


# ***CR 2001/17A - Addendum - Income tax: capital gains: scrip for scrip roll-over: proposed takeover of Cable & Wireless Optus Limited by SingTel Australia Investment Ltd***

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## Addendum

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### **Class Ruling**

Income tax: capital gains: scrip for scrip  
roll-over: proposed takeover of Cable &  
Wireless Optus Limited by SingTel Australia  
Investment Ltd

**Replace** all references to “SingTel shares” with references to  
“SingTel shares (as represented by CDIs)”.

**Insert at the end of paragraph 9:**

- (h) Letter dated 10 August 2001 from  
PricewaterhouseCoopers.

**Insert additional dot points at paragraph 14:**

- Optus shareholders who accept the takeover offer will receive CHESS Depository Instruments (“CDIs”) rather than actual SingTel share scrip. Each CDI represents an underlying SingTel share. CDIs are a mechanism which facilitates the electronic transfer of shares on the Australian Stock Exchange (“ASX”). CDIs are units of beneficial interests in securities where the legal title is held by an Australian depository entity. That entity in the present case will be CHESS Depository Nominee Pty Ltd (“CDN”), a wholly-owned subsidiary of the ASX. CDN will be recognised under Singapore law as the holder of such SingTel shares;
- The CDIs are Chess Units of Foreign Security in terms of the ASX’s Securities Clearing House Business Rules;

**Insert at the end of paragraph 18:**

The receipt by Optus shareholders of CDIs, rather than the underlying SingTel shares, does not preclude qualification for scrip for scrip roll-over. Subsection 124-780(6) treats the holder of a CHESS Unit of Foreign Security as if the holder held the underlying interests that the

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unit represents. On the basis that the CDIs are CHESS Units of Foreign Securities, this subsection applies to treat the holder of a CDI as the holder of the underlying SingTel shares. The description of the arrangement to which this Ruling applies at paragraph 14 is qualified in this regard.

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## **Commissioner of Taxation**

22 August 2001

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ATO references:

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