


# ***CR 2025/39 - SG Fleet Group Limited - scrip for scrip roll-over***

 This cover sheet is provided for information only. It does not form part of *CR 2025/39 - SG Fleet Group Limited - scrip for scrip roll-over*



---

Status: **legally binding**

---

## Class Ruling

# SG Fleet Group Limited – scrip for scrip roll-over

---

### **📌 Relying on this Ruling**

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

If this Ruling applies to you, and you correctly rely on it, we will apply the law to you in the way set out in this Ruling. That is, you will not pay any more tax or penalties or interest in respect of the matters covered by this Ruling.

---

<b>Table of Contents</b>	<b>Paragraph</b>
What this Ruling is about	1
Who this Ruling applies to	4
When this Ruling applies	6
<b>Ruling</b>	<b>7</b>
<b>Scheme</b>	<b>25</b>

---

### **What this Ruling is about**

1. This Ruling sets out the income tax consequences for shareholders in SG Fleet Group Limited (SG Fleet) who received shares in Westmann TopCo Limited (now known as SG Fleet TopCo Limited) (TopCo) as consideration for the disposal of their shares in SG Fleet under a scheme of arrangement on 30 April 2025 (Implementation Date).
2. Details of this scheme are set out in paragraphs 25 to 47 of this Ruling.
3. All legislative references in this Ruling are to the *Income Tax Assessment Act 1997*, unless otherwise indicated.

### **Who this Ruling applies to**

4. This Ruling applies to you if you:
  - were registered on SG Fleet's share register as at 23 April 2025 (Record Date) and you received TopCo shares as consideration for the disposal of your SG Fleet shares
  - are either a
    - resident of Australia as defined in section 6(1) of the *Income Tax Assessment Act 1936* (ITAA 1936), or
    - a foreign resident (as defined in subsection 995-1(1)) who is not a 'temporary resident' of Australia (as defined in subsection 995-1(1)) and you did not hold your SG Fleet shares at or through a permanent establishment in Australia), and
  - held your SG Fleet shares on capital account – that is, you did not hold your SG Fleet shares as revenue assets (as defined in section 977-50) or as trading stock (as defined in subsection 995-1(1)).

---

Status: **legally binding**

---

5. This Ruling does not apply to anyone who is subject to the taxation of financial arrangements rules in Division 230 in relation to the scheme outlined in paragraphs 25 to 47 of this Ruling.

Note: Division 230 will not apply to individuals unless they have made an election for it to apply.

### **When this Ruling applies**

6. This Ruling applies from 1 July 2024 to 30 June 2025.

## **Ruling**

### **CGT event A1 happened on the disposal of your SG Fleet Group Limited shares**

7. CGT event A1 happened when you disposed of your SG Fleet shares (subsection 104-10(1)).

8. The time of CGT event A1 was on the Implementation Date (paragraph 104-10(3)(b)).

### **Capital proceeds**

9. The capital proceeds from CGT event A1 happening to each SG Fleet share is the market value of the TopCo shares you received in respect of your disposal of the SG Fleet share (paragraph 116-20(1)(b)). The market value of the TopCo share is worked out at the time of CGT event A1.

### **Capital gain or capital loss**

10. You made a capital gain from CGT event A1 happening if the capital proceeds from the disposal of your SG Fleet share were more than the cost base of that share (subsection 104-10(4)). The capital gain is the amount of the excess.

11. You made a capital loss from CGT event A1 happening if the capital proceeds from the disposal of your SG Fleet share were less than the reduced cost base of that share (subsection 104-10(4)). The capital loss is the amount of the difference.

### **Foreign resident shareholders**

12. If you were a 'foreign resident' or the trustee of a 'foreign trust for CGT purposes' (as defined in subsection 995-1(1)) just before the Implementation Date, and your SG Fleet shares were not 'taxable Australian property' (as defined in section 855-15), you disregard any capital gain or capital loss you made from CGT event A1 happening when you disposed of your SG Fleet shares (section 855-10).

13. Your SG Fleet shares were not taxable Australian property under table items 1, 2 or 4 of section 855-15. However, your SG Fleet shares were taxable Australian property if they were:

- used by you at any time in carrying on a business through a permanent establishment in Australia (table item 3 of section 855-15), or

---

Status: **legally binding**

---

- covered by subsection 104-165(3) about individuals choosing to disregard a capital gain or capital loss on ceasing to be an Australian resident (table item 5 of section 855-15).

#### **Availability of scrip for scrip roll-over**

14. Subject to the qualifications in paragraphs 15 and 16 of this Ruling, if you received TopCo shares in exchange for your SG Fleet shares and you made a capital gain from the disposal of those SG Fleet shares, you may choose to obtain scrip for scrip roll-over for that capital gain (sections 124-780 and 124-785). Scrip for scrip roll-over is not available if you made a capital loss (paragraph 124-780(3)(b)).

15. You cannot choose scrip for scrip roll-over if any capital gain you might make from the replacement TopCo shares would be disregarded, except because of a roll-over (paragraph 124-795(2)(a)).

16. If you were a foreign resident just before the Implementation Date and your SG Fleet shares were 'taxable Australian property' (as defined in section 855-15), you cannot choose scrip for scrip roll-over unless the replacement TopCo shares were also taxable Australian property just after the Implementation Date (subsection 124-795(1)).

#### **Consequences if you choose scrip for scrip roll-over**

##### ***Capital gain is disregarded on disposal of your SG Fleet Group Limited shares***

17. If you choose scrip for scrip roll-over, you disregard the capital gain you made from CGT event A1 happening in respect of the disposal of your SG Fleet shares (subsection 124-785(1)).

##### ***Cost base and reduced cost base of SG Fleet Group Limited shares***

18. If you choose scrip for scrip roll-over, the first element of the cost base and reduced cost base of each replacement TopCo share you received is worked out by reasonably attributing to it the cost base and reduced cost base of the SG Fleet share for which it was exchanged and for which you obtained the roll-over (subsections 124-785(2) and (4)).

19. In this case, due to each SG Fleet share being exchanged for 3.5 TopCo shares, the cost base (and reduced cost base) of each SG Fleet share you owned is divided by 3.5 to determine the first element of the cost base and reduced cost base for each replacement TopCo share.

##### ***Acquisition date of corresponding SG Fleet Group Limited shares***

20. For the purposes of determining whether a capital gain made from any later disposal of your TopCo shares is a 'discount capital gain', you are taken to have acquired your replacement TopCo shares on the date you acquired, for CGT purposes, the corresponding SG Fleet shares (table item 2 of subsection 115-30(1)).

---

Status: **legally binding**

---

**Consequences if you do not choose scrip for scrip roll-over*****Capital gain is not disregarded on disposal of your SG Fleet Group Limited shares***

21. If you do not, or cannot, choose scrip for scrip roll-over, you must take into account any capital gain or capital loss from CGT event A1 happening on the disposal of your SG Fleet shares in working out your net capital gain or net capital loss for the income year in which CGT event A1 happened (sections 102-5 and 102-10).

22. If you made a capital gain from CGT event A1 happening where scrip for scrip roll-over is not chosen, or cannot be chosen, you can treat the capital gain as a discount capital gain provided you acquired the SG Fleet shares on or before 29 April 2024 (section 115-25) and that the other conditions in Subdivision 115-A are met.

***Cost base and reduced cost base of SG Fleet Group Limited shares***

23. If you do not, or cannot, choose scrip for scrip roll-over, the first element of the cost base and reduced cost base of a replacement TopCo share you received is equal to the market value of the SG Fleet share you gave in exchange for your TopCo share (paragraph 110-25(2)(b) and subsection 110-55(2)).

24. The market value of the SG Fleet share you gave is worked out as at the time you acquired the replacement TopCo share, which was on the Implementation Date (paragraph 110-25(2)(b) and subsection 110-55(2)).

**Scheme**

25. The following description of the scheme is based on information provided by the applicant. If the scheme is not carried out as described, this Ruling cannot be relied upon.

**SG Fleet Group Limited**

26. SG Fleet was incorporated in Australia on 15 January 2014 and was listed on the Australian Securities Exchange (ASX).

27. SG Fleet provides fleet management and leasing solutions in Australia and other services in New Zealand and the United Kingdom.

28. On the Record Date, SG Fleet had 341,984,420 ordinary shares on issue. This included 22,408,012 held by shareholders referred to as 'Relevant Management Shareholders' in the Scheme Booklet dated 21 February 2025, with 696,824 held by foreign residents.

**Westmann TopCo Limited**

29. TopCo was incorporated in Australia on 26 November 2024. TopCo is not listed on the ASX.

30. TopCo is owned and controlled by Pacific Equity Partners Pty Limited (PEP). The shareholders of PEP are PEP Fund VII entities, PEP Gateway Investors Administration B Pty Ltd (as trustee for PEP Gateway Private Fund) and the Puffin Coinvestment LP, acting via its general partner PEP Puffin Coinvestment GP (Jersey) Limited.

---

Status: **legally binding**

---

31. TopCo is a non-operating holding company and is the ultimate parent of Westmann BidCo Pty Limited (now known as SG Fleet BidCo Pty Limited) (BidCo).

#### **Westmann BidCo Pty Limited**

32. BidCo, a company incorporated in Australia, is a wholly owned subsidiary of Westmann MidCo Pty Limited (now known as SG Fleet MidCo Pty Limited) (MidCo).

33. MidCo, a company incorporated in Australia, is a wholly owned subsidiary of Westmann Mezzco Pty Limited (now known as SG Fleet Mezzco Pty Limited) (Mezzco).

34. Mezzco, a company incorporated in Australia, is a wholly owned subsidiary of TopCo.

#### **Acquisition of SG Fleet Group Limited by Westmann BidCo Pty Limited**

35. On 4 December 2024, SG Fleet and Bidco entered into a Scheme Implementation Agreement for Bidco to acquire 100% of the SG Fleet shares by way of a scheme of arrangement pursuant to Part 5.1 of the *Corporations Act 2001* (Corporations Act).

36. On 4 March 2025, the Foreign Investment Review Board approved the scheme of arrangement.

37. On 8 April 2025, the scheme of arrangement was approved by the requisite majority of SG Fleet shareholders at the scheme meeting.

38. On 15 April 2025, the Supreme Court of New South Wales approved the scheme of arrangement and provided orders pursuant to Part 5.1 of the Corporations Act.

39. On 16 April 2025, the scheme of arrangement became effective and SG Fleet was suspended from trading on the ASX.

40. On the Implementation Date, all SG Fleet shares were transferred to Bidco.

41. As consideration for the disposal of SG Fleet shares, shareholders received either:

- cash consideration of \$3.50 for each SG Fleet share they held at the Record Date, or
- 3.5 TopCo shares in exchange for each SG Fleet share held on the Record Date, which could only be received by Relevant Management Shareholders.

#### **Other matters**

42. There was no 'significant stakeholder' or 'common stakeholder' for the scheme of arrangement within the meaning of those terms in section 124-783.

43. Immediately before the Scheme Implementation Agreement was entered into and up until the Implementation Date, SG Fleet had more than 300 shareholders. SG Fleet was not treated as if it did not have at least 300 members under subsection 124-810(1).

44. Neither TopCo nor any of its wholly owned subsidiaries issued equity (other than the TopCo shares issued to Relevant Management Shareholders in exchange for their SG Fleet shares), or owed new debt under the scheme of arrangement, to an entity that was not a member of the TopCo group and in relation to the issuing of the TopCo shares (paragraph 124-780(3)(f)).

# CR 2025/39

---

Status: **legally binding**

---

45. SG Fleet shareholders dealt with BidCo and TopCo at arm's length in relation to the disposal and acquisition of the SG Fleet shares (subsection 124-780(4)).

46. TopCo did not make a choice to deny the scrip for scrip roll-over to SG Fleet shareholders under Subdivision 124-M (subsection 124-795(4)).

47. No foreign resident Relevant Management Shareholder, either alone or together with their 'associates' (as defined in section 318 of the ITAA 1936), held 10% or more of the SG Fleet shares on the Implementation Date or for any 12-month period during the 24 months prior to the Implementation Date (for the purposes of section 960-195 and paragraph 855-25(1)(a)).

---

**Commissioner of Taxation**

4 June 2025

---

---

 Status: **not legally binding**


---

## References

---

### *Legislative references:*

- ITAA 1936 6(1)
  - ITAA 1936 318
  - ITAA 1997 102-5
  - ITAA 1997 102-10
  - ITAA 1997 104-10(1)
  - ITAA 1997 104-10(3)(b)
  - ITAA 1997 104-10(4)
  - ITAA 1997 104-165(3)
  - ITAA 1997 110-25(2)(b)
  - ITAA 1997 110-55(2)
  - ITAA 1997 Subdiv 115-A
  - ITAA 1997 115-25
  - ITAA 1997 115-30(1)
  - ITAA 1997 116-20(1)(b)
  - ITAA 1997 Subdiv 124-M
  - ITAA 1997 124-780
  - ITAA 1997 124-780(3)(b)
  - ITAA 1997 124-780(3)(f)
  - ITAA 1997 124-780(4)
  - ITAA 1997 124-783
  - ITAA 1997 124-785
  - ITAA 1997 124-785(1)
  - ITAA 1997 124-785(2)
  - ITAA 1997 124-785(4)
  - ITAA 1997 124-795(1)
  - ITAA 1997 124-795(2)(a)
  - ITAA 1997 124-795(4)
  - ITAA 1997 124-810(1)
  - ITAA 1997 Div 230
  - ITAA 1997 855-10
  - ITAA 1997 855-15
  - ITAA 1997 855-25(1)(a)
  - ITAA 1997 960-195
  - ITAA 1997 977-50
  - ITAA 1997 995-1(1)
  - Corporations Act 2001 Pt 5.1
- 

### ATO references

NO: 1-16APY8IB  
 ISSN: 2205-5517  
 BSL: PG  
 ATOLaw topic: Capital gains tax ~~ CGT events ~~ A1 – disposal of a CGT asset  
 Capital gains tax ~~ Rollovers ~~ Scrip for scrip

---

© AUSTRALIAN TAXATION OFFICE FOR THE COMMONWEALTH OF AUSTRALIA

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).