

# ***PR 2003/44A3 - Addendum - Income tax: tax consequences of investing in the UBS Protected Geared Investment Product***

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## Addendum

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### Product Ruling

### Income tax: tax consequences of investing in the UBS Protected Geared Investment Product

This Addendum amends Product Ruling PR 2003/44 to include that part of the interest charge incurred in respect of the Interest Funding Loan that is allowable as a deduction under section 8-1 of the *Income Tax Assessment Act 1997*, within Exception 1 of the tax shelter rules set out in section 82KZME of the *Income Tax Assessment Act 1936*.

#### **PR 2003/44 is amended as follows:**

**1. Paragraph 17 f)**

At the end of the sentence, before the semi-colon, insert the following words:

‘or the Interest Funding Loan’

**2. Paragraphs 17 g) and 17 h)**

Omit the paragraphs.

**3. Paragraph 17 j)**

After the words ‘interest charge on the Protected Loan’, insert the following words:

‘and the Interest Funding Loan’

**4. Paragraph 32**

(a) After the words ‘interest incurred on the Protected Loan’, insert the following words:

‘and the Interest Funding Loan’

(b) In sub-paragraph a) of paragraph 32, after the words ‘the Protected Loan’, insert the following words:

‘and the Interest Funding Loan’

After the subparagraphs and before paragraph 33, insert the following sentence:

‘Deductibility of expenditure must therefore be considered under the prepayment rules outlined in paragraphs 35 to 41 below.’

**5. Paragraphs 33 and 34**

Omit the paragraphs.

**6. Paragraph 37**

(a) After the words ‘interest payment for the Protected Loan’, insert the following words:

‘and the Interest Funding Loan’

(b) At the end of the paragraph, before the full stop, insert the following words:

‘and the Interest Funding Loan’

**7. Paragraph 40**

After the words ‘interest on the Protected Loan’, insert the following words:

‘and the Interest Funding Loan’

**8. Paragraph 41**

After the words ‘interest payments on the Protected Loan’, insert the following words:

‘and the Interest Funding Loan’

This Addendum applies on and from 18 June 2003, the date from which the original Ruling applies.

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**Commissioner of Taxation**

18 February 2004

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ATO references

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