



TD 95/3W - Income tax: Offshore Banking Units (OBU): is an OBU required to maintain separate bank accounts and separate nostro accounts?

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 This document has changed over time. This is a consolidated version of the ruling which was published on *27 October 2004*



Notice of Withdrawal

Taxation Determination

Income tax: Offshore Banking Units (OBU): is an OBU required to maintain separate bank accounts and separate nostro accounts?

Taxation Determination TD 95/3 is withdrawn with effect from today.

1. Taxation Determination TD 95/3 deals with whether an Offshore Banking Unit (OBU) is required to maintain separate bank accounts and separate nostro accounts for its OBU activities. It provides that an OBU must maintain separate bank accounts and separate nostro accounts.
2. TD 95/3 is being withdrawn because of the effect of subsection 262(1AA) of the *Income Tax Assessment Act 1936*, which was inserted by *Taxation Laws Amendment Act (No. 2) 1999*. That subsection provides that an OBU is not required to maintain separate nostro and vostro accounts. The subsection has effect from the year of income before the year of income in which 2 July 1998 occurs.
3. Accordingly, it has not been necessary for OBUs to maintain separate bank accounts for OBU activities since subsection 262(1AA) applied. However, the separate requirement, as specified in subsection 262A(1A) of the *Income Tax Assessment Act 1936*, that an OBU must maintain separate accounting records in respect of its OB activities, remains in force.

Commissioner of Taxation

27 October 2004

ATO references

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