


***IT 2411W - Notice of Withdrawal - Income tax:
convertible notes - meaning of convertible note -
perpetual floating rate note***

 This cover sheet is provided for information only. It does not form part of *IT 2411W - Notice of Withdrawal - Income tax: convertible notes - meaning of convertible note - perpetual floating rate note*



Notice of Withdrawal

Income tax: convertible notes – meaning of convertible note – perpetual floating rate note

Taxation Ruling IT 2411 is no longer current and is withdrawn with effect from today.

The Ruling:

- described a specific type of perpetual note arrangement structured to satisfy the Reserve Bank of Australia capital adequacy guidelines. Those guidelines have now been superseded by guidelines issued by the Australian Prudential Regulation Authority (APRA). Arrangements designed to comply with APRA's guidelines which incorporate a perpetual note may constitute a convertible note for the purposes of Division 3A of Part III of the *Income Tax Assessment Act 1936*;
- does not as a consequence of the date of issue address the decision in *Australia and New Zealand Savings Bank Limited v. FC of T* 93 ATC 4370; (1993) 25 ATR 369 which may impact upon the deductibility of payments made under the perpetual note under section 8-1 of the *Income Tax Assessment Act 1997*;
- does not as a consequence of the date of issue address the decision in *FC of T v. Radilo Enterprises Pty Ltd* 97 ATC 4151; (1997) 34 ATR 635 which may impact upon the deductibility of payments made under the perpetual note under section 8-1 of the *Income Tax Assessment Act 1997*;
- does not address the decision in *C of T (WA) v. Boulder Perseverance* (1937) 58 CLR 223 which may impact upon the deductibility of payments made under the perpetual note under section 8-1 of the *Income Tax Assessment Act 1997*.

Commissioner of Taxation
5 November 1999

IT 2411

ATO references:

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