

Notice of Withdrawal

Under an employee share acquisition scheme, fully paid shares with restrictions are allotted to a trustee to be held on behalf of an employee. Prior to the removal of restrictions the employee receives a redundancy package which includes an ex-gratia payment representing the value of shares held by the trustee on the employee's behalf. How is the ex-gratia payment to be taxed?

Draft Taxation Determination TD 94/D43 is withdrawn with effect from today.

The topic is not considered to be a high priority and does not justify a public ruling.

Commissioner of Taxation

2 August 1995

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