

# ***PR 2003/67A - Addendum - Income tax: NTT Mahogany Project***

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# Addendum

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## Product Ruling

### Income tax: NTT Mahogany Project

This Addendum amends Product Ruling PR 2003/67 to reflect changes under the project to the size of a Grower's Woodlot and to the formula for calculating the Incentive Fee.

#### **PR 2003/67 is amended as follows:**

##### **1. Paragraph 14**

(a) Insert the following dot points.

- Additional correspondence received 19 February 2004, 19 March 2004, 22 March 2004, 27 March 2004, 29 March 2004, 1 April 2004 and 14 April 2004;
- Supplementary Product Disclosure Statement received 14 April 2004;

(b) Omit the dot point beginning Draft Project Operations Agreement and substitute with:

- **Project Operations Agreement** between Primary Securities Ltd and the Grower, received 22 March 2004;

(c) Omit the dot point beginning Draft Licence Agreement and substitute with:

- **Licence Agreement** between NTT Land Holdings (the Licensor), Primary Securities Ltd and the Grower, received 18 March 2004;

(d) Omit the dot point beginning Draft Management Agreement and substitute with:

- Project Management Agreement between Primary Securities Ltd and the Northern Tropical Timbers Pty Ltd, received 18 March 2004;

##### **2. Paragraph 17**

(a) In the row of the table titled 'Number of hectares offered for cultivation', omit '880' and substitute with '800'.

(b) In the row of the table titled 'Size of each Woodlot', omit '0.22' and substitute with '0.2'.

### 3. Paragraph 19

In the first line of paragraph 19, omit '0.22' and substitute with '0.2'.

### 4. Paragraph 34

At the end of the second dot point insert:

The Responsible Entity can, with the approval of the Forestry Expert, increase the Management Fee above the indexation where the costs to the Responsible Entity of providing the Management Services are greater than the Management Fee received from the Grower (clause 4.3 of the Project Operations Agreement).

### 5. Paragraph 35

Omit paragraph 35 and substitute with:

35. The Grower is also required to pay an Incentive Share to the Responsible Entity if the average sawn timber per woodlot exceeds 18.5m<sup>3</sup> (clause 4.1(d) and the Appendix to the Project Operations Agreement).

### 6. Paragraph 38

Omit paragraph 38 and substitute with:

38. The Grower has an interest in the Mahogany Trees to be planted on the Woodlot and a right to the Timber from those Trees. Harvesting will take place as and when deemed appropriate by the Responsible Entity and the Plantation Manager in producing the best overall result for the Grower. The Manager expects to conduct a non-commercial thinning of 50% of the Trees in year 6 and a harvest of 25% in year 10. The remaining Trees will be harvested in the final year of the Project.

This Addendum applies on and from 28 April 2004.

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**Commissioner of Taxation**

28 April 2004

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ATO references

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