


# ***CR 2025/57 - Investors Central Limited - Public Preference Shares - off-market share buy-back***

 This cover sheet is provided for information only. It does not form part of *CR 2025/57 - Investors Central Limited - Public Preference Shares - off-market share buy-back*



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Status: **legally binding**

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## Class Ruling

# Investors Central Limited – Public Preference Shares – off-market share buy-back

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### **📌 Relying on this Ruling**

This publication (excluding appendix) 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.

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

1. This Ruling sets out the income tax consequences for shareholders who participate in an off-market share buy-back (Buy-Back) of Public Preference Shares in Investors Central Limited (ICL).
2. Details of this scheme are set out in paragraphs 11 to 26 of this Ruling.
3. All legislative references in this Ruling are to provisions of the *Income Tax Assessment Act 1936* or the *Income Tax Assessment Act 1997* (as detailed in the table in the Appendix to this Ruling).

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

4. This Ruling applies to you if you:
  - acquired your ICL Public Preference Shares under the Public Offer in the prospectus dated 16 November 2023 (Prospectus)
  - sell some or all your ICL Public Preference Shares under the Buy-Back, and
  - are a ‘resident of Australia’ as defined under subsection 6(1).
5. This Ruling does not apply to anyone who is subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* in relation to the scheme outlined in paragraphs 11 to 26 of this Ruling.

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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 2028.

### **When this Ruling does not apply**

7. This Ruling does not apply to redemptions of ICL Public Preference Shares.

## **Ruling**

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### **Off-market share buy-back**

8. The Buy-Back is an off-market purchase for the purposes of section 159GZZZK.

### **No part of the buy-back price is a dividend**

9. No part of the proceeds you receive in the Buy-Back is included in your assessable income (subsection 44(1)). This is because the whole amount of the purchase price will be debited against the amounts standing to the credit of ICL's share capital account (subsection 159GZZZP(1)).

### **The anti-avoidance provisions**

10. The Commissioner will not make a determination under subsection 45A(2) or 45B(3) that section 45C applies to treat any part of the Buy-Back price of \$1 per ICL Public Preference Share you receive as an unfranked dividend.

## **Scheme**

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11. The following description of the scheme is based on information provided by the applicant. If the scheme is not carried out as described or if the facts differ from that described, this Ruling cannot be relied upon.

### **Investors Central Limited**

12. ICL is an unlisted Australian-resident public company.

13. As at 31 August 2024, ICL had 318,847,141 redeemable preference shares, including Public Preference Shares.

### **Public Preference Shares**

14. Under the Prospectus, ICL offered to issue 2 new classes of redeemable preference shares at \$1 each. The offer closed on 2 December 2024.

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15. The offers under the Prospectus comprised the issue of:
- Public Preference Shares under a Public Offer and a Public Rollover Offer, and
  - Employee Preference Shares under an Employee Offer and an Employee Rollover Offer.
16. The Public Preference Shares are not convertible into ordinary shares in ICL.

#### **Off-market share buy-back**

17. ICL will undertake selective Buy-Backs (as opposed to redemption) and cancel part or all of the Public Preference Shares before they are due to be redeemed.
18. Each Buy-Back will be undertaken in accordance with Division 2 of Part 2J.1 of the *Corporations Act 2001* and ICL's Constitution.
19. To facilitate the Buy-Backs, ICL will enter into a buy-back agreement with each Public Preference Shareholder to buy-back and cancel the Public Preference Shares held.
20. In the application form for Public Preference Shares, each Public Preference Shareholder provided an express power of attorney to have unconditionally and irrevocably appointed each director of ICL to execute a Buy-Back Agreement on their behalf.
21. Under the Share Buy-Back Deed, ICL agrees to buy-back the Public Preference Shares for an amount equal to:
- the offer price of \$1 each, plus
  - any accrued interest on those shares.
22. However, each Buy-Back will only take place on the last day of the month after the payment of the monthly accrued interest so that there will not be any accrued interest.
23. ICL shall fund each Buy-Back by way of existing cash reserves or by loan.
24. ICL will debit its share capital account by \$1 for each Public Preference Share under the Buy-Back.

#### **Other matters**

25. At the time of each Buy-Back, the market value of the Public Preference Shares will be \$1 per share.
26. At the time of each Buy-Back, ICL's share capital account (as defined in section 975-300) is not tainted within the meaning of Division 197.

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**Commissioner of Taxation**

3 September 2025

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 Status: **not legally binding**


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## Appendix – Legislative provisions

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27. This paragraph sets out the details of the provisions of the Income Tax Assessment Acts ruled upon or referenced in this Ruling.

Table 1: Provisions of the *Income Tax Assessment Act 1936* and *Income Tax Assessment Act 1997* ruled upon or referenced in this Ruling.

<i>Income Tax Assessment Act 1936</i>	subsection 6(1)
<i>Income Tax Assessment Act 1936</i>	subsection 44(1)
<i>Income Tax Assessment Act 1936</i>	subsection 45A(2)
<i>Income Tax Assessment Act 1936</i>	subsection 45B(3)
<i>Income Tax Assessment Act 1936</i>	section 45C
<i>Income Tax Assessment Act 1936</i>	section 159GZZZK
<i>Income Tax Assessment Act 1936</i>	subsection 159GZZZP(1)
<i>Income Tax Assessment Act 1997</i>	Division 197
<i>Income Tax Assessment Act 1997</i>	Division 230
<i>Income Tax Assessment Act 1997</i>	section 975-300

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## References

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Legislative references:

- Corporations Act 2001 Pt 2J.1 Div 2

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ATO references

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