



# ***PR 2001/139 - Income tax: Australian Olives Project No.2***

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 This document has changed over time. This is a consolidated version of the ruling which was published on *24 October 2001*



# Product Ruling

## Income tax: Australian Olives Project No.2

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### *Preamble*

*The number, subject heading, and the **What this Product Ruling is about** (including **Tax law(s)**, **Class of persons and Qualifications sections**), **Date of effect**, **Withdrawal**, **Arrangement and Ruling parts of this document** are a 'public ruling' in terms of Part IVAAA of the **Taxation Administration Act 1953**. Product Ruling PR 1999/95 explains Product Rulings and Taxation Rulings TR 92/1 and TR 97/16 together explain when a Ruling is a public ruling and how it is binding on the Commissioner.*

### **No guarantee of commercial success**

The Australian Taxation Office (ATO) **does not** sanction or guarantee this product. Further, we give no assurance that the product is commercially viable, that charges are reasonable, appropriate or represent industry norms, or that projected returns will be achieved or are reasonably based.

Participants must form their own view about the commercial and financial viability of the product. This involves a consideration of important issues such as whether projected returns are realistic, the 'track record' of the management, the level of fees in comparison to similar products, how this Product fits an existing portfolio, etc. We recommend a financial (or other) adviser be consulted for such information.

This Product Ruling provides certainty for participants by confirming that the tax benefits set out below in the **Ruling** part of this document are available, **provided that** the arrangement is carried out in accordance with the information we have been given and have described below in the **Arrangement** part of this document.

If the arrangement is not carried out as described below, participants lose the protection of this Product Ruling. Participants may wish to seek assurances from the promoter that the arrangement has been carried out as described in this Product Ruling.

Participants should be aware that the ATO will be undertaking review activities to confirm the arrangement has been implemented as described below and to ensure that the participants in the arrangement include in their income tax returns income derived in those future years.

### **Terms of Use of this Product Ruling**

This Product Ruling has been given on the basis that the person(s) who applied for the Ruling, and their associates, will abide by strict terms of use. Any failure to comply with the terms of use may lead to the withdrawal of this Ruling.

Participants may wish to refer to the ATO's Internet site at <http://www.ato.gov.au> or contact the ATO directly to confirm the currency of this Product Ruling or any other Product Ruling that the ATO has issued.

## What this Product Ruling is about

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1. This Ruling sets out the Commissioner's opinion on the way in which the 'tax laws' identified below apply to the defined class of persons, who take part in the arrangement to which this Ruling relates. In this Ruling this arrangement is sometimes referred to as the Australian Olives Project No 2, or simply as 'the Project'.

### Tax laws

2. The tax laws dealt with in this Ruling are:
- Division 35 of the *Income Tax Assessment Act 1997* ('ITAA 1997').

### Goods and Services Tax

3. In this Ruling all fees and expenditure referred to include Goods and Services Tax ('GST') where applicable. In order for an entity (referred to in this Ruling as a Member) to be entitled to claim input tax credits for the GST included in its expenditure, it must be registered, or required to be registered for GST and hold a valid tax invoice.

### Changes in the Law

4. The Government is currently evaluating further changes to the tax system in response to the *Ralph Review of Business Taxation* and continuing business tax reform is expected to be implemented over a number of years. Although this Ruling deals with the taxation legislation enacted at the time it was issued, later amendments may impact on this Ruling. Any such changes will take precedence over the application of this Ruling, and to that extent, this Ruling will be superseded.

5. Taxpayers who have invested in the Project are advised to confirm with their taxation adviser that changes in the law have not affected this Product Ruling since it was issued.

### Note to promoters and advisers

6. Product Rulings were introduced for the purpose of providing certainty about tax consequences for participants in projects such as this. In keeping with that intention, the Tax Office suggests that promoters and advisers ensure that participants are fully informed of any legislative changes after the Ruling is issued.

**Class of persons**

7. The class of persons to whom this Ruling applies is those who entered into the arrangement described below between 26 May 1999 and on or before 5 January 2000. They will have had a purpose of staying in the arrangement until it is completed (i.e., being a party to the relevant agreements until their term expires), and deriving assessable income from this involvement as set out in the description of the arrangement. In this Ruling these persons are referred to as 'Members'.

8. The class of persons to whom this Ruling applies does not include persons who terminated or intend to terminate their involvement in the arrangement prior to its completion, or who otherwise do not intend to derive assessable income from the Project.

**Qualifications**

9. The Commissioner rules on the precise arrangement identified in the Ruling. If the arrangement described in this Ruling is materially different from the arrangement that is actually carried out the Ruling has no binding effect on the Commissioner. The Ruling will be withdrawn or modified.

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**Date of effect**

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11. This Ruling applies prospectively from 24 October 2001 for Members who entered into the arrangement described between 26 May 1999 and on or before 5 January 2000. However, the Ruling does not apply to taxpayers to the extent that it conflicts with the terms of settlement of a dispute agreed to before the date of issue of the Ruling (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

12. If a taxpayer has a more favourable private ruling (which is legally binding), the taxpayer can rely on the private ruling if the income year to which the private ruling relates has ended, or has commenced but not yet ended. However, if the arrangement covered by the private ruling has not begun to be carried out, and the income year to which it relates has not yet commenced, this Ruling applies to

the taxpayer to the extent of the inconsistency only (see Taxation Determination TD 93/34).

## Withdrawal

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13. This Product Ruling is withdrawn and ceases to have effect after 30 June 2002. The Ruling continues to apply, in respect of the tax law(s) ruled upon, to all persons within the specified class who enter into the specified arrangement on or after 26 May 1999 and on or before 5 January 2000. Thus the ruling continues to apply to those persons, even following its withdrawal, who entered into the specified arrangement prior to withdrawal of the Ruling. This is subject to there being no material difference in the arrangement or in the persons' involvement in the arrangement.

## Arrangement

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14. The arrangement that is the subject of this Ruling is described below. The relevant documents, or parts of documents, incorporated into this description of the arrangement include:

- Application for a Product Ruling from Australian Olives Limited (AOL) dated 14 January 1999 in respect of the Australian Olives Groves Project No 2;
- Australian Olives Project No 2 Prospectus (Australian Registered Scheme Number 085 515 788, a managed investment scheme under Corporations Law) dated 6 January 1999 and Supplementary Prospectus dated 31 March 1999;
- Constitution for Australian Olives Project No 2 ('the Constitution'); **Grove Licence Agreement** between Collective Olive Groves Limited (COGL) ('the Landowner'), Australian Olives Limited (AOL) ('the Responsible Entity') and the Member;
- **Grove Agreement** between AOL and the Member;
- **Finance Agreement** between Australian Agricultural Finance Pty Ltd (AAF) ('the Lender') and the Borrower (the Member);
- Application Form for the Project;
- Compliance Plan for the Project;

- Agency Agreement - Custodian, dated 20 November 1998 between AOL and Australian Rural Group Limited (ARGL) ('the Custodian');
- Additional Articles of Association of COGL;
- Water Supply Agreement between AOL and Australian Olives Holdings Ltd (AOHL) ('the Water Owner');
- Variation Water Supply Agreement between AOL and AOHL;
- Draft Lease between COGL as lessor and ARGL as lessee in relation to the property at Lot 16 on SP113870 and Sublease of the same property from ARGL to COGL;
- Lease and Sublease for Lot 17 on RP 35138, Merivale, Tummalville between COGL and ARGL;
- Draft Extension of Sublease between ARGL and COGL on property at Lot 17 on RP 35138 to 30 June 2023;
- Correspondence to AOL dated 8 February 1999, 22 February 1999 and 14 April 1999;
- Correspondence from AOL dated 8 February 1999, 5 March 1999, 21 April 1999;
- Correspondence from AOL dated 28 April 1999, together with its attachments;
- Agreement between Laton Consolidated Pty Ltd (Laton) and AOL ('the Laton Agreement');
- Term Sheets that detail the fixed and variable loan options from a nominated major bank;
- Diagram that details document movements and fund flows for loans organised by Latons; and
- Correspondence from the Applicant dated 29 January 2001 and 18 June 2001.

**Note: Certain information received from the applicant regarding the Project has been provided with an understanding that it is on a commercial-in-confidence basis and will not be disclosed or released under the Freedom of Information legislation.**

15. The documents highlighted in bold are those that the Members enter into. There are no other agreements, whether formal or informal, and whether or not legally enforceable which the Member, or an associate of the Member will be a party to that are part of the arrangement to which this Ruling applies.

16. All Australian Securities and Investments Commission (ASIC) requirements are, or will be, complied with for the term of the agreements. The effect of the agreements may be summarised as follows.

## Overview

17. The Prospectus registered with ASIC applied for the period 6 January 1999 to 5 January 2000 and invited Members to participate in two specific interests. The first was a right to participate in a project called 'Australian Olives Project No 2' ('the Project'), which is a managed investment scheme under Corporations Law. The second was an offer to purchase shares in COGL, the Project's land-owning company. While the Prospectus marketed both specific interests as a package, the Project could be entered without the purchase of shares in COGL.

18. Olive growing projects are conducted on a series of properties collectively called 'Yallamundi', which is 86 km south west of Toowoomba. This particular Project involved Lot 16 on SP113870 and part of Lot 17 on PR35138, Parish of Tummaville, County of Merivale, which is owned by COGL. A Member participates in the Project by:

- subscribing for 150 shares (one parcel) in COGL at \$1 each (total \$150);
- entering into a 'Grove Licence Agreement' with the Landowner in respect of a Grove (0.16 hectares) for the period to 30 June, 2023; and
- entering into a 'Grove Agreement' that relates to initial services to be performed in the first 13 months and for the performance of ongoing services for the remaining period to 30 June 2023.

19. A Member entering into the Grove Licence Agreement and the Grove Agreement is liable to pay the following amounts:

- \$180 for the purchase of olive seedlings payable on application;
- a Grove Agreement fee of \$7,780 payable for the first 13 months services of the Manager;
- a Grove Licence Agreement fee of \$20 payable to the Land Owner on application. Thereafter, the fee is payable annually and increased by the proportional increase in the All Groups Consumer Price Index for Brisbane ('the CPI');

- a Grove Agreement fee of \$1,260 at the commencement of month 14 after acceptance for services performed until the end of the second year. A further fee was payable on the first day of the third year of the Agreement and annually thereafter, increased by movements in the CPI; and
- a harvesting fee of \$0.27 per kilogram of olives attributable to the Member's Grove from the first harvest, indexed by the CPI for the remaining years. The Responsible Entity is entitled to review the harvesting fee if it is or is likely to carry out the harvesting fee at a loss. The first harvest is predicted to occur in year 5 of the Project.

20. Each Member's Grove was allocated by AOL, once and for all, upon acceptance and planted with 40 olive trees. There is no variation between individual Members' Groves within the Project or between rights attached thereto, except that the Manager may plant different varieties of Olive trees on individual Groves based on overall Project objectives.

21. The projected returns from the Grove are outlined on pages 14 and 15 of the Prospectus. There is no assurance or guarantee by the promoter in respect of the future success of, or financial returns associated with, the Project apart from a guarantee that the Manager would replace any trees that fail (for whatever reason) until the first harvest, predicted to be year 4 of the Project.

### **Shares in COGL**

22. In this Project, Members could purchase a minimum of one parcel of 150 ordinary \$1 shares in COGL from AOHL. There are 3,708 parcels of 150 shares in COGL offered in the Prospectus. Members waive all or any other pre-emptive rights they may hold by virtue of being a Member in relation to the issue of new shares or the transfer of existing shares. COGL derives income from licence fees and, possibly, from capital gains from the sale of Project land. As a consequence, there is an expectation that this will result in dividends to Members. The taxation consequences of any subsequent dealing or disposal of shares in COGL does not form part of this Ruling.

### **Grove Licence Agreement**

23. The Land Owner leased the Project land to the Custodian, which subleased the land back to the Land Owner. The Land Owner then entered into licence agreements with the Members.

24. Members entering the Grove Licence Agreement pay occupancy fees (clause 6.1) for a licence to use and occupy the Grove for the limited purposes of planting, growing, harvesting and marketing olives for a period ending on the 30 June 2023. A licence relates to an identifiable area of land and the Member has the option of appointing an agent under a Grove Licence Agreement to perform the licensed activities (clause 7.2).

25. The licence fee was payable in advance from the date of acceptance by the Responsible Entity and due on the first day of each year of the Licence Agreement, regardless of the proceeds from the sale of olives from the Member's Grove.

## **Grove Agreement**

26. Members entered into an Agreement appointing AOL, as Responsible Entity, to manage the Member's interest in the Project on the terms and conditions set out in the Grove Agreement. A summary of the key aspects of this Agreement is found in the Prospectus on pages 43 and 44.

27. Members entered into the Agreement until the year ended 30 June 2023 (clause 3) unless the Agreement is terminated earlier. The Agreement may be terminated by either the Responsible Entity or the Member under specific conditions (clause 11). Upon termination of the Agreement by the Responsible Entity, the Member's interest in the Project may be sold to meet any unpaid fees (clause 11.3 of the Grove Agreement and clause 17.5 of the Constitution). The arrangement ruled on does not include the circumstance where the Grove Agreement is terminated or the Responsible Entity is otherwise removed. In such circumstance this Ruling will cease to have effect. The Grove Agreement covered two periods, namely, the first 13 months and the remaining period to 30 June 2023. The duties performed by the Responsible Entity for a Member's Grove during the first 13 month period are listed at clause 4.1 of the Agreement and include:

- acquiring 40 olive seedlings for the Member ;
- installing irrigation works;
- undertaking drainage and soil loss prevention works;
- pre-planting preparation and the planting of the olive trees;
- tending the Member's Grove and, if necessary, tending the olive seedlings;
- supplying water;

- eradicating weeds and repairing damage caused by the Manager; and
- undertaking certain preventive measures concerning land degradation.

28. Under clause 4.3 of the Agreement, the Responsible Entity agrees to provide continuing maintenance of the Grove from month 14 to the end of the Project. Specifically, the Responsible Entity must:

- supply water and irrigate the Grove, including meeting the obligations of the Water Supply Agreement;
- tend and maintain the Grove, including application and supply of herbicides;
- eradicate weeds and repair damage caused by the Manager;
- undertake certain preventive measures concerning land degradation;
- harvest the trees; and
- sell the olives.

29. The Manager has further guaranteed the replacement of olive trees on a Member's Grove until the first harvest (year 4 - see page 7 of the Prospectus).

30. A Member has a right to elect to undertake the maintenance of the Grove and only pay for the services (including water) supplied by the Manager (clause 12). Members can also elect to receive any olives harvested from their Grove to sell, market or deal with as they determine (clause 5.3). Members electing to conduct their own harvest and/or maintenance must ensure the work is of a similar standard to that of the work conducted by the Manager of the other Groves (page 6 of the Prospectus). Members who either elect to maintain or harvest their Grove or who enter into other subcontracting arrangements will be outside the arrangements to which this Ruling relates and will be unable to rely on this Ruling.

31. The Responsible Entity may employ agents, contractors, professional advisers and other consultants to perform its obligations under the Agreement (clause 9.1).

### **Constitution**

32. The Project is governed by the Project's Constitution. The Constitution includes provisions about the legal obligations, rights and limits to the liability of the Members and details the powers of the parties to the Constitution. This document is registered with ASIC and details a number of procedures, including:

- the payment of application fees;
- the disbursement of proceeds from the Project;
- complaints handling;
- the payment of fees and expenses;
- transmission of Members' interests;
- meetings; and
- register of Members.

33. For those Members who elect AOL to manage their Groves, AOL will pool the olives attributable to the Members' Groves and then store, market and sell the produce without having regard to the quantity or quality of the particular produce from the particular Groves (clause 25.1(b)). AOL will then pay to the 'Proceeds Fund' the proceeds of the olive sales (or insurance payouts). Amounts for the Grove Agreement, Grove Licence Agreement and other limited outgoings will then be deducted (including taxes) and the result will be distributed proportionately between Members (clause 25.3(a)).

34. In the case of a Member's Grove that does not cause a deposit to be made to the Proceeds Fund for a particular production period, the Member will not be entitled to any part of the Proceeds Fund in respect of the Production Period (clause 25.3(g)). This could occur if the Member elected to sell their own olives or if the Member's Grove failed to produce any olives for sale.

35. AOL will bear all costs of carrying out its duties under the Agreement (clause 5.5). In return for the services provided, AOL was entitled to receive prepaid Grove Agreement fees upon acceptance, on the first day of month 14 after the commencement of the Agreement, and at the beginning of the third year of the Agreement as prescribed in the Clause 5. The Applicant has confirmed it is not the intention of AOL to either forgive or roll over any amount of the Grove Agreement fees in any given year, including years in which there are insufficient olive sales from a Member's Grove to meet the projected Grove Agreement fees.

### **Compliance plan**

36. The Compliance Plan describes how the Responsible Entity will ensure its compliance with the Corporations Law and the Project's Constitution. A Compliance Plan is designed to ensure that the interests of the Members are protected and is registered with ASIC. The Compliance Plan in this arrangement sets out both details of the compliance procedure and the person (or positions), within the Responsible Entity, who will be held responsible for the compliance procedures in areas including:

- naming the Compliance Officer within the Responsible Entity;
- the appointment and monitoring of the Custodian;
- holding Project property;
- marketing the Project;
- conduct of the business, such as the use of qualified contractors;
- application money and commissions payment details;
- compliance committee appointment and function;
- audit functions;
- keeping of records and accounts;
- related party issues;
- fees and expenses;
- complaints handling procedures;
- training and supervision of personnel; and
- review of the compliance level.

### **Application Form**

37. Members entered into the arrangement through the completion of an Application Form together with the payment of application monies. The Application Form appoints AOL to act as Attorney for the Member for the purposes of entering into the Grove Agreement and Grove Licence Agreement. The Application Form also provides for the transfer of COGL shares from AOHL to the Member.

### **Finance**

38. Members could fund their investment in the Project themselves, borrow from AAF (a lender associated with the Responsible Entity), borrow from a nominated major bank through finance organised by Latons or borrow from an independent lender.

39. This Ruling does not apply if a Member entered into a finance agreement that includes or has any of the following features:

- there are split loan features of a type referred to in Taxation Ruling TR 98/22;
- there are indemnity arrangements or other collateral agreements in relation to the loan designed to limit the borrower's risk;

- ‘additional benefits’ are or will be granted to the borrowers for the purpose of section 82KL or the funding arrangements transform the Project into a ‘scheme’ to which Part IVA may apply;
- the loan or rate of interest is non-arm’s length;
- repayments of the principal and payments of interest are linked to the derivation of income from the Project;
- the funds borrowed, or any part of them, will not be available for the conduct of the Project but will be transferred (by any mechanism, directly or indirectly) back to the lender, or any associate of the lender; or
- lenders do not have the capacity under the loan agreement, or a genuine intention, to take legal action against defaulting borrowers;
- entities associated with the Project other than AAF, are involved or become involved, in the provision of finance to Members for the Project.

## Ruling

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### **Division 35 – Deferral of losses from non-commercial business activities**

#### **Section 35-55 - Commissioner’s discretion**

40. For a Member who is an individual and who entered the Project on or after 26 May 1999 and before 6 January 2000 the rule in section 35-10 may apply to the business activity comprised by their involvement in this Project. Under paragraph 35-55(1)(b) the Commissioner has decided for the income years ended 30 June 2001 to 30 June 2003 that the rule in section 35-10 does not apply to this business activity provided that the Project has been, and continues to be carried on in a manner that is not materially different to the arrangement described in this Ruling.

41. This exercise of the discretion in subsection 35-55(1) will not be required where, for any year in question:

- a Member’s business activity satisfies one of the objective tests in sections 35-30, 35-35, 35-40 or 35-45; or
- the ‘Exception’ in subsection 35-10(4) applies (see paragraph 47 in the Explanations part of this ruling, below).

42. Where, either the Member's business activity satisfies one of the objective tests, the discretion in subsection 35-55(1) is exercised, or the Exception in subsection 35-10(4) applies, section 35-10 will not apply. This means that a Member will not be required to defer any excess of deductions attributable to their business activity in excess of any assessable income from that activity, i.e., any 'loss' from that activity, to a later year. Instead, this 'loss' can be offset against other assessable income for the year in which it arises.

43. Members are reminded of the important statement made on Page 1 of this Product Ruling. Therefore, Members should not see the Commissioner's decision to exercise the discretion in paragraph 35-55(1)(b) as an indication that the Tax Office sanctions or guarantees the Project or the product to be a commercially viable investment. An assessment of the Project or the product from this perspective has not been made.

## **Explanations**

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### **Division 35 – Deferral of losses from non-commercial business activities**

44. Under the rule in subsection 35-10(2) a deduction for a loss incurred by an individual (including an individual in a general law partnership) from certain business activities will not be allowable in an income year unless:

- the 'Exception' in subsection 35-10(4) applies;
- one of four objective tests in sections 35-30, 35-35, 35-40 or 35-45 is met; or
- if one of the objective tests is not satisfied, the Commissioner exercises the discretion in section 35-55.

45. Generally, a loss in this context is, for the income year in question, the excess of an individual taxpayer's allowable deductions attributable to the business activity over that taxpayer's assessable income from the business activity.

46. Under the loss deferral rule in subsection 35-10(2) the relevant loss is not able to be taken into account in the calculation of taxable income in the year that loss arose. Instead, in a later year it may be offset against any income from the same or similar business activity, or, if one of the objective tests is passed, or the Commissioner's discretion exercised, against other income.'

47. For the purposes of applying the objective tests, subsection 35-10(3) allows taxpayers to group business activities 'of a similar kind'. Under subsection 35-10(4), there is an 'Exception' to the

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general rule in subsection 35-10(2) where the loss is from a primary production business and the individual taxpayer has other assessable income for the income year from sources not related to that activity, of less than \$40,000 (excluding any net capital gain). As both subsections relate to the individual circumstances of Members who participate in the Project they are beyond the scope of this Product Ruling and are not considered further.

48. In broad terms, the objective tests require:

- (a) at least \$20,000 of assessable income in that year from the business activity (section 35-30);
- (b) the business activity results in a taxation profit in 3 of the past 5 income years (including the current year)(section 35-35);
- (c) at least \$500,000 of real property is used on a continuing basis in carrying on the business activity in that year (section 35-40); or
- (d) at least \$100,000 of certain other assets is used on a continuing basis in carrying on the business activity in that year (section 35-45).

49. A Member who was accepted into the Project between 26 May 1991 and 5 January 2000 and who has participated in the Project since this time is carrying on a business activity that is subject to these provisions. Information provided with the application for this Product Ruling and additional information provided since, indicates that a Member who acquires the minimum investment of one interest in the Project is unlikely to pass one of the objective tests until the income year ended 30 June 2006. Members who acquired more than one interest in the Project may however, pass one of the tests in an earlier income year.

50. Therefore, prior to this time, unless the Commissioner exercises an arm of the discretion under paragraphs 35-55(1)(a) or (b), the rule in subsection 35-10(2) will apply to defer to a future income year any loss that arises from the Member's participation in the Project.

51. The first arm of the discretion in paragraph 35-55(1)(a) relates to 'special circumstances' applicable to the business activity, and has no relevance for the purposes of this Product Ruling. However, the second arm of the discretion in paragraph 35-55(1)(b) may be exercised by the Commissioner where:

- (i) the business activity has started to be carried on;
- (ii) because of its nature, it has not satisfied one of the objective tests; and

- (iii) there is an objective expectation that the business activity of an individual taxpayer will either pass one of the objective tests or produce a taxation profit within a period that is commercially viable for the industry concerned.

52. Information provided with the application for this Product Ruling indicates that a Member who acquires the minimum allocation for the Project of one Grove is expected to be carrying on a business activity that will either pass one of the objective tests, or produce a taxation profit, for the year ended 30 June 2004. The Commissioner has decided for such a Member that it would be reasonable to exercise the second arm of the discretion until the year ended 30 June 2003. Subsection 35-55(2) prevents the Commissioner exercising the discretion for these Members beyond the year ended 30 June 2003.

53. The applicant has stated that the business activity comprised by a Member's involvement in this Project has started to be carried on, and will continue to be carried on in a manner that is not materially different to that described in the Arrangement in this Product Ruling. If, however, the Project is not carried on during the income years specified above (see paragraph 40), in the manner described in the Arrangement (see paragraphs 14 to 39), this Ruling, and specifically the decision in relation to paragraph 35-55(1)(b), that it would be unreasonable that the loss deferral rule in subsection 35-10(2) not apply, may be affected, because the Ruling no longer applies (see paragraph 9). Members may need to apply for private rulings on how paragraph 35-55(1)(b) will apply in such changed circumstances.

54. In deciding to exercise the discretion in paragraph 35-55(1)(b) the Commissioner has relied upon:

- the report of the independent agricultural expert and additional expert or scientific evidence provided by the Responsible Entity with the application and subsequently, in further information requested by the Commissioner;
- independent, objective, and generally available information relating to the olive industry which substantially supports cash flow projections and other claims, including prices and costs, in the Product Ruling application submitted by the Responsible Entity.

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## Detailed contents list

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*Previous draft:*

Not previously issued in draft form

*Related Rulings/Determinations:*

PR 1999/95; TR 92/1; TR 92/20;  
TR 97/16; TR 98/22; TD 93/34,

*Subject references:*

- NCL provisions
- non commercial losses
- Commissioner's discretion
- product rulings
- schemes and shams
- tax avoidance
- tax benefits under tax avoidance schemes
- tax shelters
- tax shelters project

*Legislative references:*

- TAA 1953 Part IVAAA
- ITAA 1936 82KL
- ITAA 1936 Part IVA
- ITAA 1997 Div 35
- ITAA 1997 35-10
- ITAA 1997 35-10(2)
- ITAA 1997 35-10(3)
- ITAA 1997 35-10(4)
- ITAA 1997 35-30
- ITAA 1997 35-35
- ITAA 1997 35-40
- ITAA 1997 35-45
- ITAA 1997 35-55
- ITAA 1997 35-55(1)
- ITAA 1997 35-55(1)(a)
- ITAA 1997 35-55(1)(b)
- ITAA 1997 35-55(2)

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*ATO references:*

NO 99/659-9

ISSN: 1441 1172