


PR 2007/100A - Addendum - Income tax: Kiri Park Projects - pre 30 June 2008 Growers

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Addendum

Product Ruling

Income tax: Kiri Park Projects – pre 30 June 2008 Growers

This Addendum amends Product Ruling PR 2007/100 to remove Allco Managed Investment Limited (Momentum) as preferred financier for the Project and replace it with a different preferred financier United Pacific Finance Pty Ltd (United).

PR 2007/100 is amended as follows:

1. Paragraph 5

Omit the fifth and sixth dot points; substitute:

- enter into finance arrangements with entities associated with the Project, other than Forestry Finance Limited and United Pacific Finance Pty Ltd (United);
- enter into finance arrangements with Forestry Finance Limited or United other than the arrangements specified at paragraphs 75 to 83 of this Ruling;

2. Paragraph 28

Omit all occurrences of 'Momentum'; substitute 'United'.

3. Paragraph 36

Insert after the first dot point:

- Additional correspondence and documents, received 1 April 2008, 10 June 2008, 11 June 2008, 12 June 2008 and 13 June 2008;

Omit the last dot point; substitute:

- Finance Package for United Pacific Finance Pty Ltd (United) including **Loan Agreement** received 1 April 2008, 10 June 2008 and 12 June 2008.

4. Paragraph 72

Omit 'Momentum'; substitute 'United'.

5. Paragraph 73

Omit all occurrences of 'Momentum'; substitute 'United'.

6. Paragraphs 80 to 83

Omit the paragraphs including the heading; substitute:

Finance offered by United

80. Subject to the terms and conditions of the Loan Agreement, a Grower can finance the cost of the Application Price by borrowing that amount from United under the following arrangements:

- 5 years Principal and Interest at an interest rate of 11.45%; and
- 2 years Interest only followed by 5 years Principal and Interest at an interest rate of 11.45%.

81. The following conditions apply to the above loan arrangements:

- monthly payments of interest only or monthly repayments of principal and interest payable on the first Business Day of each month commencing on the first business day of the month following the loan drawdown date;
- application fee of \$295 plus 1% of the loan amount (may be added to the loan);
- maximum loan size of \$500,000; and
- stamp duty, as applicable.

82. The interest rates mentioned above (in paragraphs 78 and 80 of this Ruling) are only indicative. The actual interest rate for the loans will be set by the lender on the loan drawdown date.

83. The loans from Forestry Finance Limited and United are made on a full recourse commercial basis and normal debt recovery procedures, including legal action, will be taken in the case of defaulting borrowers. The loans will be secured by a charge over the Grower's interest(s) in the Project.

7. Paragraph 84

In the last dot point, omit 'Momentum'; substitute 'United'.

8. Paragraphs 92, 101, 122, and 131

Omit all occurrences of 'Momentum'; substitute 'United'.

This Addendum applies on and from 12 December 2007.

Commissioner of Taxation

25 June 2008

ATO references

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ATOlaw topic: Income Tax ~~ Product ~~ timber