LCR 2019/3A1 - Addendum - OECD hybrid mismatch rules - concept of structured arrangement

Addendum

Law Companion Ruling

OECD hybrid mismatch rules – concept of structured arrangement

This Addendum is a public ruling for the purposes of the *Taxation Administration Act 1953*. It amends Law Companion Ruling LCR 2019/3 to address drafting and accessibility issues.

LCR 2019/3 is amended as follows:

1. Preamble

Omit the preamble; substitute:

> **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 in good faith, 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.

2. Paragraph 1

(a) Omit footnote 1.

(b) After the paragraph, insert new paragraph 1A:

> 1A. All further legislative references in this Ruling are to the ITAA 1997 unless otherwise indicated.

3. Paragraph 3

(a) Omit 'Organisation for Economic Cooperation and Development'; substitute 'Organisation for Economic Co-operation and Development'.

(b) Omit the wording of footnote 3; substitute:

> OECD (2015) *Neutralising the Effects of Hybrid Mismatch Arrangements, Action 2 – 2015 Final Report*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris (OECD Action 2 Report) and OECD (2017) *Neutralising the Effects of Branch Mismanagement Arrangements*, *Action 2: Inclusive Framework on BEPS*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris (OECD Branch Mismatch Arrangements Report).

(c) Omit the wording of footnote 4; substitute:

> Board of Taxation (2016) *Implementation of the OECD hybrid mismatch rules: A report to the Treasurer,* Board of Taxation (Board of Taxation Implementation of the OECD hybrid mismatch rules Report).

4. Paragraph 4

(a) In footnote 5, omit '(the EM)'; substitute '(EM)'.

(b) Omit the wording of footnote 6; substitute:

> Refer to paragraph 122 of the OECD (2014) *Public discussion draft: BEPS Action 2: Neutralise the effects of hybrid mismatch arrangements (Recommendations for Domestic Laws)*, OECD Publishing, Paris where it makes clear that the ambit of the measures should '… apply if the taxpayer is nevertheless a party to a structured arrangement that has been deliberately designed to engineer a mismatch between the holder and the issuer'.

5. Paragraph 5

After 'For the purposes of these rules', insert a comma.

6. Paragraph 6

Omit the wording of footnote 8; substitute:

> Together with section 23AH of the *Income Tax Assessment Act 1936*.

7. Paragraph 10

Omit 'the EM'; substitute 'the Revised Explanatory Memorandum to the Treasury Laws Amendment (Tax Integrity and Other Measures No. 2) Bill 2018 (EM)'.

8. Paragraph 12

Omit 'section 832-110'; substitute 'section 832-210'.

9. Paragraph 17

Omit 'the rest of the rest of'; substitute 'the rest of'.

10. Paragraph 23

Omit 'where for example the'; substitute 'where, for example, the'.

11. Paragraph 25

After 'Basically', insert a comma.

12. Paragraph 27

(a) Omit the wording of footnote 23; substitute:

> Refer to paragraph 323 of the OECD Action 2 Report.

(b) Omit the wording of footnote 24; substitute:

> Refer to paragraph 323 of the OECD Action 2 Report.

13. Paragraph 43

(a) Omit 'positon'; substitute 'position'.

(b) After 'for example', insert a comma.

14. Paragraph 44

Omit 'Practical Compliance Guide PCG 2019/6'; substitute 'Practical Compliance Guideline PCG 2019/6'.

This Addendum applies from 1 January 2019.

Commissioner of Taxation
29 July 2026

ATO references

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