


# ***CR 2018/54 - Income tax: demerger of Cowan Lithium Limited by Tawana Resources NL***

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## Class Ruling

### Income tax: demerger of Cowan Lithium Limited by Tawana Resources NL

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#### **📌 This publication provides you with the following level of protection:**

This publication (excluding appendixes) is a public ruling for the purposes of the *Taxation Administration Act 1953*.

A public ruling is an expression of the Commissioner's opinion about the way in which a relevant provision applies, or would apply, to entities generally or to a class of entities in relation to a particular scheme or a class of schemes.

If you rely on this Ruling, the Commissioner must apply the law to you in the way set out in the ruling (unless the Commissioner is satisfied that the ruling is incorrect and disadvantages you, in which case the law may be applied to you in a way that is more favourable for you – provided the Commissioner is not prevented from doing so by a time limit imposed by the law). You will be protected from having to pay any underpaid tax, penalty or interest in respect of the matters covered by this Ruling if it turns out that it does not correctly state how the relevant provision applies to you.

## Summary – what this Ruling is about

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1. This Ruling sets out the Commissioner's opinion on the way in which the relevant provisions identified below apply to the defined class of entities, who take part in the scheme to which this Ruling relates.

### Relevant provisions

2. The relevant provisions dealt with in this Ruling are:

- subsection 6(1) of the *Income Tax Assessment Act 1936* (ITAA 1936)
- section 44 of the ITAA 1936
- section 45B of the ITAA 1936
- section 45BA of the ITAA 1936
- section 45C of the ITAA 1936
- section 104-135 of the *Income Tax Assessment Act 1997* (ITAA 1997)
- subsection 109-5(2) of the ITAA 1997
- section 115-30 of the ITAA 1997
- Division 125 of the ITAA 1997.

All subsequent legislative references in this Ruling are to the ITAA 1997 unless otherwise indicated.

## **Class of entities**

3. The class of entities to which this Ruling applies is the ordinary shareholders of Tawana Resources NL (Tawana) who:

- were listed on the share register of Tawana as at the Record Date (13 July 2018) for the demerger of ordinary shares in Cowan Lithium Limited (Cowan Lithium)
- held their ordinary shares in Tawana on capital account at the time of the demerger, that is, the shares were neither held as revenue assets (as defined in section 977-50) nor as trading stock (as defined in subsection 995-1(1))
- are residents of Australia (as that term is defined in subsection 6(1) of the ITAA 1936) at the time of the demerger, and
- are not subject to the taxation of financial arrangement rules in Division 230 in relation to gains and losses on their Tawana Shares.  
**(Note:** Division 230 will generally not apply to individuals, unless they have made an election for it to apply to them.)

In this Ruling, a person belonging to this class of entities is referred to as a 'Tawana Shareholder'.

## **Qualifications**

4. The Commissioner makes this Ruling based on the precise scheme identified in this Ruling.

5. The class of entities defined in this Ruling may rely on its contents provided the scheme actually carried out is carried out in accordance with the scheme described in paragraphs 8 to 38 of this Ruling.

6. If the scheme actually carried out is materially different from the scheme that is described in this Ruling, then:

- this Ruling has no binding effect on the Commissioner because the scheme entered into is not the scheme on which the Commissioner has ruled, and
- this Ruling may be withdrawn or modified.

## Date of effect

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7. This Ruling applies from 1 July 2018 to 30 June 2019. The Ruling continues to apply after 30 June 2019 to all entities within the specified class who entered into the specified scheme during the term of the Ruling. However, this Ruling will 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 this Ruling (see paragraphs 75 and 76 of Taxation Ruling TR 2006/10 *Public Rulings*).

## Scheme

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8. The following description of the scheme is based on information provided by the applicant. The following documents, or relevant parts of them form part of and are to be read with the description:

- Tawana Resources NL, Notice of General Meeting released on 1 June 2018
- Tawana Resources NL, Addendum to notice of meeting and supplementary prospectus released on 28 June 2018, and
- ASX notice released on 22 March 2018, 'Tawana to spin out Cowan, Yallari and Mofe Creek Assets'.

**Note:** certain information has been provided on a commercial-in-confidence basis and will not be disclosed or released under Freedom of Information legislation.

9. The scheme that is the subject of this Ruling involves the demerger of Cowan Lithium by Tawana (the Demerger). Tawana announced the proposed demerger on 22 March 2018. The date for determining entitlements to receive Cowan Lithium Shares under the Demerger was 13 July 2018 (Record Date). The Demerger was implemented on 18 July 2018 (Demerger Date).

### Tawana

10. Tawana is an Australian resident company, incorporated on 16 November 1998. It is primarily listed on the Australian Securities Exchange (ASX) with a secondary listing on the Johannesburg Stock Exchange (JSE).

11. On 22 March 2018, Tawana announced to the ASX its intention to demerge its Cowan, Yallari and Mofe Creek assets.

12. As at the Record Date, Tawana was the head entity of an income tax consolidated group (the Group) consisting of the following wholly owned subsidiaries:

- Kenema Man Holdings Liberia Pty Ltd

- Tawana Gold Pty Ltd
- Waba Holdings Pty Ltd
- Mount Belches Pty Ltd
- Lithco No. 2 Pty Ltd
- Cowan Lithium Limited.

13. Tawana's principal activity is the exploration and development of the Bald Hill Lithium and Tantalum mine. Immediately before the Demerger, Tawana held a portfolio of assets in Western Australia, Liberia and South Africa.

## **Ownership interests**

14. No member of the Group held ownership interests in Tawana.

15. Immediately before the Demerger, Tawana had the following shares and options on issue:

- 578,086,517 fully paid ordinary shares (Tawana Shares), and
- 18,693,880 unlisted options to acquire ordinary shares in Tawana.

16. There were no other ownership interests (as defined in subsection 125-60(1)) in Tawana immediately before the Demerger.

17. 4,000,000 of Tawana's 18,693,880 unlisted options to acquire ordinary shares were employee options and represented less than 3% of the total ownership interests in Tawana.

18. Tawana had no employee shares on issue.

19. Just before the Demerger, the total number of options represented less than 10% of the total ownership interests in Tawana.

20. Just before the Demerger, Tawana's share register showed that no company held more than 20% of the shares in Tawana.

21. The credit balance of Tawana's issued share capital account, as at the Record Date, was \$133,827,364.

## **Cowan Lithium**

22. Cowan Lithium is an Australian resident company, incorporated on 23 March 2018 for the specific purpose of holding the Cowan, Yallari and Mofe Creek projects along with a 26% interest in Rakana Consolidated Mines Pty Ltd.

23. Immediately before the Demerger, Cowan Lithium had 61,266,466 ordinary shares on issue and was wholly owned by Tawana.

24. There was no other ownership interests (as defined in subsection 125-60(1)) in Cowan Lithium immediately before the Demerger.

### **Shareholder meeting**

25. To effect the Demerger, Tawana shareholders voted at the shareholder meeting held on 6 July 2018 to approve an ordinary resolution under section 256C of the *Corporations Act 2001* to reduce the share capital of Tawana by an amount which was later determined to be \$2,206,813 (the capital reduction amount).

### **Pre-demerger transactions**

26. The following transactions were undertaken by Tawana prior to the Demerger:

- to effect the separation of the Cowan, Yallari, Mofe Creek and other exploration assets, Tawana transferred these assets to Cowan Lithium within the Tawana income tax consolidated group, and
- Tawana transferred \$750,000 of cash to Cowan Lithium by way of an intercompany loan to be forgiven prior to the Demerger.

### **The Demerger of Cowan Lithium**

27. On 18 July 2018 (the Demerger Date), the payment of the capital reduction amount was satisfied by an *in specie* distribution to the Tawana shareholders of 85% of the ordinary shares in Cowan Lithium held by Tawana. The shares in Cowan Lithium were transferred to the Tawana shareholders on a pro rata basis on the same day. Tawana shareholders received 1 Cowan Lithium share for every 11.1 Tawana Shares they held at the Record Date (13 July 2018).

28. No Tawana Shares or options were cancelled under the Demerger. Just after the Demerger, Tawana Shareholders continued to hold the same number and proportion of Tawana Shares as they held before the Demerger.

29. Tawana held 9,189,970 shares (15% of the ownership interests) in Cowan Lithium after the Demerger.

30. Under the Demerger, Tawana Shareholders acquired shares in Cowan Lithium (Cowan Lithium Shares) and nothing else.

31. The Demerger was not legally or economically conditional on any other transaction occurring.

## **Sale facility**

32. A sale facility was made available for 'ineligible overseas shareholders' to enable the sale of their Cowan Lithium Shares by a nominee, with the net sale proceeds remitted to those shareholders. Ineligible overseas shareholders as at the Record Date were Tawana shareholders with a registered address outside of Australia.

33. Accordingly, overseas shareholders on the Record Date were not transferred the shares in Cowan Lithium to which they would otherwise be entitled. Instead their Cowan Lithium Shares were transferred to a nominee, pending a liquidity opportunity.

## **Accounting for the Demerger**

34. The total fair value of the distribution was \$3,717,900, being 85% of the market value of the assets held by Cowan Lithium (\$4,374,000) at the time of the Demerger.

35. Tawana accounted for the Demerger by debiting its share capital account by the capital reduction amount of \$2,206,813.

36. The balance of the distribution was debited to a demerger reserve which was not sourced from Tawana's share capital account.

## **Reasons for the Demerger**

37. Tawana's reasons for the Demerger were as follows:

- to allow the Board and management of Tawana to primarily focus on the effective ramp-up of production at the Bald Hill Project and the development of mineable reserves at Bald Hill
- the Board of Tawana considers the Cowan Lithium assets and exploration business are unlikely to garner the appropriate management focus and budgetary allocation for advancement
- to provide an opportunity for separate management teams to operate the Bald Hill Project and carry on the business of exploration associated with the Cowan Lithium operations
- the value of the Cowan, Yallari and Mofe Creek Projects may be better recognised by the market by demerging these assets to form a standalone exploration company, initially benefitting from the lower cost structure associated with an exploration only company, and
- once demerged, Tawana and Cowan Lithium would be better placed to advance their respective asset portfolios as they are at different stages of maturity and require different management skills.

**Other matters**

38. This ruling is made on the following basis:

- all Tawana Shares were acquired on or after 20 September 1985 for Australian income tax purposes
- just after the Demerger, at least 50% of the market value of the CGT assets owned by Cowan Lithium and its demerger subsidiaries were used in carrying on a business by those entities
- Tawana did not make an election under subsection 44(2) of the ITAA 1936 that subsections 44(3) and (4) of the ITAA 1936 will not apply to any demerger dividend
- Tawana and its subsidiaries were not demerger subsidiaries of another demerger group as no company or trust owned, or had the right to acquire, more than 20% of the shares in Tawana, and
- Tawana's share capital account was not tainted for the purposes of Division 197.

## **Ruling**

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**Capital gains tax (CGT) consequences*****CGT event G1***

39. CGT event G1 happened when Tawana made the payment of the capital reduction amount which was satisfied by the *in specie* distribution of Cowan Lithium Shares (section 104-135).

***Capital gain***

40. A Tawana Shareholder made a capital gain when CGT event G1 happened if the capital reduction amount of \$0.0038 for each Tawana Share that exceeds the cost base of that Tawana Share. The capital gain is equal to the amount of the excess and the cost base and reduced cost base of the Tawana Share is reduced to nil (subsection 104-135(3)). No capital loss can be made when CGT event G1 happens (Note 1 to subsection 104-135(3)).

***Demerger roll-over***

41. Tawana Shareholders can choose to obtain demerger roll-over (subsection 125-55(1)).

### ***CGT consequences of choosing demerger roll-over***

42. If a Tawana Shareholder chooses demerger roll-over, any capital gain made when CGT event G1 happens to their Tawana Shares under the Demerger is disregarded (subsection 125-80(1)).

43. A Tawana Shareholder who chooses demerger roll-over must also recalculate the first element of the cost base and reduced cost base of their Tawana Shares, and calculate the first element of the cost base and reduced cost base of their new Cowan Lithium Shares acquired under the Demerger in the manner described in paragraphs 65 to 66 of this Ruling (subsection 125-80(2)).

### ***CGT consequences of not choosing demerger roll-over***

44. A Tawana Shareholder who does not choose demerger roll-over:

- is not entitled to disregard any capital gain made when CGT event G1 happened under the Demerger to their Tawana Shares, and
- must make adjustments to the cost bases and reduced cost bases of their Tawana Shares and Cowan Lithium Shares in the manner described in paragraphs 65 to 66 of this Ruling (subsections 125-80(2), 125-85(1) and 125-85(2)).

### ***Acquisition date of the Cowan Lithium Shares***

45. For CGT purposes, a Tawana Shareholder acquired their Cowan Lithium Shares on the Demerger Date, 18 July 2018 (subsection 109-5(2)).

46. However, for the purpose of determining eligibility to a discount capital gain, the Cowan Lithium Shares acquired by a Tawana Shareholder as a result of the Demerger are taken to have been acquired on the date the shareholder acquired, for CGT purposes, the corresponding Tawana Shares (Item 2 in the table in subsection 115-30(1)). This is the case whether or not the Tawana Shareholder chooses demerger roll-over.

### **Dividend consequences**

#### ***Distribution debited to the share capital account is not a dividend for income tax purposes***

47. To the extent that the demerger distribution to Tawana Shareholders under the Demerger was debited to the share capital account of Tawana (that is, the capital reduction amount), it is not a 'dividend' as defined in subsection 6(1) of the ITAA 1936.

***Balance of the distribution is a demerger dividend***

48. To the extent that the balance of the demerger distribution to Tawana Shareholders is a dividend, it will be a demerger dividend (subsection 6(1) of the ITAA 1936).

49. Tawana Shareholders received a demerger dividend consisting of a pro rata share of the excess of the money value of the demerger distribution over the amount debited to the share capital account of Tawana (see Taxation Ruling TR 2003/8 *Income tax: distributions of property by companies to shareholders – amounts to be included as an assessable dividend*).

50. The demerger dividend is neither assessable income nor exempt income of the Tawana Shareholders (subsections 44(3) and 44(4) of the ITAA 1936).

**Applications of sections 45B, 45BA and 45C of the ITAA 1936**

51. The Commissioner will not make a determination under paragraph 45B(3)(a) of the ITAA 1936 that section 45BA applies to the whole, or any part, of the demerger benefit provided to Tawana Shareholders under the Demerger.

52. The Commissioner will not make a determination under paragraph 45B(3)(b) of the ITAA 1936 that section 45C applies to the whole, or any part, of the capital benefit provided to Tawana Shareholders under the Demerger.

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**Commissioner of Taxation**5 December 2018

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## Appendix 1 – Explanation

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❶ ***This Appendix is provided as information to help you understand how the Commissioner’s view has been reached. It does not form part of the binding public ruling.***

### **CGT event G1**

53. CGT event G1 (section 104-135) happens when:

- a company makes a payment (which may include providing property) to a shareholder in respect of a share they own in the company
- some or all of the payment (the non-assessable part) is not a dividend nor an amount that is taken to be a dividend under section 47 of the ITAA 1936, and
- the payment is not included in the shareholder’s assessable income.

54. Under the Demerger, Tawana made a payment to its shareholders in the form of an *in specie* distribution of 52,076,496 Cowan Lithium Shares held by Tawana (being 85% of the total amount of Cowan Lithium Shares). \$2,206,813 of the *in specie* distribution was debited to the share capital account (that is, \$2,206,813 is not a dividend and is not included in the assessable income of Tawana Shareholders).

55. Accordingly, CGT event G1 happened in relation to each Tawana Share owned by a Tawana Shareholder on the Demerger Date, 18 July 2018, when Tawana made the payment of the capital reduction amount which was satisfied by the *in specie* distribution of Cowan Lithium Shares.

56. A Tawana Shareholder will have made a capital gain when CGT event G1 happened if the capital reduction amount of \$0.0038 per Tawana Share exceeds the cost base of that share. The capital gain is equal to the amount of the excess and the cost base and reduced cost base of the Tawana Share is reduced to nil (subsection 104-135(3)). No capital loss can be made when CGT event G1 happens.

### **Demerger roll-over**

57. Tawana Shareholders may obtain demerger roll-over where the requirements of section 125-70 and subsection 125-55(1) are satisfied.

58. A shareholder in a company may at the time of a demerger choose to obtain a demerger roll-over if:

- the shareholder owns a share in the company (the original interest)
- the company is the head entity of a demerger group

- a demerger happens to the demerger group, and
- under the Demerger, a CGT event happens to the original interest and the shareholder acquires a new or replacement interest (the new interest) in the demerged entity (subsection 125-55(1)).

59. A demerger happened to the Tawana demerger group because:

- there was a restructuring of the Tawana demerger group (paragraph 125-70(1)(a))
- under the restructuring, Tawana disposed of at least 80% of its total ownership interests in Cowan Lithium to Tawana shareholders (subparagraph 125-70(1)(b)(i)), and
- under the restructure:
  - a CGT event happened in relation to the Tawana Shares held by the Tawana Shareholders and the Tawana Shareholders acquired new interests (the Cowan Lithium Shares) and nothing else (subparagraph 125-70(1)(c)(i))
  - the Cowan Lithium Shares were acquired by Tawana Shareholders only because of their ownership of interests in Tawana (paragraph 125-70(1)(d) and subparagraph 125-70(1)(e)(i))
  - neither Tawana nor Cowan Lithium is a trust that is a non-complying superannuation fund (paragraph 125-70(1)(g))
  - each Tawana Shareholder acquired Cowan Lithium Shares in the same proportion as they owned Tawana Shares just before the Demerger (paragraph 125-70(2)(a))
  - each Tawana Shareholder owned, just after the Demerger, the same proportionate total market value of Tawana and Cowan Lithium Shares as they owned in Tawana just before the Demerger (paragraph 125-70(2)(b)), and
  - subsections 125-70(4) and (5) do not apply.

60. The requirements of a demerger and the conditions for choosing demerger roll-over were satisfied in respect of the Demerger (section 125-70 and subsection 125-55(1)). Accordingly, Tawana Shareholders are entitled to obtain demerger roll-over for the Demerger.

61. If a Tawana Shareholder chooses demerger roll-over, they disregard any capital gain made when CGT event G1 happened to their Tawana Shares under the Demerger (subsection 125-80(1)).

62. If a Tawana Shareholder does not choose demerger roll-over, they cannot disregard any capital gain made when CGT event G1 happened under the Demerger.

63. Whether or not a Tawana Shareholder chooses the Demerger roll-over, they must recalculate the cost base and reduced cost base of their Tawana Shares and calculate the cost base and reduced cost base of their new Cowan Lithium Shares in the same way (subsections 125-80(2), 125-80(3) and 125-85(2)).

64. The first element of the cost base and reduced cost base of each Tawana Share and the corresponding Cowan Lithium Share received under the Demerger is worked out by:

- calculating the sum of the cost bases of each Tawana Share just before the Demerger, and
- apportioning that sum between the Tawana Shares and the Cowan Lithium Shares acquired under the Demerger.

65. For the purposes of the cost base and the reduced cost base apportionment under subsections 125-80(2) and (3), the Commissioner accepts the use of the volume weighted average price (VWAP) of Tawana Shares as traded on the ASX over their last 5 trading days immediately before the Record Date, less the market value provided in accordance with the independent valuation of Cowan Lithium x 85%. This results in a reasonable approximation of the relative market value of Cowan Lithium Shares and Tawana Shares as \$0.0714 per share and \$0.3821 per share respectively.

66. Based on the valuation mentioned in paragraph 65 of this Ruling, 1.65% of the shareholder's original cost base and reduced cost base for the Tawana Shares becomes the first element of the cost base and reduced cost base of Cowan Lithium Shares, and 98.35% becomes the first element of the cost base and reduced cost base of Tawana Shares (section 125-85 and subsections 125-80(2) and 125-80(3)).

## **Dividend consequences**

### ***Distribution debited to the share capital account is not a dividend***

67. Subsection 44(1) of the ITAA 1936 includes in a shareholder's assessable income any dividends, as defined in subsection 6(1), paid to the shareholder out of profits derived by the company from any source (if the shareholder is an Australian resident) or out of profits derived by the company from sources in Australia (if the shareholder is a non-resident).

68. The term 'dividend' is defined in subsection 6(1) of the ITAA 1936 and includes a distribution made by a company to any of its shareholders, whether in money or other property. However, paragraph (d) of the definition of 'dividend' excludes a distribution that is debited against an amount standing to the credit of the share capital account of the company.

69. The term 'share capital account' is defined in section 975-300 as an account which the company keeps of its share capital, or any other account created on or after 1 July 1998 where the first amount credited to the account was an amount of share capital.

70. Subsection 975-300(3) states that an account is not a share capital account if it is tainted. Tawana has confirmed that its share capital was not tainted immediately before the Demerger.

71. The Demerger distribution to Tawana shareholders of Cowan Lithium Shares was partly recorded as a debit to Tawana's share capital account of \$2,206,813. As the share capital account of Tawana is not tainted within the meaning of Division 197, paragraph (d) of the definition of 'dividend' as defined in subsection 6(1) of the ITAA 1936 applies. Accordingly, the part of the Demerger distribution debited to the share capital account, is not a 'dividend' as defined in subsection 6(1) of the ITAA 1936. Therefore, it will not be included in the assessable income of Tawana Shareholders under subsection 44(1) of the ITAA 1936.

### ***Balance of the distribution is a demerger dividend***

72. Tawana Shareholders also received a dividend (demerger dividend) to the extent that the market value of the Cowan Lithium Shares distributed under the Demerger exceeded the amount of the distribution debited against the share capital account (see TR 2003/8).

73. This dividend is not assessable income or exempt income (subsections 44(3) and 44(4) of the ITAA 1936) if:

- the dividend is a 'demerger dividend' (as defined in subsection 6(1) of the ITAA 1936)
- Tawana (as the head entity of the demerger group) does not elect that subsections 44(3) and 44(4) of the ITAA 1936 will not apply to the demerger dividend (subsection 44(2)), and
- subsection 44(5) of the ITAA 1936 is satisfied.

74. As each of the conditions in paragraph 73 of this Ruling is satisfied, the Demerger dividend received by Tawana Shareholders will not be assessable income or exempt income (subsection 44(4) of the ITAA 1936).

**Application of sections 45B, 45BA and 45C of the ITAA 1936**

75. Section 45B of the ITAA 1936 applies where certain payments, allocations and distributions are made to shareholders in substitution for dividends. In the event of demergers, section 45B also applies where the components of a demerger allocation as between the capital and profit do not reflect the circumstances of the Demerger.

76. In broad terms, there needs to be a scheme in which, having regard to the relevant circumstances of the scheme, it would be concluded that the person or one of the persons who entered into the scheme did so for a purpose, other than an incidental purpose, of enabling the relevant taxpayer to obtain a tax benefit.

77. A 'scheme' for the purposes of section 45B of the ITAA 1936 has the meaning given by subsection 995-1(1), as stipulated in subsection 45B(10) of the ITAA 1936.

78. It is expected that a demerger would constitute a scheme for the purposes of section 45B of the ITAA 1936. Therefore, the Demerger arrangement involving the distribution of Cowan Lithium Shares to Tawana Shareholders constitutes a scheme for the purposes of section 45B.

79. The phrase 'provided with a demerger benefit' is defined in subsection 45B(4) of the ITAA 1936 and includes a company providing a person with ownership interests in that or another company. The phrase 'provided with a capital benefit' is defined in subsection 45B(5) and includes provision of ownership interests in a company to a person and the distribution of share capital to a person (but not to the extent that such a provision involves the person receiving a demerger dividend: subsection 45B(6)).

80. The arrangement involving the *in specie* distribution of Cowan Lithium Shares to Tawana Shareholders under the Demerger, constituted the provision of a demerger benefit and, to the extent the value of Cowan Lithium Shares was debited to Tawana's share capital account, also represented the provision of a capital benefit.

81. As the provision of Cowan Lithium Shares would generally result in a lesser amount of tax payable by Tawana Shareholders than the amount that would have been payable if the provision of those shares was instead an assessable dividend, Tawana Shareholders would obtain a tax benefit (paragraph 45B(2)(b) of the ITAA 1936).

82. For the purposes of paragraph 45B(2)(c) of the ITAA 1936, the Commissioner is required to consider the relevant circumstances (as outlined in subsection 45B(8)) of the scheme to determine whether it could be concluded that entities that entered into or carried out the scheme, or any part of the scheme, did so for a purpose (other than an incidental purpose) of enabling the relevant taxpayer (Tawana Shareholder) to obtain a tax benefit.

83. Having regard to the relevant circumstances, as outlined in subsection 45B(8) of the ITAA 1936, the Commissioner has formed the view that such a purpose did not exist.

84. Accordingly, section 45B of the ITAA 1936 does not apply to the scheme, and the Commissioner will not make a determination:

- under paragraph 45B(3)(a) of the ITAA 1936 that section 45BA applies to the whole, or any part, of the demerger benefit provided to Tawana Shareholders under the Demerger of Cowan Lithium Shares, or
- under paragraph 45B(3)(b) of the ITAA 1936 that section 45C applies to the whole, or any part, of the capital benefit provided to Tawana Shareholders under the Demerger of Cowan Lithium Shares.

**Appendix 2 – Detailed contents list**

85. The following is a detailed contents list for this Ruling:

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## References

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*Previous draft:*

Not previously issued as a draft

*Related Rulings/Determinations:*

TR 2003/8; TR 2006/10

*Legislative references:*

- ITAA 1936
  - ITAA 1936 6(1)
  - ITAA 1936 44
  - ITAA 1936 44(1)
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