CR 2001/1 - Class rulings

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This document has changed over time. This is a consolidated version of the ruling which was published on *26 November 2025*

Class Ruling

Class rulings

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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.

(*Note: this is a consolidated version of this document. Refer to the ATO Legal database* (ato.gov.au/law) *to check its currency and to view the details of all changes.*)

What this Ruling is about

1. This Ruling outlines the purpose, nature and role of class rulings. A class ruling is a binding public ruling made under Division 358 of Schedule 1 to the *Taxation Administration Act 1953* in relation to certain provisions, such as income tax law.

1A. This Ruling provides an overview of class rulings and includes information about:

- the date of effect of class rulings;
- requesting a class ruling;
- when the Commissioner will not rule; and
- class rulings and the promoter penalty laws.

1B. All further legislative references are to Schedule 1 of the *Taxation Administration Act 1953*.

2. [Omitted.]

Date of effect

3. This Ruling applies from 28 February 2001.

4. [Omitted.]

5. [Omitted.]

Ruling

Overview of class rulings

6. A class ruling expresses a view on how a certain provision applies to a specific class of entities in relation to a particular scheme. A class ruling can avoid the need for individual entities to seek their own private ruling.

7. Being a type of public ruling[1], the Commissioner derives the power to issue class rulings under Division 358. The Commissioner has an unfettered discretion as to whether or not to issue a class ruling, and this applies whether a class ruling has been requested or not.

Binding nature of class rulings

7A. As a public ruling, class rulings are binding on the Commissioner to the extent provided by Subdivision 357-B.[1A]

8. A class ruling provides certainty to the class of entities by stating that the tax consequences set out in the **Ruling** part of the class ruling are available in respect of the particular scheme as described in the **Scheme** part of the class ruling.

8A. The highest levels of disclosure are expected of the applicant. If the scheme carried out is materially different from that ruled upon, the ruling has no binding effect on the Commissioner and may be withdrawn or modified.

9. [Omitted.]

Class of entities

10. A class ruling sets out the Commissioner's opinion as to the way in which a 'relevant provision' applies to a class of entities in relation to a scheme (subsection 358-5(1)).

11. Who a class ruling applies to, that is, the 'class of entities', is detailed in each class ruling. These entities can rely on the statements contained in the ruling.

Relevant provisions

12. The Commissioner can issue rulings only on relevant provisions. Relevant provisions are provisions of Acts and regulations administered by the Commissioner that are about any of the matters listed in section 357-55.

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[1] Taxation Ruling TR 2006/10 *Public rulings* outlines the system of public rulings.
[1A] Paragraphs 30 to 38 of TR 2006/10.

13. A class ruling on how a relevant provision applies may be a ruling on the way in which a discretion of the Commissioner under that law would be exercised.

Scheme

14. A class ruling describes the relevant details of a particular scheme. The following are examples of situations where such a ruling may be given:

(a) an employer seeks advice about the tax consequences of retention bonuses for a specified class of employees

(b) an employer seeks advice about the tax consequences of a bona fide redundancy plan for a specified class of employees

(c) an employer seeks advice about the tax consequences of an employee share acquisition plan for a specified class of employees

(d) a company seeks advice about the tax consequences for its shareholders of a restructure of the company, a split or consolidation of its shares, or any other proposed transaction of the company affecting the tax affairs of its shareholders

(e) a public company seeks advice about the application of the scrip for scrip roll-over provisions to its shareholders

(f) a Commonwealth, state or territory government or a government authority seeks advice about a proposed transaction – for example, an industry restructure which has taxation consequences for participants in that industry

(g) an association seeks advice about how the goods and services tax laws apply to particular supplies made by its members.

15. [Omitted.]

15A. Individual entities who seek to rely on the class ruling may wish to seek assurances from the entity implementing the scheme that it has been carried out as described in the class ruling.

Date of effect

15B. Class rulings will specify a date of effect. A class ruling may also specify the date on which it will cease to have effect.

Identification of class rulings

16. Class rulings are:

- grouped as the 'CR' series;
- prefixed for the particular calendar year in which they issue.

Publication

17. A class ruling is a public ruling for the purposes of the *Taxation Administration Act 1953*. A class ruling must state that it is a public ruling, be published and notice of the making of it must be published by notifiable instrument.[1B] The Commissioner may also, withdraw, by notifiable instrument, a class ruling at any stage, either wholly or to an extent.

18. [Omitted.]

Requesting a class ruling

19. A request for a class ruling must be made in writing in order to receive consideration by ATO staff. ATO staff can also consider issuing a class ruling in those situations where a member of a class of entity or entities affected by a particular scheme requests a private ruling on the scheme.

20. The Commissioner will need the following information to consider whether to issue a ruling:

- a full and accurate description of the scheme, including:
  - details of the principals carrying out the scheme and any documents referred to in the scheme;
  - the time period the scheme will be in operation;
  - all facts, assumptions, transaction dates and documents relating to the scheme;
- a clear and accurate description of the class of entities subject to the scheme;
- clearly articulated questions and issues which are to be ruled on.

20A. As part of their application, the entity requesting the advice may present their own research and analysis undertaken.[3]

21. The publication of a class ruling in relation to a particular scheme is generally conditional upon the requesting entity:

[1B] See subsection 358-5(4).
[2] [Omitted.]
[3] Further information on applying for class rulings is available on the ATO website.

- acknowledging that the Commissioner will reveal in the ruling:
  - the name and address of the entities involved as principals in the carrying out of the scheme;
  - the name and description of the scheme; and
  - a description of the agreements, deeds and transactions to which the relevant class of entities are parties;
- obtaining express consent to be named from all parties named in the ruling; and
- verifying that the description of the scheme contained in the proposed ruling is accurate.

22. The quality and completeness of information supplied and the need to research, analyse and resolve issues that arise, are factors in the time taken to provide a class ruling.

The status of draft class rulings

22A. A draft class ruling is sent to the applicant to obtain certain agreements and statements.[4] Unlike the final class ruling, it is not intended that the draft class ruling be relied upon. It is not a publication approved in writing by the Commissioner. Consequently, there is no protection against liability for any tax shortfall, interest on the shortfall or false or misleading statement penalty if a taxpayer seeks to rely on statements in the draft class ruling.

Obligations after the issue of a class ruling

23. Where the scheme is relevant to or affects statutory or other government requirements (for example, director's reports requirements), the Commissioner may request that the relevant information be provided to the affected person or persons.

Testing the Commissioner's views

24. Where the Commissioner is unable to rule favourably, an entity may apply for a private ruling to enable the issues to be tested through the relevant review processes. This does not preclude the Commissioner from also issuing a class ruling on the scheme, though this will generally only be done where the requesting entity agrees to it.

[4] These include a statement that the description of the scheme is accurate and covers all relevant features, that the parties named in the ruling consent to being named and a statement to the effect that the negotiated date for publication is acceptable.

When the Commissioner will not rule

25. The Commissioner makes and withdraws class rulings at their discretion.

26. Without limiting the discretion to refuse to rule in relation to other instances, a class ruling will not be issued in the following circumstances:

(a) the request is frivolous or vexatious. Falling within this category are requests where:

- the scheme is only hypothetical, in that the scheme to which the application relates is not being carried out and is not seriously contemplated by the applicant;
- there is no realistic chance of implementing the scheme; or
- the scheme is revised or additional information provided, indicating that there is, in fact, no settled scheme on which the Commissioner may rule;

(b) the ruling, or circumstances associated with the ruling, could reasonably be misleading to the relevant entities. Falling within this category are requests where:

- the government has announced a change to the law upon which the Commissioner has been asked to rule;
- the Commissioner cannot give a positive clearance on general anti-avoidance provisions; or
- the material provided in support of the application cannot reasonably be relied upon;

(c) in the opinion of the Commissioner, insufficient information has been provided despite a request by the Commissioner for additional information. Falling within this category also are requests where material provided is inconsistent, inaccurate or contains errors such that the scheme cannot be ascertained with particularity; and

(d) in the opinion of the Commissioner it is unreasonable to comply with the application given the extent of resources available or other relevant matters. For example, the Commissioner may refuse to issue a class ruling in the following circumstances:

- in the case of protracted and very time consuming matters to which the Commissioner cannot devote resources;

- where the issues are sufficiently covered by a previously issued public ruling; or
- where statutory or other government requirements (for example, prospectuses, licences, approvals) have not been met and are not expected to be met, have expired, have been withdrawn, or are expected to expire or be withdrawn in the near future.

27. Class rulings may be withdrawn when no longer applicable. For example, a class ruling will be withdrawn where the Commissioner is satisfied that the scheme in relation to which the class ruling issued, is no longer to be implemented or the scheme has been implemented but in a way materially different from that described in the Ruling. A class ruling, although withdrawn, will continue to bind the Commissioner in relation to those to whom the ruling applies, who entered into the scheme as described in the ruling during the currency of the Ruling.

The effect of inconsistent rulings

27A. Where there are inconsistent rulings that both apply to the entity, section 357-75 sets out rules for determining which ruling may be relied upon, to the extent of the inconsistency. Refer to TR 2006/10 for an explanation of the Commissioner's view on how this provision applies.

27B. [Omitted.]

Class rulings and the promoter penalty laws

27C. A scheme may have been promoted on the basis of conformity with a class ruling when the scheme promoted is materially different from that described in the ruling. A scheme may also have been promoted on the basis of conformity with a class ruling being implemented in a way that is materially different from that described in the ruling. In these instances, the Commissioner may apply the promoter penalty laws.[5] Where applicable, the Commissioner may apply to the Federal Court for sanctions, remedies (or both) to address this conduct.[6]

[5] Division 290.
[6] See Law Administration Practice Statement PS LA 2021/1 *Application of the promoter penalty laws*, which sets out the administrative procedures that will be used in applying the promoter penalties laws.

Detailed contents list

28. Below is a detailed contents list for this Ruling:

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Commissioner of Taxation
28 February 2001

References

Related rulings and determinations

TR 2006/10

Legislative references

- TAA 1953 Sch 1 Div 290
- TAA 1953 Sch 1 Subdiv 357-B
- TAA 1953 Sch 1 357-55
- TAA 1953 Sch 1 357-75
- TAA 1953 Sch 1 Div 358
- TAA 1953 Sch 1 358-5(1)
- TAA 1953 Sch 1 358-5(4)

Other references

PS LA 2021/1

ATO references:

NO	T2001/003539; 1-14NZUU9R
BSL	OCTC
ISSN:	2205-5517
ATOlaw topic:	Administration ~~ Rulings and other advice

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