


CR 2026/7 - Symal Group Limited - employee share scheme - entitlement to franking credit tax offset

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Status: **legally binding**

Class Ruling

Symal Group Limited – employee share scheme – entitlement to franking credit tax offset

📌 Relying on this Ruling

This publication (excluding appendixes) 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 employees of Symal Group Limited (Symal), or its subsidiaries, that receive a distribution of franked dividends in respect of the Symal shares that are held on trust for their benefit (Allocated Plan Shares) by the trustee of the Symal Group Employee Share Trust (Plan Trustee).
2. Details of this scheme are set out in paragraphs 14 to 28 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 Appendix 2 of this Ruling), unless otherwise indicated.

Who this Ruling applies to

4. This Ruling applies to you if you are an employee of Symal or one of its subsidiaries (Participant) who:
 - is granted zero exercise price options or market-priced options (Options) under the Symal Employee Equity Incentive Plan (Plan)
 - immediately after being granted the Options, did not hold a legal or beneficial interest in more than 5% of the shares in Symal or is not in a position to cast or control the casting of more than 5% of the maximum number of votes that might be cast at a general meeting of Symal

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- has exercised your Options to receive Symal shares which are held on trust for your benefit by the Plan Trustee, and
- is a 'resident of Australia' as defined under subsection 6(1).

When this Ruling applies

5. This Ruling applies from 1 July 2024 to 30 June 2029.

When this Ruling does not apply

6. This Ruling will not apply to you if you are:
- not assessed on your share of the franked dividends because it is exempt income or non-assessable non-exempt income in your hands, or
 - subject to the taxation of financial arrangements rules in Division 230 in relation to the scheme outlined in paragraphs 14 to 28 of this Ruling.

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

Ruling**Franking credit tax offset**

7. The franked dividends that the Plan Trustee receives in respect of your Allocated Plan Shares flow indirectly to you (subsection 207-50(3)).

8. You are entitled to a tax offset equal to your share of the franking credit attached to a dividend that the Plan Trustee receives in relation to your Allocated Plan Shares if you are a qualified person in respect of the dividend for the purposes of Division 1A of former Part IIIAA (paragraph 207-145(1)(a)) and none of the other circumstances set out in section 207-150 apply.

Qualified person

9. You will be a qualified person in respect of the dividend if:
- the Plan Trustee is a qualified person in relation to the dividend (former section 160APHU), and
 - either
 - you satisfy the 'holding period rule' in former paragraph 160APHO(2)(b), or
 - the total amount of franking credit tax offsets you receive in an income year does not exceed \$5,000 (the small shareholder exemption) (former subsection 160APHT(1)).

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Holding period rule

10. You have not made a related payment in respect of the dividend (former section 160APHN) and, therefore, the primary qualification period applies (former paragraph 160APHO(1)(a)).
11. The primary qualification period begins on the day after the day on which you acquired your interest in the Allocated Plan Shares and ends on the 45th day after the day on which your interest became ex dividend (former section 160APHD). Your interest becomes ex dividend on the day after the record date of the dividend, which is the last day on which acquisition of a Symal share would entitle a person to receive the dividend (former subsection 160APHE(1)).
12. You will satisfy the holding period rule in relation to the dividend if you held your interest in the Allocated Plan Shares, on which the dividend was paid, at risk for a continuous period of at least 45 days during the primary qualification period (not counting days where you did not have 'materially diminished risks of loss or opportunities for gain', as defined in former section 160APHM in respect of your interest or, if you have disposed of your interest, the day of disposal) (former paragraph 160APHO(2)(b)).
13. Former subsection 160APHL(10) will not apply in determining whether you have materially diminished risks of loss or opportunities for gain, as your interest in the Allocated Plan Shares is an 'employee share scheme security' as defined in former section 160APHD.

Scheme

14. 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.

Background

15. Symal is a company that was incorporated in Australia, with its shares listed on the Australian Securities Exchange.
16. Symal is an Australian resident for income tax purposes and is the head company of a consolidated group.
17. A number of subsidiary members of the consolidated group are employer entities.

Symal Employee Equity Incentive Plan

18. Symal operates the Plan for eligible employees of the Symal group. The Plan is governed by the Symal Employee Equity Incentive Plan Rules (Plan Rules), which were approved by Symal's board of directors (Board) on 1 November 2024.
19. The purpose of the Plan is to assist in the reward, retention and motivation of key employees to increase long-term financial returns of Symal and align the interests of employees with those of its shareholders.
20. Under the Plan, Symal may, at the discretion of the Board, offer and issue awards to Participants. At present, Options are offered to Participants for no consideration but are subject to vesting conditions that are specified in a Participant's respective offer or the Plan Rules.

Status: **legally binding**

21. The Options will vest and become exercisable by a Participant after their respective vesting conditions are satisfied. Once exercised, a Participant becomes entitled to a prescribed number of ordinary shares in Symal that are held on trust by the Plan Trustee on their behalf.

Symal Group Employee Share Trust

22. The Symal Group Employee Share Trust (Trust) was established on 30 April 2025 and is not a 'widely held trust' as defined in former section 160APHD.

23. The Trust was established for the purpose of holding Symal shares for the benefit of Participants who are, or will become, the beneficial owners of the Symal shares pursuant to the Plan.

24. The Trust is operated in accordance with the Plan Rules and the Symal Group Employee Share Trust Deed, executed on 30 April 2025, and satisfies the definition of an 'employee share trust' for the purposes of subsection 130-85(4).

25. From time to time, Symal may contribute money to the Plan Trustee after Options are granted to Participants. The Plan Trustee will use those funds to subscribe for, or purchase, Symal shares for the purposes of the Plan.

26. The Plan Trustee must, when directed by the Board, allocate to a nominated Participant the specified number of Symal shares.

27. Once allocated, these Allocated Plan Shares are held by the Plan Trustee on behalf of the Participant, who is absolutely entitled to those Allocated Plan Shares and entitled to receive all dividends paid in respect of them. A Participant is presently entitled to so much of the Trust's net income for an income year which is attributable to their Allocated Plan Shares.

28. The Allocated Plan Shares are held by the Plan Trustee until it is directed by the Board to transfer those shares to the Participant. Upon transfer, Symal will register the Participant as the legal holder of those shares.

Commissioner of Taxation

11 February 2026

Status: **not legally binding**

Appendix 1 – Explanation

❶ ***This Explanation 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.***

Holding period rule

29. Subject to the Plan Trustee being a qualified person (former section 160APHU), you will be a qualified person in relation to the dividend if you satisfy the holding period rule by holding your interest in the Allocated Plan Shares, on which the dividend was paid, at risk for a continuous period of at least 45 days during the primary qualification period (former section 160APHO).

30. In working out the number of days you continuously held your interest in the Allocated Plan Shares at risk, you do not count:

- if you disposed of your interest, the day of disposal (former paragraph 160APHO(2)(b)), and
- any days on which you have 'materially diminished risks of loss or opportunities for gain' (as defined in former section 160APHM) in respect of your interest, but the exclusion is not taken to break the continuity period during which you held the interest (former subsection 160APHO(3)).

31. You are taken to have materially diminished risks of loss or opportunities for gain on a particular day in respect of your interest in the Allocated Plan Shares if your 'net position' on that day in relation to the interest has less than 30% of those risks and opportunities (former subsection 160APHM(2)).

32. A 'position' in relation to an interest in shares is anything that has a delta in relation to the interest (former subsection 160APHJ(2)). For example, an option to sell a share with a delta of minus 0.5 in relation to the share reduces the risks of loss and opportunities for gain by 50% (former subsection 160APHM(3)).

33. Your net position in relation to your interest in the Allocated Plan Shares is calculated by adding your 'long positions' and 'short positions' in the interest (calculated on the basis of their deltas) (former subsection 160APHJ(5)). A 'short position' in relation to an interest in shares is a position that has a negative delta (former subsection 160APHJ(3)). A 'long position' in relation to an interest in shares is a position that has a positive delta (former subsection 160APHJ(4)).

34. Your interest in the Allocated Plan Shares is taken to be a long position with a delta of +1 in relation to itself (former subsection 160APHL(7)). As your interest in the Allocated Plan Shares satisfies the definition of 'employee share scheme security' set out in former section 160APHD, former subsection 160APHL(10) will not apply to deem you as having an equivalent short position.

35. Therefore, provided that you do not enter into any other positions in relation to your interest in the Allocated Plan Shares, you will have a net position of +1 and you will not have any materially diminished risks of loss or opportunities for gain in respect of your interest.

Status: **not legally binding**

Appendix 2 – Legislative provisions

36. This paragraph sets out the details of the 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>	Division 1A of former Part IIIAA
<i>Income Tax Assessment Act 1936</i>	former section 160APHD
<i>Income Tax Assessment Act 1936</i>	former subsection 160APHE(1)
<i>Income Tax Assessment Act 1936</i>	former subsection 160APHJ(2)
<i>Income Tax Assessment Act 1936</i>	former subsection 160APHJ(3)
<i>Income Tax Assessment Act 1936</i>	former subsection 160APHJ(4)
<i>Income Tax Assessment Act 1936</i>	former subsection 160APHJ(5)
<i>Income Tax Assessment Act 1936</i>	former subsection 160APHL(7)
<i>Income Tax Assessment Act 1936</i>	former subsection 160APHL(10)
<i>Income Tax Assessment Act 1936</i>	former section 160APHM
<i>Income Tax Assessment Act 1936</i>	former subsection 160APHM(2)
<i>Income Tax Assessment Act 1936</i>	former subsection 160APHM(3)
<i>Income Tax Assessment Act 1936</i>	former section 160APHN
<i>Income Tax Assessment Act 1936</i>	former section 160APHO
<i>Income Tax Assessment Act 1936</i>	former paragraph 160APHO(1)(a)
<i>Income Tax Assessment Act 1936</i>	former paragraph 160APHO(2)(b)
<i>Income Tax Assessment Act 1936</i>	former subsection 160APHO(3)
<i>Income Tax Assessment Act 1936</i>	former subsection 160APHT(1)
<i>Income Tax Assessment Act 1936</i>	former section 160APHU
<i>Income Tax Assessment Act 1997</i>	subsection 130-85(4)
<i>Income Tax Assessment Act 1997</i>	subsection 207-50(3)
<i>Income Tax Assessment Act 1997</i>	paragraph 207-145(1)(a)
<i>Income Tax Assessment Act 1997</i>	section 207-150
<i>Income Tax Assessment Act 1997</i>	Division 230

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References

ATO references

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