



Status: **legally binding**

Class Ruling

Oceania Capital Partners Limited – return of capital and special dividend

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.

Table of Contents	Paragraph
What this Ruling is about	1
Who this Ruling applies to	4
When this Ruling applies	6
Ruling	7
Scheme	27

What this Ruling is about

1. This Ruling sets out the income tax consequences of the distribution of \$1.00 per share (Distribution) to shareholders of Oceania Capital Partners Limited (OCP) on 5 December 2025 (Payment Date), which was comprised of a return of capital of \$0.75 per share (Capital Return) and a dividend of \$0.25 per share (Special Dividend).
2. Details of this scheme are set out in paragraphs 27 to 42 of this Ruling.
3. All legislative references in this Ruling are to the *Income Tax Assessment Act 1997* (ITAA 1997), unless otherwise indicated.

Who this Ruling applies to

4. This Ruling applies to you if you:
 - were registered on the OCP share register at 7:00 pm (AEST) on 28 November 2025 (Record Date) and received the Distribution on the Payment Date
 - held your OCP shares on capital account – that is, you did not hold your OCP shares as revenue assets (as defined in section 977-50) or as trading stock (as defined in subsection 995-1(1)), and
 - were not a ‘temporary resident’ of Australia as defined in subsection 995-1(1) on the Payment Date.

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5. This Ruling does not apply to anyone who is subject to the taxation of financial arrangements rules in Division 230 in relation to the scheme outlined in paragraphs 27 to 42 of this Ruling.

Note: Division 230 will not apply to individuals unless they have made an election for it to apply.

When this Ruling applies

6. This Ruling applies from 1 July 2025 to 30 June 2026.

Ruling

Special Dividend

Residents

7. If you are a resident of Australia as defined in subsection 6(1) of the *Income Tax Assessment Act 1936* (ITAA 1936), you are required to include the Special Dividend in your assessable income (subparagraph 44(1)(a)(i) of the ITAA 1936).

8. If you satisfy the residency requirements in section 207-75, you include the franking credits attached to the Special Dividend in your assessable income and you are entitled to a tax offset equal to the amount of those credits (section 207-20), provided you are a 'qualified person' (as defined in Division 1A of former Part IIIAA of the ITAA 1936).

9. If you received the Special Dividend as a trustee of a trust (not being a complying superannuation entity) or as a partnership and you are not a corporate tax entity, the franking credits attached to the Special Dividend are included in your assessable income, provided you are a 'qualified person' (subsection 207-35(1)).

10. If you are a partner in a partnership or a beneficiary of a trust and the Special Dividend flows indirectly through the partnership or trust to you, you include your share of the Special Dividend in your assessable income and you are entitled to a tax offset equal to your share of the franking credit attached to the Special Dividend, provided both you and the partnership or trust as is relevant are each a 'qualified person' (section 207-45 and former subsection 160APHU(1) of the ITAA 1936).

Non-residents carrying on a business at or through a permanent establishment

11. If you are a non-resident and the Special Dividend is attributable to a permanent establishment in Australia, you include the Special Dividend in your assessable income (paragraphs 44(1)(b) and (c) of the ITAA 1936) and you are not liable to pay withholding tax in respect of the Special Dividend (subsection 128B(3E) of the ITAA 1936).

12. If you are also a qualified person (as defined in Division 1A of former Part IIIAA of the ITAA 1936), you include the amount of the franking credits attached to the Special Dividend in your assessable income and you are entitled to a tax offset equal to the amount of those credits (section 207-20 and subsection 207-75(2)).

Status: **legally binding**

Non-residents not carrying on a business at or through a permanent establishment

13. If you are a non-resident and the Special Dividend is not attributable to a permanent establishment in Australia, the Special Dividend is not included in your assessable income (section 128D of the ITAA 1936). To the extent that the dividend is franked, you are not liable to withholding tax in respect of the Special Dividend (paragraph 128B(3)(ga) of the ITAA 1936).

14. You do not include the amount of the franking credits attached to the Special Dividend in your assessable income and you are not entitled to a tax offset for those franking credits (sections 207-20 and 207-70).

Qualified persons

15. You will be a qualified person in relation to the Special Dividend if, during the period from the day after you acquired your OCP shares to 45 days after the shares became ex dividend (inclusive), you held your OCP shares for a continuous period of at least 45 days during which you did not have 'materially diminished risks of loss or opportunities for gain' (as defined in former section 160APHM of the ITAA 1936) in respect of the shares.

Capital Return

16. No part of the Capital Return you received from OCP on the Payment Date is a dividend as defined in subsection 6(1) of the ITAA 1936. This is because the entire amount of the Capital Return has been debited against an amount standing to the credit of OCP's share capital account. Therefore, no part of the Capital Return is included in your assessable income as a dividend under subsection 44(1) of the ITAA 1936.

Anti-avoidance provisions

17. The Commissioner will not make a determination under either subsections 45A(2) or 45B(3) of the ITAA 1936 that section 45C of the ITAA 1936 applies to any part of the Capital Return you received from OCP on the Payment Date.

Capital gains tax consequences***CGT event G1***

18. CGT event G1 happened on the Payment Date when OCP paid you the Capital Return in respect of each OCP share you owned on the Record Date and continued to own on the Payment Date (section 104-135).

19. You made a capital gain from CGT event G1 happening if the Capital Return per OCP share was more than the share's cost base (subsection 104-135(3)). The capital gain is the difference and you reduce both the cost base and reduced cost base of your OCP share to nil.

20. If the Capital Return you received was not more than the cost base of your OCP share, the cost base or reduced cost base of your OCP share is reduced by the amount of the Capital Return (subsection 104-135(4)).

21. You cannot make a capital loss from CGT event G1 (Note 1 to subsection 104-135(3)).

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CGT event C2

22. CGT event C2 happened to your right to receive the Capital Return on the Payment Date when OCP paid you the Capital Return in respect of each OCP share you owned on the Record Date but ceased to own before the Payment Date (section 104-25).

23. You made a capital gain under CGT event C2 if the capital proceeds from the ending of the right (being the Capital Return amount) were more than the cost base of the right. You made a capital loss if the capital proceeds from the ending of the right were less than the reduced cost base of the right (subsection 104-25(3)).

24. The cost base of your right to receive the Capital Return is worked out under Division 110 (modified by Division 112). The cost base of the right does not include the cost base or reduced cost base of the OCP share previously owned by you to the extent that it was applied in working out a capital gain or capital loss made when a CGT event happened to the OCP share – when you disposed of the OCP share after the Record Date but before the Payment Date. Therefore, if the cost base or reduced cost base of the OCP share previously owned by you has been fully applied in working out a capital gain or capital loss on the OCP share, the right to receive the Capital Return will have a nil cost base. As a result, you will (in those circumstances) make a capital gain equal to the capital proceeds, being \$0.75 per OCP share owned at the Record Date.

Discount capital gain

25. You can treat a capital gain made when CGT event G1 or CGT event C2 happened as a discount capital gain if you acquired your OCP shares at least 12 months before the Payment Date (subsection 115-25(1)), provided the other conditions in Subdivision 115-A are satisfied.

Foreign resident shareholders

26. If you were a foreign resident or the trustee of a foreign resident for CGT purposes as defined in subsection 995-1(1) on the Payment Date, you disregard any capital gain made from CGT event G1 or any capital gain or capital loss from CGT event C2 happening to your OCP shares, pursuant to subsection 855-10(1), unless you:

- have used your OCP shares at any time in carrying on a business through a permanent establishment in Australia (table item 3 of section 855-15), or
- are an individual and your OCP shares were covered by subsection 104-165(3) (choosing to disregard a capital gain or capital loss on ceasing to be an Australian resident) (table item 5 of section 855-15).

Scheme

27. 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.

Background

28. OCP (formerly known as Allco Equity Partners Limited) is a public unlisted Australian investment company, incorporated on 12 November 2004.

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29. OCP was previously listed on the Australian Securities Exchange (ASX) from 22 December 2004 and delisted on 12 September 2019.

30. OCP's principal activity is investing in listed and unlisted operating businesses. The company's primary focus is on investing capital in businesses.

31. As of 31 October 2025, OCP had:

- 29,804,222 ordinary shares on issue
- \$144,896,027 in accumulated losses
- \$1,662,474 franking credits
- \$4,661,281 reserves, and
- \$230,876,405 issued share capital.

32. Less than 10% of OCP shares on issue are held by non-resident shareholders.

Disposal of STG Holdings Pty Ltd

33. On 2 December 2024, the OCP tax consolidated group disposed of its interest in STG Holdings Pty Ltd, receiving proceeds of \$46,286,000.

34. The OCP tax consolidated group recognised an accounting profit of \$23,800,000.

Distribution

35. On 11 November 2025, OCP notified shareholders of the proposal to distribute approximately \$22,353,166.50 by way of an equal reduction of share capital under sections 256B of the *Corporations Act 2001*.

36. On 4 December 2025, the Capital Return was approved by the shareholders of OCP.

37. On the Payment Date, OCP made the Distribution of a total amount of \$29,804,222, which equated to \$1.00 per OCP share, comprised of the:

- Capital Return of \$22,353,166.50 (or \$0.75 per share), and
- Special Dividend of \$7,451,055.50 (or \$0.25 per share).

38. The Capital Return was paid from OCP's available cash balance. The Capital Return was debited against OCP's share capital account.

39. The Special Dividend was partially franked – \$0.13 per share was franked and \$0.12 was unfranked.

40. No shares were cancelled as part of the Capital Return and the number of shares on issue have not changed because of the Capital Return.

Other matters

41. The share capital account (as defined in section 975-300) of OCP is not tainted within the meaning of Division 197.

42. On and immediately before the Payment Date, the sum of the market values of OCP's assets that were 'taxable Australian real property' (as defined in section 855-20) did

CR 2026/5

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not exceed the sum of the market values of its other assets for the purposes of section 855-30.

Commissioner of Taxation

11 February 2026

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References

Legislative references:

- | | |
|------------------------------------|------------------------------|
| - ITAA 1936 6(1) | - ITAA 1997 104-165(3) |
| - ITAA 1936 44(1) | - ITAA 1997 Div 110 |
| - ITAA 1936 44(1)(a)(i) | - ITAA 1997 Div 112 |
| - ITAA 1936 44(1)(b) | - ITAA 1997 Subdiv 115-A |
| - ITAA 1936 44(1)(c) | - ITAA 1997 115-25(1) |
| - ITAA 1936 45A(2) | - ITAA 1997 Div 197 |
| - ITAA 1936 45B(3) | - ITAA 1997 207-20 |
| - ITAA 1936 45C | - ITAA 1997 207-35(1) |
| - ITAA 1936 128B(3)(ga) | - ITAA 1997 207-45 |
| - ITAA 1936 128B(3E) | - ITAA 1997 207-70 |
| - ITAA 1936 128D | - ITAA 1997 207-75 |
| - ITAA 1936 former Pt IIIAA Div 1A | - ITAA 1997 207-75(2) |
| - ITAA 1936 former 160APHM | - ITAA 1997 Div 230 |
| - ITAA 1936 former 160APHU(1) | - ITAA 1997 855-10(1) |
| - ITAA 1997 104-25 | - ITAA 1997 855-15 |
| - ITAA 1997 104-25(3) | - ITAA 1997 855-20 |
| - ITAA 1997 104-135 | - ITAA 1997 855-30 |
| - ITAA 1997 104-135(3) | - ITAA 1997 975-300 |
| - ITAA 1997 104-135(4) | - ITAA 1997 977-50 |
| | - ITAA 1997 995-1(1) |
| | - Corporations Act 2001 256B |
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ATO references

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