



TD 41 - Capital Gains: What are the CGT consequences where an asset is disposed of for cash and other property?

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CGT Cell Determinations do not have the force of law, but can be relied upon as being the considered view of the ATO. Unless otherwise stated, the view expressed may be applied to transactions entered into both before and after the date of issue of the Determination.

CGT Determination Number 41

Capital Gains: What are the CGT consequences where an asset is disposed of for cash and other property?

Determination

1. Where the consideration received in respect of the disposal of an asset is money and property other than money, the consideration is the sum of the money and the market value of the property acquired at the time of disposal of the asset (paragraph 160ZD(1)(c)).

Example:

A taxpayer owns 200 shares in XYZ Ltd. These shares are worth \$2.00 each.

ABC Ltd. offers to acquire each share in XYZ Ltd. for 1 share in ABC Ltd. and 75 cents cash. The shares in ABC Ltd. are valued at \$1.25 each. The taxpayer receives 200 shares in ABC Ltd. and \$150 cash.

The disposal consideration in respect of each share in XYZ Ltd. is \$2.00.

(The cost base of each share in ABC Ltd. includes the acquisition consideration of \$1.25.)

COMMISSIONER OF TAXATION

5 March 1992

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