

TD 93/77 - Income tax: is interest paid by an Australian resident to a non-resident government savings bank exempt from withholding tax under paragraph 128B(3)(a) of the Income Tax Assessment Act 1936 ?

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! This document has changed over time. This is a consolidated version of the ruling which was published on *29 April 1993*

This Determination, to the extent that it is capable of being a 'public ruling' in terms of Part IVA of the *Taxation Administration Act 1953*, is a public ruling for the purposes of that Part. Taxation Ruling TR 92/1 explains when a Determination is a public ruling and how it is binding on the Commissioner. Unless otherwise stated, this Determination applies to years commencing both before and after its date of issue. However, this Determination does not apply to taxpayers to the extent that it conflicts with the terms of a settlement of a dispute agreed to before the date of issue of the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

Taxation Determination

Income tax: is interest paid by an Australian resident to a non-resident government savings bank exempt from withholding tax under paragraph 128B(3)(a) of the *Income Tax Assessment Act 1936*?

1. Yes, if all of the following conditions are met:
 - (i) The foreign bank is a non-resident in terms of subsection 6(1).
 - (ii) The foreign bank is exempt from Australian income tax by virtue of paragraph 23(i) [i.e., the income of a savings bank conducted exclusively for the benefit of depositors].
 - (iii) The foreign bank provides documentary evidence from the taxation authority in the country in which the foreign bank resides (i.e. broadly speaking, either where it is incorporated or where it carries on business and where its central management and control are located) that it is exempt from income tax in that country.

Commissioner of Taxation
29/04/93

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