


CR 2026/9 - Seven West Media Limited - scrip for scrip roll-over

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Status: **legally binding**

Class Ruling

Seven West Media Limited – scrip for scrip roll-over

📌 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 the holders of ordinary shares in Seven West Media Limited (SWM) in relation to the acquisition of 100% of the ordinary shares in SWM by Southern Cross Media Group Limited (SCA), which was implemented on 7 January 2026 (Implementation Date) by way of a scheme of arrangement.
2. Details of this scheme are set out in paragraphs 26 to 47 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 you:
 - were registered on the SWM share register as a holder of an ordinary share in SWM at 7:00 pm AEDT on 30 December 2025 (Scheme Record Date) and disposed of your shares in SWM in exchange for shares in SCA on the Implementation Date (Eligible Shareholder)
 - acquired your shares in SWM on or after 20 September 1985, and
 - held your SWM shares on capital account – that is, your SWM shares were neither held as revenue assets (as defined in section 977-50) nor as trading stock (as defined in subsection 995-1(1)).

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5. This Ruling does not apply to you if you:
- acquired your SWM shares under an employee share scheme (as defined in section 83A-10)
 - are subject to the investment manager regime in Subdivision 842-I in relation to your SWM shares
 - were a 'temporary resident' as defined in subsection 995-1(1), or
 - are subject to the taxation of financial arrangements rules in Division 230 in relation to the scheme outlined in paragraphs 26 to 47 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

CGT event A1 happened on the disposal of your shares in Seven West Media Limited

7. CGT event A1 happened when you disposed of your SWM shares to SCA (section 104-10).
8. The time of CGT event A1 is on the Implementation Date (paragraph 104-10(3)(b)).
9. The capital proceeds from CGT event A1 happening to each SWM share is the market value of the 0.1552 fully paid ordinary shares in SCA which you received in respect of your disposal of each SWM share (subsection 116-20(1)). The market value of the SCA shares is worked out as at the time of CGT event A1 happening.
10. You will make a capital gain from CGT event A1 happening if the capital proceeds from the disposal of your SWM share exceeded the cost base of that share (subsection 104-10(4)). The capital gain is the amount of the excess.
11. You will make a capital loss from CGT event A1 happening if the capital proceeds from the disposal of your SWM share were less than the reduced cost base of that share (subsection 104-10(4)). The capital loss is the amount of the difference.

Foreign resident shareholders of Seven West Media Limited

12. You must disregard a capital gain or capital loss you made from CGT event A1 happening when you disposed of your SWM shares to SCA (section 855-10) if:
- you were a foreign resident (that is, you were not a 'resident of Australia' as defined in subsection 6(1) of the *Income Tax Assessment Act 1936*) or the trustee of a foreign trust for CGT purposes (as defined in subsection 995-1(1)) just before the Implementation Date, and
 - your SWM shares were not 'taxable Australian property' (as defined in section 855-15).

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13. Your SWM shares were 'taxable Australian property' if they were:
- used by you at any time in carrying on a business through a permanent establishment in Australia (table item 3 of section 855-15), or
 - a CGT asset that is covered by subsection 104-165(3) (choosing to disregard a capital gain or capital loss on ceasing to be an Australian resident) (table item 5 of section 855-15).

Availability of scrip for scrip roll-over for your shares in Seven West Media Limited

14. Subject to the qualifications in paragraphs 15 and 16 of this Ruling, if you make a capital gain from the disposal of your SWM shares, you may choose to obtain scrip for scrip roll-over for the capital gain (sections 124-780 and 124-785).

15. If any capital gain you might make from a replacement SCA share would be disregarded otherwise than because of a roll-over, you cannot choose scrip for scrip roll-over (paragraph 124-795(2)(a)).

16. If you were a foreign resident, or the trustee of a foreign trust for CGT purposes, just before the Implementation Date and you make a capital gain that is not disregarded (see paragraph 12 of this Ruling), you cannot choose scrip for scrip roll-over unless your replacement SCA shares were taxable Australian property (as defined in section 855-15) just after the Implementation Date (subsection 124-795(1)).

Consequences if you choose scrip for scrip roll-over for your shares in Seven West Media Limited

Capital gain is disregarded

17. If you choose scrip for scrip roll-over, the capital gain you made when CGT event A1 happened on the disposal of each of your SWM shares is disregarded (subsection 124-785(1)).

Acquisition date of shares in Southern Cross Media Group Limited

18. If you choose scrip for scrip roll-over, for the purposes of determining your eligibility to make a discount capital gain, the SCA shares you acquired in exchange for your SWM shares are taken to have been acquired on the date you acquired, for CGT purposes, the corresponding SWM shares (table item 2 of subsection 115-30(1)).

Cost base and reduced cost base of shares in Southern Cross Media Group Limited

19. If you choose scrip for scrip roll-over, the first element of the cost base and reduced cost base of each replacement share in SCA that you received is worked out by reasonably attributing to it the cost base and reduced cost base (respectively) of the SWM share for which it was exchanged and for which the roll-over was obtained (subsections 124-785(2) and (4)).

20. If all of your SWM shares were acquired on the same date and they have identical rights and obligations, then we accept that a reasonable method of attribution would be to calculate the first element of the cost base and reduced cost base (respectively) of each replacement SCA share by dividing the total cost bases and total reduced cost bases

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(respectively) of your SWM shares by the number of replacement SCA shares you received.

Consequences if you do not choose, or cannot choose, scrip for scrip roll-over for your shares in Seven West Media Limited

Capital gain is not disregarded

21. If you do not choose, or cannot choose, scrip for scrip roll-over, you must take into account any capital gain or capital loss from CGT event A1 happening on the disposal of your SWM shares in working out your net capital gain or net capital loss for the income year in which CGT event A1 happened (sections 102-5 and 102-10).

22. If you make a capital gain where you do not choose, or cannot choose, scrip for scrip roll-over, you can treat the capital gain as a discount capital gain provided that the conditions of Subdivision 115-A are met. In particular, you must have acquired your SWM shares at least 12 months before the Implementation Date on which CGT event A1 happened (excluding the date on which you acquired the SWM shares and the Implementation Date).

Cost base and reduced cost base of shares in Southern Cross Media Group Limited

23. If you do not choose, or cannot choose, scrip for scrip roll-over, the first element of the cost base and reduced cost base of each replacement share of SCA that you received is equal to the market value of the SWM share you gave in respect of acquiring the SCA share (subsections 110-25(2) and 110-55(2)).

24. The market value of the SWM shares you gave is to be worked out as at the Implementation Date, when you acquired the SCA shares.

Acquisition date of shares in Southern Cross Media Group Limited

25. If you do not choose, or cannot choose, scrip for scrip roll-over, the acquisition date of the SCA shares is the date on which those shares were issued to you, being the Implementation Date (table item 2 of section 109-10).

Scheme

26. 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

27. SWM is a company that was incorporated in Australia on 29 August 1991.

28. SWM was listed on the Australian Securities Exchange (ASX) on 9 January 1992.

29. Just before the Implementation Date, SWM was the head company of an income tax consolidated group under Part 3-90.

30. 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.

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31. No foreign resident (together with their associates, as defined in section 318 of the *Income Tax Assessment Act 1936*) held 10% or more of the shares in SWM at any time in the 24 months before the Implementation Date.

Southern Cross Media Group Limited

32. SCA is a company that was incorporated in Australia on 6 September 2005.
33. SCA was listed on the ASX on 17 November 2005.
34. SCA is the head company of an income tax consolidated group under Part 3-90.
35. SCA has one class of shares on issue, being ordinary shares.

Acquisition of shares in Seven West Media Limited by Southern Cross Media Group Limited

36. 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 scheme of arrangement 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.

37. On 22 December 2025, a resolution in favour of the scheme of arrangement was passed by shareholders of SWM, as required by subparagraph 411(4)(a)(ii) of the *Corporations Act 2001*.

38. On 23 December 2025, the scheme of arrangement was approved by order of the Supreme Court of New South Wales under paragraph 411(4)(b) of the *Corporations Act 2001*.

39. The shares in SWM were suspended from trading on the ASX from the close of trading on 24 December 2025.

40. SCA acquired all of the issued ordinary shares in SWM on the Implementation Date.

41. On the Implementation Date, under the scheme of arrangement, Eligible Shareholders received the Scheme Consideration, being 0.1552 fully paid ordinary shares in SCA for each SWM share held on the Scheme Record Date.

42. SWM was removed from the official list of the ASX at the close of trading on 8 January 2026.

Other matters

43. Paragraph 124-780(3)(f) is satisfied in respect of the disposal of SWM shares to SCA.

44. There was no SWM shareholder who was a 'significant stakeholder' or 'common stakeholder' for the scheme of arrangement within the meaning of those terms in section 124-783.

45. Both SWM and SCA had more than 300 members just before 30 September 2025, when the Scheme Implementation Deed was executed.

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46. Just before the Scheme Implementation Deed was executed, there was no linked group (within the meaning given by section 170-260) with a SWM shareholder, SWM and SCA as members.

47. SCA did not make a choice under subsection 124-795(4) that SWM shareholders could not obtain the roll-over in Subdivision 124-M for CGT event A1 happening in relation to the exchange of SWM shares.

Commissioner of Taxation

4 March 2026

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References

Related rulings and determinations:

TD 2002/4; TD 2002/10

Legislative references:

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 - ITAA 1936 318
 - ITAA 1997 83A-10
 - ITAA 1997 102-5
 - ITAA 1997 102-10
 - ITAA 1997 104-10
 - ITAA 1997 104-10(3)(b)
 - ITAA 1997 104-10(4)
 - ITAA 1997 104-165(3)
 - ITAA 1997 109-10
 - ITAA 1997 110-25(2)
 - ITAA 1997 110-55(2)
 - ITAA 1997 Subdiv 115-A
 - ITAA 1997 115-30(1)
 - ITAA 1997 116-20(1)
 - ITAA 1997 Subdiv 124-M
 - ITAA 1997 124-780
 - ITAA 1997 124-780(3)(f)
 - ITAA 1997 124-783
 - ITAA 1997 124-785
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 - ITAA 1997 124-785(4)
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 - ITAA 1997 124-795(4)
 - ITAA 1997 170-260
 - ITAA 1997 Div 230
 - ITAA 1997 Pt 3-90
 - ITAA 1997 Subdiv 842-I
 - ITAA 1997 855-10
 - ITAA 1997 855-15
 - ITAA 1997 977-50
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 - Corporations Act 2001 Pt 5.1
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ATO references

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