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# Addendum

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## Taxation Determination

Income tax: Offshore Banking Units (OBU) – are salaries and other operating expenses that are paid from non-OB money taken into account for purposes of the ‘purity test’ in section 121EH where the expenses are incurred in undertaking OB activities?

This Addendum is a public ruling for the purposes of the *Taxation Administration Act 1953*. It amends Taxation Determination TD 93/212 to update the end date of the Offshore Banking Unit regime.

TD 93/212 is amended as follows:

**1. Paragraph 1**

After the word ‘OBU’s’, insert new footnote 1:

<sup>1</sup> The OBU regime is closed to new entrants from 14 September 2021. The concessional tax treatment for existing OBUs in respect of offshore activities will be removed effective from the 2023-24 income year. Interest payments paid on or after 1 January 2024 on offshore borrowings by OBUs will no longer be exempt from withholding tax.

This Addendum applies from 13 September 2021.

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**Commissioner of Taxation**

13 October 2021

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ATO references

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