


***TD 1999/D31W - Withdrawal - Income tax: capital gains: if a company transfers a net capital loss under Subdivision 170-B of the Income Tax Assessment Act 1997 ('the 1997 Act'):(a) when do the adjustments required by section 170-175 or 170-180 to the cost base and reduced cost base ('RCB') of a group company's interests in the loss company or the gain company take effect; and (b) what happens if a subvention payment (loss company) or a tax benefit (gain company) that would otherwise be taken into account in determining the amount of any adjustment, is no longer reflected in the market value of an interest at the time a CGT event happens to it because the subvention payment or tax benefit has been distributed as a dividend?***

 This cover sheet is provided for information only. It does not form part of *TD 1999/D31W - Withdrawal - Income tax: capital gains: if a company transfers a net capital loss under Subdivision 170-B of the Income Tax Assessment Act 1997 ('the 1997 Act'):(a) when do the adjustments required by section 170-175 or 170-180 to the cost base and reduced cost base ('RCB') of a group company's interests in the loss company or the gain company take effect; and (b) what happens if a subvention payment (loss company) or a tax benefit (gain company) that would otherwise be taken into account in determining the amount of any adjustment, is no longer reflected in the market value of an interest at the time a CGT event happens to it because the subvention payment or tax benefit has been distributed as a dividend?*

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## Notice of Withdrawal

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**Income tax: capital gains: if a company transfers a net capital loss under Subdivision 170-B of the *Income Tax Assessment Act 1997* ('the 1997 Act'):**

- (a) when do the adjustments required by section 170-175 or 170-180 to the cost base and reduced cost base ('RCB') of a group company's interests in the loss company or the gain company take effect; and**
- (b) what happens if a subvention payment (loss company) or a tax benefit (gain company) that would otherwise be taken into account in determining the amount of any adjustment, is no longer reflected in the market value of an interest at the time a CGT event happens to it because the subvention payment or tax benefit has been distributed as a dividend?**

This Draft Taxation Determination is withdrawn, with effect from today. We will correct difficulties with printing the diagrams. We will issue a revised Draft TD (Draft Taxation Determination TD 1999/D33) on Wednesday 7 July 1999. We will adjust appropriately the comment period for the revised Draft TD.

**Commissioner of Taxation**  
2 July 1999