


PR 2003/44A3 - Addendum - Income tax: tax consequences of investing in the UBS Protected Geared Investment Product

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Addendum

Product Ruling

Income tax: tax consequences of investing in the UBS Protected Geared Investment Product

This Addendum amends Product Ruling PR 2003/44 to include that part of the interest charge incurred in respect of the Interest Funding Loan that is allowable as a deduction under section 8-1 of the *Income Tax Assessment Act 1997*, within Exception 1 of the tax shelter rules set out in section 82KZME of the *Income Tax Assessment Act 1936*.

PR 2003/44 is amended as follows:

1. Paragraph 17 f)

At the end of the sentence, before the semi-colon, insert the following words:

‘or the Interest Funding Loan’

2. Paragraphs 17 g) and 17 h)

Omit the paragraphs.

3. Paragraph 17 j)

After the words ‘interest charge on the Protected Loan’, insert the following words:

‘and the Interest Funding Loan’

4. Paragraph 32

(a) After the words ‘interest incurred on the Protected Loan’, insert the following words:

‘and the Interest Funding Loan’

(b) In sub-paragraph a) of paragraph 32, after the words ‘the Protected Loan’, insert the following words:

‘and the Interest Funding Loan’

After the subparagraphs and before paragraph 33, insert the following sentence:

‘Deductibility of expenditure must therefore be considered under the prepayment rules outlined in paragraphs 35 to 41 below.’

5. Paragraphs 33 and 34

Omit the paragraphs.

6. Paragraph 37

(a) After the words ‘interest payment for the Protected Loan’, insert the following words:

‘and the Interest Funding Loan’

(b) At the end of the paragraph, before the full stop, insert the following words:

‘and the Interest Funding Loan’

7. Paragraph 40

After the words ‘interest on the Protected Loan’, insert the following words:

‘and the Interest Funding Loan’

8. Paragraph 41

After the words ‘interest payments on the Protected Loan’, insert the following words:

‘and the Interest Funding Loan’

This Addendum applies on and from 18 June 2003, the date from which the original Ruling applies.

Commissioner of Taxation

18 February 2004

ATO references

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