ITAA 1997 110-25(2)(a)
- ITAA 1997 112-30(1)

Legislative references:

- TAA 1953

ATO references

NO: 1-MMIZ33R

ISSN: 2205-5517

BSL: PGI

ATOlaw topic: Income tax ~~ Capital gains tax ~~ CGT assets ~~ Separate CGT assets
Income tax ~~ Capital gains tax ~~ Cost base and reduced cost base

© AUSTRALIAN TAXATION OFFICE FOR THE COMMONWEALTH OF AUSTRALIA

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).