


PR 2018/3A2 - Addendum - Income tax: tax consequences of investing in equities using the Macquarie Geared Equities Investment plus (2018 Product Brochure)

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Addendum

Product Ruling

Income tax: tax consequences of investing in equities using the Macquarie Geared Equities Investment plus (2018 Product Brochure)

This Addendum is a public ruling for the purposes of the *Taxation Administration Act 1953*. It amends Product Ruling PR 2018/3 to incorporate the Portfolio Asset Novation Agreement.

PR 2018/3 is amended as follows:

1. Paragraph 5

Omit the last dot point; substitute:

- the tax consequences of any transactions entered into as a result of a corporate action, or otherwise involving the transfer of GEI Securities to and from the Nominee.

2. Paragraph 17

After subparagraph 17(p), insert new subparagraphs 17(q) and 17(r):

- (q) None of the taxation consequences set out in subparagraphs 17(a) to 17(p) of this Product Ruling will change as a consequence of the execution of the terms and conditions of the Portfolio Asset Novation Agreement (the Novation Agreement), nor will the execution of the terms and conditions of the Novation Agreement give rise to any CGT event for the Investor under Division 104.
- (r) If, from the GEI Completion Date, an Investor redeems their units in an approved Cash Trust offered by the Bank for the purpose of investing the proceeds of that redemption into the Bell Cash Trust, CGT event C2 will happen under section 104-25. The Investor will make a capital gain if the proceeds of the redemption are more than the cost base of the units, or a capital loss if the proceeds of redemption are less than the reduced cost base of the units.

3. Paragraph 18

Omit all dot points; substitute:

- application for a Product Ruling as constituted by documents and information received on 31 October 2017, 2 November 2017,

PR 2018/3

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6 February 2018, 20 May 2019, 23 May 2019, 27 May 2019, 11 July 2019 and 26 July 2019

- GEI plus Product Brochure dated 13 February 2018, including the Loan and Security Agreement and Interest Prepayment Loan Agreement
- GEI plus Supplementary Product Brochure dated 24 May 2019
- GEI plus Application Form dated 13 February 2018 and, as amended, 24 May 2019, and
- Portfolio Asset Novation Agreement dated 23 May 2019 between the Bank and Bell Potter Capital Limited (BPC).

4. Paragraph 21

After subparagraph 21(n), insert new subparagraphs 21(o) and 21(p):

- (o) On, and subject to, the terms and conditions of the Novation Agreement:
 - (i) the Bank has agreed to novate to BPC (or a Related Body Corporate of BPC) all of the right, title, interest and benefit of a Macquarie Group Member under or in connection with the GEI Arrangements entered into with an Investor, as at the date on which the completion of the novation occurs (the GEI Completion Date, being 5 August 2019), and
 - (ii) BPC has agreed, as at the GEI Completion Date, to assume all liabilities of each Macquarie Group Member related to the GEI Arrangements entered into with an Investor, and discharge them as and when they fall due.
- (p) As a consequence of the execution of the Novation Agreement, as and from the GEI Completion Date:
 - (i) BPC shall be substituted for the Bank under each GEI Arrangement as if BPC had originally been a party to each GEI Arrangement instead of the Bank on the terms of the Product Brochure, and
 - (ii) the Bell Cash Trust will be added as an approved Cash Trust to the approved list of GEI Securities available for selection, and offered as an alternative to the approved Cash Trust offered for selection as a GEI Security by the Bank.

5. Paragraph 22

Omit subparagraph 22(h); substitute:

- (h) all dealings by the Investors, the Bank and BPC under the scheme will be at arm's length.

This Addendum applies before and after date of issue.

Commissioner of Taxation

21 August 2019

ATO references

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