



Status: **legally binding**

Class Ruling

FCD Water Pty Ltd – employee share scheme – minimum holding period

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	5
Ruling	6
Scheme	7

What this Ruling is about

1. This Ruling sets out the income tax consequences for employees of FCD Water Pty Ltd (FCD Water) who held options over ordinary shares in FCD Water (Options), acquired under the FCD Water Share Option Plan (Share Option Plan), and who disposed of these Options as part of the sale of FCD Water in the income tax year ending 30 June 2027.
2. Details of this scheme are set out in paragraphs 7 to 14 of this Ruling.
3. All legislative references in this Ruling are to the *Income Tax Assessment Act 1997*.

Who this Ruling applies to

4. This Ruling applies to you if you:
 - acquired your Options during the period July 2022 to May 2025 under the Share Option Plan and disposed of these Options in connection with the sale of FCD Water in the income tax year ending 30 June 2027
 - were employed by FCD Water from the date you acquired your Options until when you disposed of these Options
 - were entitled to reduce the amount included in your assessable income in accordance with section 83A-33 (disregarding the condition in subsection 83A-45(4) – minimum holding period) when you acquired your Options, and
 - were a ‘resident of Australia’, as defined in subsection 6(1) of the *Income Tax Assessment Act 1936* when you disposed of your Options.

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When this Ruling applies

5. This Ruling applies from 8 July 2023 to 30 June 2027.

Ruling**Minimum holding period**

6. The Commissioner will allow the minimum holding period to end at the earlier time of 8 July 2026 for the Options disposed of on that date. See paragraph 83A-45(5)(a).

Scheme

7. This description of the scheme is based on information provided by the applicant. This Ruling cannot be relied upon if the scheme is not carried out as described.

8. FCD Water established the Share Option Plan on 28 July 2022 as an employee share scheme, and the Share Option Plan operated according to the Share Option Plan rules.

9. The Share Option Plan prevented employees from disposing of the Options until the earlier of:

- 3 years from the date the Options were issued, and
- the date the employee stopped being employed by FCD Water.

10. No Options have been granted under the Share Option Plan since May 2025.

11. No Options were granted while FCD Water was in negotiations with a potential bidder for FCD Water's shares.

12. FCD Water started formal negotiations with Verona Capital Pty Limited (Verona) in March 2026.

13. In April 2026, Verona made a non-binding indicative offer to acquire shares in FCD Water.

14. On 8 July 2026, the Sale and Purchase Agreement was signed whereby Robotics Services Pty Ltd agreed to purchase all membership interests in FCD Water. Verona is the largest shareholder in Robotics Services Pty Ltd.

Commissioner of Taxation

21 October 2026

Status: **not legally binding**

References

Legislative references:

- ITAA 1936 6(1)
 - ITAA 1997 83A-33
 - ITAA 1997 83A-45(4)
 - ITAA 1997 83A-45(5)(a)
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ATO references

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