


CR 2026/18 - Seven West Media Limited - acquisition by Southern Cross Media Group Limited - employee share scheme

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Status: **legally binding**

Class Ruling

Seven West Media Limited – acquisition by Southern Cross Media Group Limited – employee share scheme

📌 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.

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What this Ruling is about

1. This Ruling sets out the income tax consequences for employees of Seven West Media Limited (SWM) and its subsidiaries (collectively, the SWM Group) who had SWM shares subject to vesting conditions (Deferred Shares) or SWM shares received on vesting of performance rights (Resulting Shares), which they acquired under an employee share scheme (ESS), cancelled and replaced with restricted shares in Southern Cross Media Group Limited (SCA) on 7 January 2026 (Implementation Date) by way of a scheme of arrangement (Merger).
2. Details of this scheme are set out in paragraphs 16 to 43 of this Ruling.
3. All legislative references in this Ruling are to the *Income Tax Assessment Act 1997*, unless otherwise indicated.

Who this Ruling applies to

4. This Ruling applies to you if:
 - immediately prior to the Implementation Date, you
 - were employed by the SWM Group
 - held Deferred Shares granted under the '2025 Incentive Plan (Award)' or Resulting Shares granted under the '2025 LTIP Performance Rights Award' pursuant to the 'SWM Equity Incentive Plan' (collectively, Awards)
 - did not have an ESS deferred taxing point under Subdivision 83A-C occur in relation to your Awards, and

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- on the Implementation Date
 - your Awards were cancelled and replacement ESS interests, being restricted shares in SCA (Restricted SCA Shares), were issued
 - you were employed by SCA or one of its subsidiaries
 - you were a ‘resident of Australia’ as defined in subsection 6(1) of the *Income Tax Assessment Act 1936*, and
 - you were not a ‘temporary resident’ as defined in subsection 995-1(1).

5. This Ruling does not apply to anyone who is subject to the taxation of financial arrangements rules in Division 230 in relation to the scheme outlined in paragraphs 16 to 43 of this Ruling.

Note: Division 230 will not apply to individuals unless they have made an election for it to apply.

When this Ruling applies

6. This Ruling applies from 1 July 2025 to 30 June 2026.

Ruling

ESS interest under an employee share scheme

7. Your Awards were ESS interests acquired under an employee share scheme (paragraph 83A-10(1)(a) and subsection 83A-10(2)).

8. The Merger satisfied the conditions under subsection 83A-130(1).

Application of Subdivision 83A-C

9. Subdivision 83A-C applied to your Awards (subsection 83A-105(1)).

10. The taxation of your Awards was deferred to the ESS deferred taxing point (section 83A-110).

New ESS interests are a continuation of old ESS interests

11. The Restricted SCA Shares that you received in place of your Awards are treated as a continuation of your Awards for the purposes of Division 83A (subsection 83A-130(2)).

No ESS deferred taxing point upon scheme of arrangement

12. The replacement of your Awards for Restricted SCA Shares under the Merger did not trigger an ESS deferred taxing point under Subdivision 83A-C (section 83A-130).

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Continuation of employment

13. After the Merger, your employment with SCA, or one of its subsidiaries, is treated as a continuation of your employment in respect of which you acquired your Awards for the purpose of Division 83A (subsection 83A-130(6)).

Cost base of new ESS interests

14. The cost base of the Awards you held just prior to the Implementation Date will be allocated to the matching Restricted SCA Shares you held on the Implementation Date (subsection 83A-130(7)).

Capital gains and capital losses

15. You disregard any capital gains or capital losses that arise as a result of the replacement of your Awards by Restricted SCA Shares under the Merger (section 130-80).

Scheme

16. The following description of the scheme is based on information provided by the applicant. If the scheme is not carried out as described, this Ruling cannot be relied upon.

Seven West Media Limited

17. SWM is a company that was incorporated in Australia on 29 August 1991.
18. SWM was listed on the Australian Securities Exchange (ASX) on 9 January 1992.
19. Just before the Implementation Date, SWM was the head company of an income tax consolidated group under Part 3-90.
20. SWM is an Australian media business with broadcast, television, publishing and digital presence across multiple platforms.
21. SWM had one class of shares on issue, being ordinary shares. On the Implementation Date, there were 1,539,140,502 SWM ordinary shares on issue.

Seven West Media Limited Equity Incentive Plan

22. SWM established the Equity Incentive Plan in August 2021 as an employee share scheme under which eligible employees could be issued incentive securities subject to the terms and conditions set out in the Equity Incentive Plan Rules (Plan Rules) and the respective offer letters.

2025 Incentive Plan (Award)

23. On 10 November 2025, eligible employees of the SWM Group were granted rights to acquire SWM shares subject to vesting conditions (Deferred Share Rights) under the 2025 Incentive Plan (Award).
24. Key features of the Deferred Share Rights included:
- they were issued for nil consideration

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- each would entitle the holder to receive one fully paid ordinary share in SWM, subject to the applicable vesting period and the satisfaction of vesting conditions
- they could only be dealt with where prior written consent of the SWM Board is given or as required by law, and
- the Plan Rules expressly stated that Subdivision 83A-C applies.

25. Participants holding Deferred Share Rights were issued Deferred Shares in satisfaction of their Deferred Share Rights prior to 30 December 2025 (Record Date).

2025 LTIP Performance Rights Award

26. On 19 December 2024, eligible employees of the SWM Group were granted rights to acquire long-term incentive awards (LTI Rights) under the 2025 LTIP Performance Rights Award.

27. Key features of the LTI Rights included:

- they were issued for nil consideration
- their vesting was conditional on the satisfaction of specified performance measures and service conditions
- each LTI Right that vests would entitle the holder to receive one fully paid ordinary share in SWM, which is subject to a further restriction period
- they could only be dealt with where prior written consent of the SWM Board is given or as required by law, and
- the Plan Rules expressly stated that Subdivision 83A-C applies.

28. In accordance with clause 9 of the Plan Rules, the SWM Board determined that 32.5% of the LTI Rights would vest and the balance would lapse due to the implementation of the Merger.

29. Participants holding LTI Rights were issued one Resulting Share for each LTI Right that vested.

Southern Cross Media Group Limited

30. SCA is a company that was incorporated in Australia on 6 September 2005.

31. SCA was listed on the ASX on 17 November 2005.

32. SCA is the head company of an income tax consolidated group under Part 3-90.

33. SCA has one class of shares on issue, being ordinary shares.

Scheme of arrangement

34. On 30 September 2025, SCA and SWM executed a scheme implementation deed that required SWM to seek their shareholders' agreement for SWM and its shareholders to enter into a Merger under Part 5.1 of the *Corporations Act 2001*, pursuant to which SCA would acquire all of the ordinary shares in SWM in exchange for shares in SCA.

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35. On 22 December 2025, a resolution in favour of the Merger was passed by shareholders of SWM, as required by subparagraph 411(4)(a)(ii) of the *Corporations Act 2001*.
36. On 23 December 2025, the Merger was approved by order of the Supreme Court of New South Wales under paragraph 411(4)(b) of the *Corporations Act 2001*.
37. The shares in SWM were suspended from trading on the ASX from the close of trading on 24 December 2025.
38. SCA acquired all of the issued ordinary shares in SWM, including the Awards, on the Implementation Date.
39. On the Implementation Date, under the Merger, SWM shareholders received the scheme consideration, being 0.1552 fully paid ordinary shares in SCA for each SWM share held on the Record Date.
40. SWM was removed from the official list of the ASX at the close of trading on 8 January 2026.

Other matters

41. You did not hold a beneficial interest in more than 10% of the shares in SWM and were not in a position to cast, or control the casting of, more than 10% of the maximum number of votes that might be cast at a SWM general meeting.
42. On the Implementation Date, you did not hold a beneficial interest in more than 10% of the shares in SCA and were not in a position to cast, or control the casting of, more than 10% of the maximum number of votes that might be cast at a SCA general meeting.
43. Each replacement Restricted SCA Share has materially the same terms and conditions as each Award for which it was exchanged.

Commissioner of Taxation

29 April 2026

Status: **not legally binding**

References

Legislative references:

- ITAA 1936 6(1)
 - ITAA 1997 Div 83A
 - ITAA 1997 83A-10(1)(a)
 - ITAA 1997 83A-10(2)
 - ITAA 1997 Subdiv 83A-C
 - ITAA 1997 83A-105(1)
 - ITAA 1997 83A-110
 - ITAA 1997 83A-130
 - ITAA 1997 83A-130(1)
 - ITAA 1997 83A-130(2)
 - ITAA 1997 83A-130(6)
 - ITAA 1997 83A-130(7)
 - ITAA 1997 130-80
 - ITAA 1997 Div 230
 - ITAA 1997 Pt 3-90
 - ITAA 1997 995-1(1)
 - Corporations Act 2001 Pt 5.1
 - Corporations Act 2001 411(4)(a)(ii)
 - Corporations Act 2001 411(4)(b)
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ATO references

NO: 1-1A6VNQWZ

ISSN: 2205-5517

BSL: PG

ATOlaw topic: Income tax ~~ Assessable income ~~ Employee share schemes ~~ Taxation of discounts - deferred
Income tax ~~ Assessable income ~~ Employee share schemes ~~ Other

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