



TD 32 - Capital Gains: Does section 160ZL apply to a bonus share issue out of a genuine share premium account?

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CGT Cell Determinations do not have the force of law, but can be relied upon as being the considered view of the ATO. Unless otherwise stated, the view expressed may be applied to transactions entered into both before and after the date of issue of the Determination.

CGT Determination Number 32

Capital Gains: Does section 160ZL apply to a bonus share issue out of a genuine share premium account ?

Determination

1. No. Divisions 8 and 8A of the CGT provisions deal specifically with the treatment of bonus shares and would apply in preference to section 160ZL.
2. In any event, section 160ZL only applies where a company "pays" an amount. The crediting out of a share premium account is not taken to be a payment (IT 2603).

COMMISSIONER OF TAXATION

28 November 1991

Subject Ref: Bonus share issue
Share premium account

Legislative Ref: 160ZL; Div 8 & 8A ATO Ref: LAF BRIS; IT 2603.

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