



CR 2005/83 - Income tax: demerger of Mayne Pharma Limited by Mayne Group Limited

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Class Ruling

Income tax: demerger of Mayne Pharma Limited by Mayne Group Limited

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Preamble

*The number, subject heading, **What this Class Ruling is about** (including **Tax law(s)**, **Class of persons** and **Qualifications** sections), **Date of effect**, **Withdrawal**, **Arrangement** and **Ruling** parts of this document are a 'public ruling' in terms of Part IVAAA of the **Taxation Administration Act 1953**. CR 2001/1 explains Class Rulings and Taxation Rulings TR 92/1 and TR 97/16 together explain when a Ruling is a 'public ruling' and how it is binding on the Commissioner.*

What this Class Ruling is about

1. This Ruling sets out the Commissioner's opinion on the way in which the 'tax laws' identified below apply to the defined class of persons, who take part in the arrangement to which this Ruling relates.

Tax law(s)

2. The tax laws dealt with in this Class Ruling are:
- subsection 6(1) of the *Income Tax Assessment Act 1936* (ITAA 1936);
 - section 44 of the ITAA 1936;
 - section 45A of the ITAA 1936;
 - section 45B of the ITAA 1936;
 - section 45BA of the ITAA 1936;
 - section 45C of the ITAA 1936;
 - section 47 of the ITAA 1936;
 - section 128B of the ITAA 1936;
 - section 104-135 of the *Income Tax Assessment Act 1997* (ITAA 1997);
 - Division 110 of the ITAA 1997;
 - Division 115 of the ITAA 1997;
 - Division 125 of the ITAA 1997; and
 - section 202-45 of the ITAA 1997.

Class of persons

3. The class of persons to which this Ruling applies comprises the shareholders of Mayne Group Limited (Mayne) who will:
- (a) participate in the arrangement that is the subject of this Ruling; and
 - (b) own shares in Mayne and will hold those shares on capital account at the time of the demerger.

Qualifications

4. The Commissioner makes this Ruling based on the precise arrangement identified in this Ruling.
5. The class of persons defined in this Ruling may rely on its contents provided the arrangement actually carried out is carried out in accordance with the arrangement described in paragraphs 11 to 21.
6. If the arrangement actually carried out is materially different from the arrangement that is described in this Ruling, then:
- this Ruling has no binding effect on the Commissioner because the arrangement entered into is not the arrangement on which the Commissioner has ruled; and
 - this Ruling may be withdrawn or modified.
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Date of effect

8. This Ruling applies to the income year ended 30 June 2006 or where a substituted accounting period is used, the substituted accounting period in which the demerger occurs.

9. However, the Ruling 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 Ruling (see paragraphs 21 and 22 of Taxation Ruling TR 92/20). Furthermore, the Ruling only applies to the extent that:

- it is not later withdrawn by *Gazette*;
- it is not taken to be withdrawn by an inconsistent later public ruling; or
- the relevant tax laws are not amended.

Withdrawal

10. This Class Ruling is withdrawn and ceases to have effect after 30 June 2006. However, the Ruling continues to apply after its withdrawal in respect of the tax laws ruled upon, to all persons within the specified class who entered into the specified arrangement during the term of the Ruling, subject to there being no change in the arrangement or in the person's involvement in the arrangement.

Arrangement

11. The arrangement that is the subject of this Ruling is described below. This description is based on the following documents. These documents, or relevant parts of them, as the case may be, form part of and are to be read with this description. The relevant documents or parts of documents incorporated into this description of the arrangement are:

- the application for a Class Ruling from KPMG dated 1 July 2005; and
- correspondence from Mayne dated 21 July, 22 July, 4 August, 17 August, 24 August, 1 September, 14 September, 21 September and 27 September 2005.

Note: certain information received from KPMG or Mayne has been provided on a commercial-in-confidence basis and will not be disclosed or released under the Freedom of Information Legislation.

12. Mayne is a resident Australian public company listed on the Australian Stock Exchange (ASX). It has approximately 636 million ordinary shares on issue, and no other types of issued equity. More than 50% of the shares in Mayne are owned by Australian residents.

13. Mayne owns 100% of the issued shares (100 shares) in Mayne Pharma Limited (Mayne Pharma). Mayne and its subsidiaries carry on four distinct core businesses, one with an international focus and the other three with a domestic focus:

- The international pharmaceutical business involves research and development, manufacture, marketing and distribution of injectable generic and specialty pharmaceuticals.
- The domestic healthcare businesses involve:
 - consumer products – leading Australian provider of nutraceutical products to groceries and pharmacies;
 - pharmacy services – distribution of pharmaceutical and over the counter products to hospitals and retail pharmacies across Australia; and
 - diagnostics – pathology and diagnostic imaging networks in Australia and medical centres throughout Australia.

14. Mayne and its subsidiary companies will undertake a number of transactions (including the transfer of business assets and shares) to separate the ownership of the international pharmaceutical business and domestic healthcare businesses. As a result, the international pharmaceutical business will be owned and operated by Mayne Pharma and its subsidiaries. The domestic healthcare businesses will be owned and operated by Mayne.

15. Prior to the demerger Mayne Pharma will be registered as a public company.

16. Mayne will then undertake a restructure whereby it will demerge its subsidiary Mayne Pharma to its shareholders. As a result of the demerger, Mayne shareholders will hold shares in both Mayne and Mayne Pharma.

17. The demerger will be undertaken pursuant to a Scheme of Arrangement between Mayne and its shareholders. Under that Scheme, the following steps will be undertaken:

- Mayne will undertake a capital reduction under which a total of approximately \$1.56 billion of contributed capital will be returned to Mayne shareholders (capital reduction amount). This will amount to approximately \$2.45 per ordinary issued Mayne share;
- the capital reduction amount will be applied on behalf of Mayne shareholders for the subscription of approximately 636 million new shares in Mayne Pharma;

- Mayne shareholders will subscribe for one (1) new Mayne Pharma share for one (1) Mayne share they own just before the demerger; and
 - Mayne Pharma will use the funds received on the issue of the new shares to repay outstanding loans to Mayne.
18. Mayne Pharma will be listed on the ASX following the demerger.
19. Following the implementation of the Scheme of Arrangement, Mayne will write down the book value of its Mayne Pharma shares by debiting its contributed capital account by approximately \$180m. Mayne will also recognise any profit or loss under the demerger calculated by reference to the fair value of the Mayne Pharma interest (fair value will be determined by taking the volume weighted average price of Mayne Pharma shares on the ASX over the first 10 days of trading). Any profit will then be excised from the accounts of Mayne as a debit to its retained earnings account.
20. Mayne will dispose of its 100 shares in Mayne Pharma on the ASX shortly after the demerger.
21. Mayne will be renamed after the demerger.

Ruling

22. Mayne and its subsidiary Mayne Pharma will be part of a demerger group under subsection 125-65(1) of the ITAA 1997.
23. A demerger, as described under section 125-70 of the ITAA 1997, will happen to this demerger group under the arrangement.
24. CGT event G1 (section 104-135 of the ITAA 1997) will happen to each Mayne share owned by Mayne shareholders at the time of the capital reduction.
25. Mayne shareholders will be eligible to choose demerger rollover under subsection 125-55(1) of the ITAA 1997 for their Mayne shares. The consequences of choosing demerger rollover will depend on whether the Mayne shares were acquired:
- before 20 September 1985 (pre-CGT shares); or
 - on or after 20 September 1985 (post-CGT shares).

Choosing demerger rollover for pre-CGT Mayne shares

26. Mayne shareholders who choose demerger rollover for their pre-CGT Mayne shares will be taken to have acquired a corresponding number of their Mayne Pharma shares as pre-CGT shares (subsection 125-80(6) of the ITAA 1997).

Choosing demerger rollover for post-CGT Mayne shares

27. Mayne shareholders who choose demerger rollover will disregard any capital gain made in respect of CGT event G1 that happens to their post-CGT Mayne shares under the demerger (subsection 125-80(1) of the ITAA 1997).

28. If a Mayne shareholder chooses demerger rollover for their post-CGT Mayne shares, the first element of the cost base and reduced cost base of each post-CGT Mayne share and each corresponding Mayne Pharma share they acquire under the demerger, will be the sum of the cost bases (just before the demerger) of the Mayne shares, apportioned on a reasonable basis having regard to the market values (just after the demerger) of the Mayne shares and new Mayne Pharma shares, or a reasonable approximation of those market values (subsections 125-80(2) and (3) of the ITAA 1997).

Where a shareholder does not choose demerger rollover

29. If a Mayne shareholder does not choose demerger rollover:

- Mayne shareholders will not be entitled to disregard any capital gain made in respect of CGT event G1 that happens to their post-CGT Mayne shares under the demerger;
- none of the new Mayne Pharma shares received in respect of pre-CGT Mayne shares will be taken to be pre-CGT shares (the Mayne Pharma shares will be acquired on the date of the demerger). The first element of the cost base and reduced cost base of these post-CGT shares will be calculated in accordance with the rules in Division 110 of the ITAA 1997; and
- the first element of the cost base and reduced cost base of each post-CGT Mayne share and the corresponding Mayne Pharma shares will be calculated in the same manner described in paragraph 28 (subsections 125-85(1) and (2) of the ITAA 1997).

Acquisition date for purposes of the CGT discount

30. For the Mayne Pharma shares received in relation to post-CGT Mayne shares under the demerger, the acquisition date of those Mayne Pharma shares is the date that each shareholder acquired their corresponding Mayne shares, for the purposes of the CGT discount method of calculating capital gains (subsection 115-30(1) of the ITAA 1997 (item 2)).

31. For the Mayne Pharma shares received in relation to pre-CGT Mayne shares under the demerger where demerger rollover is not chosen, the acquisition date of those Mayne Pharma shares is the date of the demerger for the purposes of the CGT discount method of calculating capital gains.

Dividend and application of sections 45A, 45B and 45C of the ITAA 1936

32. Any profit recognised by Mayne in accounting for the demerger that is credited (but not paid in cash) to shareholders will be a dividend paid to Mayne shareholders under the demerger and will qualify as a demerger dividend such that it will not be assessable income or exempt income, pursuant to subsection 44(4) of the ITAA 1936.

33. For non-resident shareholders, the demerger dividend (if any) will be exempt from withholding tax in respect of that dividend, pursuant to subsection 128B(3D) of the ITAA 1936.

34. The demerger dividend (if any) will be an unfrankable distribution under section 202-45 of the ITAA 1997.

35. As the capital reduction will be debited to Mayne's share capital account it will not be a dividend, as defined in section 6(1) of the ITAA 1936.

36. The Commissioner will not make a determination under paragraph 45B(3)(a) of the ITAA 1936 that section 45BA of the ITAA 1936 applies to the whole, or any part, of any demerger benefit provided to Mayne shareholders under the demerger.

37. The Commissioner will not make a determination under subsection 45A(2) or paragraph 45B(3)(b) of the ITAA 1936 that section 45C of the ITAA 1936 applies to the whole, or any part, of the capital benefit provided to Mayne shareholders under the demerger.

Explanation

CGT event G1

38. CGT event G1 (section 104-135 of the ITAA 1997) happens if a company makes a payment to a shareholder in respect of their shares in the company and some or all of that payment is not a dividend or an amount that is taken to be a dividend under section 47 of the ITAA 1936 (non-assessable payment). The payment can include the giving of property (section 103-5 of the ITAA 1997).

39. If CGT event G1 happens during an income year, a shareholder will make a capital gain if the total of the non-assessable payments made by the company during the income year in relation to a share exceeds the cost base of the share.

40. CGT event G1 will happen upon the distribution by Mayne of the capital reduction amount to Mayne shareholders, as this amount will be neither a dividend nor an amount taken to be a dividend under section 47 of the ITAA 1936.

Demerger rollover relief

41. Subsection 125-55(1) of the ITAA 1997 provides that rollover may be chosen if:

- a shareholder owns a share in a company – this requirement will be satisfied as Mayne shareholders will own shares in Mayne;
- the company is the head entity of a demerger group – this requirement will be satisfied as Mayne will be the head entity of a demerger group (refer to paragraphs 43 to 45 of this Ruling);
- a demerger happens to the demerger group – this requirement will be satisfied as a demerger will happen to the Mayne demerger group (refer to paragraph 46 of this Ruling); and
- under the demerger a CGT event happens to the original interest (Mayne shares) and a new or replacement interest is acquired in the demerged entity – this requirement will be satisfied as CGT event G1 will happen to the Mayne shares (refer to paragraph 40 of this Ruling) and Mayne shareholders will receive Mayne Pharma shares under the demerger.

42. Therefore, Mayne shareholders will be able to choose rollover for the demerger.

Will Mayne be the head entity of a demerger group?

43. A demerger group comprises one head entity and at least one demerger subsidiary (subsection 125-65(1) of the ITAA 1997). The demerger group in this case will include Mayne as the head entity and Mayne Pharma as a demerger subsidiary (Mayne demerger group).

44. Mayne will be the head entity of the Mayne demerger group because:

- Mayne Pharma will have no ownership interests in Mayne (subsection 125-65(3) of the ITAA 1997); and
- there will be no other company or trust capable of being a head entity of a demerger group of which Mayne could be a demerger subsidiary (subsection 125-65(4) of the ITAA 1997).

45. Mayne Pharma will be a demerger subsidiary of Mayne because Mayne will own ownership interests (ordinary shares) in Mayne Pharma that carry the right to:

- receive 100% of any distribution of income or capital by Mayne Pharma; or
- the right to exercise 100% of the voting power in Mayne Pharma (subsection 125-65(6) of the ITAA 1997).

Has a demerger happened to the demerger group?

46. A demerger (subsections 125-70(1), (2) and (3) of the ITAA 1997) will happen to the Mayne demerger group because:

- there will be a restructure (paragraph 125-70(1)(a)), where Mayne shareholders will subscribe for new shares in Mayne Pharma such that they will own at least 80% of the total ownership interests in Mayne Pharma (subparagraph 125-70(1)(b)(iii));
 - CGT event G1 will happen to Mayne shares and Mayne shareholders will acquire new shares in Mayne Pharma and nothing else (subparagraph 125-70(1)(c)(i));
 - under the restructure, Mayne Pharma shares will be acquired by Mayne shareholders on the basis of their ownership of shares in Mayne (paragraph 125-70(1)(d) and subparagraph 125-70(1)(e)(i));
 - paragraphs 125-70(1)(f) and 125-70(1)(g) will be satisfied;
 - Mayne shareholders will acquire Mayne Pharma shares in the same proportion as they own Mayne shares just before the demerger (paragraph 125-70(2)(a));
 - the anticipated reasonable approximation of the total market value of each shareholder's shares in each of Mayne and Mayne Pharma just after the demerger will be proportionate to the total market value of Mayne shares before the demerger (paragraph 125-70(2)(b));
- Note:** options issued in regard to Mayne shares will be disregarded in determining whether the requirements of subsection 125-70(2) are met (subsections 125-75(4) and (5)); and
- subsections 125-70(4) and (5) are not applicable.

Consequences of choosing demerger rollover

47. Under subsection 125-80(1) of the ITAA 1997, a capital gain made from CGT event G1 happening to Mayne shares on the return of capital made under the demerger will be disregarded.

48. Each Mayne shareholder will be required to calculate the first element of the cost base and reduced cost base of their post-CGT Mayne shares and their corresponding new Mayne Pharma shares just after the demerger (subsections 125-80(2) and (3) of the ITAA 1997).

49. Section 125-80 of the ITAA 1997 requires shareholders to apportion the total of the cost bases of their post-CGT Mayne shares over those shares and the corresponding new Mayne Pharma shares. The apportionment must have regard to the relative market values of the Mayne and Mayne Pharma shares (or anticipated reasonable approximations of those market values) just after the demerger. Note 2 to subsection 125-80(2) provides that the head entity or demerging entity may advise shareholders of the proportions. Mayne will advise shareholders of these proportions following the demerger, and these proportions will be based on the volume weighted average price of the Mayne and Pharma shares in the first five (5) ASX trading days after the demerger.

50. Where the shareholder has pre-CGT Mayne shares, the corresponding new Mayne Pharma shares will also be pre-CGT shares (subsection 125-80(6) of the ITAA 1997).

Consequences of not choosing demerger rollover

51. Any capital gain made from CGT event G1 happening to post-CGT Mayne shares on the return of capital made under the demerger will not be disregarded.

52. The method of calculating the first element of the cost base and reduced cost base for a shareholder's post-CGT Mayne shares and the corresponding new Mayne Pharma shares will be the same whether or not rollover is chosen (see paragraph 49 of this Ruling and subsection 125-85(2) and Note 1 to subsection 125-80(2) of the ITAA 1997).

53. Where the shareholder has pre-CGT Mayne shares, the corresponding new Mayne Pharma shares received under the demerger will be post-CGT shares. The first element of the cost base and reduced cost base of these Mayne Pharma shares will be calculated in accordance with the rules in Division 110 of the ITAA 1997.

Time of acquisition of Mayne Pharma shares – CGT discount

54. For a capital gain to be reduced by the CGT discount, one of the conditions that must be satisfied is that the capital gain relates to an asset that was owned for at least 12 months (subsection 115-25(1) of the ITAA 1997). For general CGT purposes, shareholders will acquire their new Mayne Pharma shares when those shares are received under the demerger (section 109-10 of the ITAA 1997). However, for the purposes of accessing the CGT discount, shareholders will be taken to have acquired the new Mayne Pharma shares that they receive in relation to post-CGT Mayne shares on the date they acquired those corresponding Mayne shares (item 2 in the table in subsection 115-30(1) of the ITAA 1997).

Dividend

55. Subsection 44(1) of the ITAA 1936 includes in a shareholder's assessable income a dividend, as defined in subsection 6(1) of the ITAA 1936, paid to a shareholder out of company profits.

56. The definition of a dividend includes any amount distributed or credited by a company to any of its shareholders. Any profit Mayne may recognise under the demerger resulting from the fair value accounting for that transaction will, to that extent, be credited (but not paid in cash) by Mayne to shareholders.

57. A demerger dividend is neither an assessable income nor an exempt income amount (subsections 44(3) and (4) of the ITAA 1936) where:

- the dividend is a demerger dividend (as defined in subsection 6(1) of the ITAA 1936);
- the head entity does not elect that subsections 44(3) and (4) of the ITAA 1936 do not apply to the demerger dividend (subsection 44(2) of the ITAA 1936); and
- subsection 44(5) of the ITAA 1936 is satisfied.

58. In the present circumstances, each of the conditions in paragraph 57 will be satisfied. Therefore any dividend credited by Mayne to its shareholders under the demerger will be neither assessable income nor exempt income.

59. Demerger dividends are unfrankable distributions under paragraph 202-45(i) of the ITAA 1997. Therefore, any demerger dividend credited to Mayne shareholders will be unfrankable.

60. Paragraph (d) of the subsection 6(1) definition of a dividend excludes amounts debited against an amount standing to the credit of the share capital account of the company.

61. In the circumstances of this demerger, Mayne will debit the capital distribution against the amount standing to the credit of the 'share capital account' as defined in section 6D of the ITAA 1936. That amount therefore will not constitute a dividend for the purposes of subsection 6(1) of the ITAA 1936 and will not be assessable as a subsection 6(1) dividend under subsection 44(1) of the ITAA 1936.

62. Subsection 6D(3) states that an account is not a share capital account if it is tainted for the purposes of Division 7B of Part IIIAA of the ITAA 1936. An account, that would otherwise be a share capital account, is tainted for the purposes of Division 7B if an amount is transferred from another account except in the circumstances provided for by section 160ARDM of the ITAA 1936. Mayne has confirmed that there have been no transfers that have tainted its share capital account under that rule, which applies to transfers before 1 July 2002. There are presently no tainting rules dealing with transfers made on or after 1 July 2002. However, the Government has announced its intention to introduce laws dealing with the tainting of share capital accounts from 1 July 2002 (the then Minister for Revenue and Assistant Treasurer's Press Release C104/02 of 27 September 2002). Although such laws may be relevant to the application of section 6D, this Ruling does not extend to the application of these proposed laws.

Dividend withholding tax

63. Dividends paid by a resident company to non-resident shareholders are generally subject to withholding tax under section 128B, unless particular exclusions apply. Subsection 128B(3D) of the ITAA 1936 operates to exclude as income subject to dividend withholding tax a demerger dividend to which section 45B does not apply. As the Commissioner will not make a determination under subsection 45B(3) in respect of the arrangement (see below), subsection 128B(3D) will operate to preclude the application of dividend withholding tax to non-resident shareholders of Mayne who receive a dividend under the demerger.

Section 45A of the ITAA 1936 – streaming of dividends and capital benefits

64. In broad terms, for the Commissioner to make a determination under subsection 45A(2) of the ITAA 1936 that section 45C of the ITAA 1936 applies, a company must stream capital benefits to its advantaged shareholders and pay dividends to its disadvantaged shareholders, whether in the same income year or in different income years.

65. Under the arrangement, Mayne will provide a capital benefit to all holders of ordinary shares in proportion to their shareholding in that company. In these circumstances, there will be no streaming of capital benefits to some shareholders and dividends to other shareholders. Accordingly, section 45A will not apply to the distribution.

Section 45B – schemes to provide certain benefits

66. Section 45B of the ITAA 1936 applies to ensure that relevant amounts are treated as dividends for taxation purposes if:

- components of a demerger allocation as between capital and profit do not reflect the circumstances of a demerger; or
- certain payments, allocations and distributions are made in substitution for dividends.

67. Specifically, the provision applies where:

- there is a scheme under which a person is provided with a demerger benefit or a capital benefit by a company (paragraph 45B(2)(a) of the ITAA 1936);
- under the scheme a taxpayer, who may or may not be the person provided with the demerger benefit or the capital benefit, obtains a tax benefit (paragraph 45B(2)(b) of the ITAA 1936); and
- having regard to the relevant circumstances of the scheme, it would be concluded that the person, or one of the persons, entered into the scheme or carried out the scheme or any part of the scheme for a purpose, other than an incidental purpose, of enabling a taxpayer to obtain a tax benefit (paragraph 45B(2)(c) of the ITAA 1936).

68. Where the requirements of subsection 45B(2) of the ITAA 1936 are met, subsection 45B(3) empowers the Commissioner to make a determination under either section 45BA in relation to a demerger benefit, or section 45C in relation to a capital benefit.

Determination under paragraph 45B(3)(a)

69. The effect of a determination made under paragraph 45B(3)(a) of the ITAA 1936 is that some or all of a demerger benefit will be treated as not being a demerger dividend (subsection 45BA(1)).

70. Under this arrangement, the demerger benefit is provided by Mayne Pharma issuing shares to the Mayne shareholders (subsection 45B(4) of the ITAA 1936). No part of that demerger benefit could be taken to be a dividend, and therefore the Commissioner would not make a determination under paragraph 45B(3)(a) that section 45BA will apply.

Determination under paragraph 45B(3)(b)

71. The provision of ownership interests in a company, a distribution or the doing of a thing in relation to an ownership interest that has the effect of increasing the value of an ownership interest owned by the person which occurs under a demerger may be considered to be a capital benefit for the purposes of section 45B of the ITAA 1936 (subsection 45B(5)).

72. Where a capital benefit is provided under a demerger, the Commissioner may make a determination under paragraph 45B(3)(b) of the ITAA 1936 that some or all of the capital benefit will be deemed to be an unfranked dividend. Such a determination is made after having regard to the relevant circumstances of the scheme as set out in subsection 45B(8).

73. In this case, while the conditions of paragraphs 45B(2)(a) and (b) of the ITAA 1936 are met, the requisite purpose of enabling the Mayne shareholders to obtain a tax benefit (by way of a capital benefit) is not present. In other words, having regard to the relevant circumstances of the scheme as set out in subsection 45B(8), it would not be concluded that any of the parties to the demerger will enter into or carry out the scheme to obtain a tax benefit in the form of a capital benefit.

74. The arrangement is being undertaken to create two separately listed companies with distinct business operations. The separation of those businesses is designed to allow each of Mayne and Mayne Pharma to more effectively implement their respective business strategies, aiming to enhance shareholder value. Further, the capital benefit provided to Mayne shareholders under the demerger cannot be said to be attributable to the profits of the company, nor does Mayne have a pattern of distributions that indicates that capital benefit will be paid in substitution for a dividend. Whilst the tax result for participating shareholders will be favourable, there is nothing known of the circumstances of the Mayne shareholders to indicate that the demerger is structured to provide tax benefits.

Detailed contents list

75. Below is a detailed contents list for this Class Ruling:

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Previous draft:

Not previously issued as a draft

*Related Rulings/Determinations:*CR 2001/1; TR 92/1; TR 97/16;
TR 92/20*Subject references:*

- capital benefit
- capital gains
- cost base adjustments
- demerger
- demerger allocation
- demerger benefit
- demerger dividend
- demerger group
- demerger subsidiary
- return of capital
- rollover
- schemes to provide certain benefits

Legislative references:

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- ITAA 1936 6(1)(d)
- ITAA 1936 6D
- ITAA 1936 6D(3)
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