

CR 2006/123A1 - Addendum - Income tax: Henderson Group plc - return of capital

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Addendum

Class Ruling

Income tax: Henderson Group plc – return of capital

This Addendum amends Class Ruling CR 2006/123 to reflect legislative amendments to section 116-30 of the *Income Tax Assessment Act 1997* (ITAA 1997). *Tax Laws Amendment (2008 Measures No. 2) Act 2008* inserted subsection 116-30(2B) and section 116-35 into the ITAA 1997 so that the market value substitution rule no longer applies when Capital Gains Tax (CGT) event C2 occurs in relation to an interest in a widely held entity. The amendments apply to CGT events happening after the start of the 2006-07 income year.

CR 2006/123 is amended as follows:

1. Paragraph 2

Omit:

- section 116-20 of the ITAA 1997; and
- section 116-30 of the ITAA 1997.

Insert:

- section 116-20 of the ITAA 1997.

2. Paragraph 33

Omit the paragraph; substitute:

33. For each share cancelled, shareholders received 78 pence as capital proceeds and CDI holders received \$1.931787 (being the Australian equivalent of 78 pence based on an exchange rate determined by Henderson) for each CDI cancelled as capital proceeds (subsection 116-20(1) of the ITAA 1997).

3. Paragraph 57

Omit the paragraph; substitute:

57. The capital proceeds from the cancellation of each ordinary share are the amount paid to the shareholder or CDI holder in respect of the cancellation of each share. The capital proceeds in this case for each share cancelled are 78 pence for shareholders and \$1.931787 (being the Australian equivalent of 78 pence based on an exchange rate determined by Henderson) for CDI holders (subsection 116-20(1) of the ITAA 1997).

4. Legislative references

Omit:

- ITAA 1997 116-30
- ITAA 1997 116-30(2)

Insert:

- ITAA 1997 116-20(1)

This Addendum applies on and from 1 July 2006.

Commissioner of Taxation

3 September 2008

ATO references

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ATOlaw topic: Income Tax ~~ Return of capital
Income Tax ~~ Capital Gains Tax ~~ CGT events C1 to
C3 – end of a CGT asset