

This Determination, to the extent that it is capable of being a 'public ruling' in terms of Part IVAAA of the *Taxation Administration Act 1953*, is a public ruling for the purposes of that Part. Taxation Ruling TR 92/1 explains when a Determination is a public ruling and how it is binding on the Commissioner. Unless otherwise stated, this Determination applies to years commencing both before and after its date of issue. However, this Determination does not apply to taxpayers to the extent that it conflicts with the terms of a settlement of a dispute agreed to before the date of issue of the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

Taxation Determination

Income tax: does the transfer of an asset between the statutory funds of a life insurance company constitute a disposal for income tax purposes?

1. No. An internal transfer of an asset between a life company's statutory funds does not result in taxation implications for the company because there is no disposal or sale for income tax purposes. The life company remains the beneficial owner of the asset both before and after the transfer, as the statutory fund is not a separate entity.
2. It is only upon disposal by a life company to an external party that any profit or loss is realised for taxation purposes.
3. This determination is applicable to both gains assessable under subsection 25(1) and Part IIIA of the *Income Tax Assessment Act 1936*.

Commissioner of Taxation
19/5/94

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