


PR 2008/13A2 - Addendum - Income tax: tax consequences of investing in Next Financial Instalments - Series NF 330

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Addendum

Product Ruling

Income tax: tax consequences of investing in Next Financial Instalments – Series NF 330

This Addendum amends Product Ruling PR 2008/13 to clarify that the Lender and Instalment Security Trustee may be an entity other than those identified in PR 2008/13.

PR 2008/13 is amended as follows:

1. Paragraphs 2 and 3

Omit the paragraphs; substitute:

2. Next Financial Instalments – Series NF 330 (Next Financial Instalments or Instalments) are an investment comprising the borrowing of moneys on limited recourse terms:

- to fund the acquisition of shares that are listed for quotation on an approved stock exchange, units of a widely held unit trust, and/or stapled securities comprising of shares and units that are jointly listed for quotation on an approved stock exchange (Underlying Securities);
- for business or investment purposes where such borrowing is secured by the Underlying Securities; or
- to repay an outstanding loan from Next Financial Limited (Next Financial), applied to acquire Underlying Securities under a prior series of instalments issued by Next Financial.

3. In this Product Ruling the scheme is an investment in Next Financial Instalments where:

- the shares, units and/or stapled securities forming part of the Underlying Securities are listed for quotation on the Australian Securities Exchange (ASX); and
- Investors obtain a loan from either Next Financial or Next Financial Nominees Pty Ltd to fund the acquisition of the Underlying Securities.

In this Ruling:

- references to Next Financial, in its capacity as Lender under the Next Financial Instalments Loan Agreement, include references to Next Financial Nominees Pty Ltd, in its capacity as Lender under the Next Financial Instalments Loan Agreement; and
- references to Lender are references to either Next Financial or Next Financial Nominees Pty Ltd, as the case may be.

2. Paragraph 21

(a) Omit first and second dot points; substitute:

- Application for a Product Ruling dated 20 August 2007 and additional correspondence and emails dated 4 September 2007, 4 October 2007, 31 October 2007, 14 November 2007, 19 November 2007, 29 November 2007, 14 January 2008, 29 January 2008, 5 February 2008, 6 February 2008, 18 August 2008, 9 September 2008, 18 September 2008 and 2 October 2008;
- Product Disclosure Statement for the Next Financial Instalments, dated 29 February 2008;
- Supplementary Product Disclosure Statements for the Next Financial Instalments, dated 26 May 2008 and 30 May 2008;

(b) Omit sixth and seventh dot points; substitute:

- Next Financial Instalments Nominee Deed to be executed by Next Financial Nominees Pty Ltd (as Instalment Security Trustee), draft dated 17 August 2007;
- Next Financial Instalments Loan Agreement (the Loan Agreement) executed by Next Financial (as Issuer and Lender) and Next Financial Nominees Pty Ltd (as Instalment Security Trustee), dated 29 February 2008; and
- Next Financial Instalments Loan Agreement (the Loan Agreement) executed by Next Financial (as Issuer) and Next Financial Nominees Pty Ltd (as Instalment Security Trustee and Lender), dated 29 February 2008.

3. Subparagraph 25(j)

At end of the subparagraph insert:

During the term of the Next Financial Instalments, Next Financial Nominees Pty Ltd may be replaced as Instalment Security Trustee. Any subsequent replacement Instalment Security Trustee will be a wholly-owned subsidiary of Next Financial.

4. Subparagraph 26(f)

Omit the subparagraph; substitute:

- (f) all dealings by the Investors and Next Financial or Next Financial Nominees Pty Ltd will be at arm's length.

This Addendum applies on and from 13 February 2008.

Commissioner of Taxation

22 October 2008

ATO references

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