



TD 96/39W - Income tax: foreign income: can a controlled foreign company (CFC) obtain the benefit of the trading stock exemption under section 521 of the Income Tax Assessment Act 1936 ('the Act')?

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 This document has changed over time. This is a consolidated version of the ruling which was published on *18 January 2012*



Notice of Withdrawal

Taxation Determination

Income tax: foreign income: can a controlled foreign company (CFC) obtain the benefit of the trading stock exemption under section 521 of the *Income Tax Assessment Act 1936* ('the Act')?

Taxation Determination TD 96/39 is withdrawn with effect from today.

1. Taxation Determination TD 96/39, which issued 18 September 1996, provides that an election cannot be made by, or on behalf of, a CFC under subsection 31(5) of the Act to value its trading stock at market value because of the requirement in section 397 that the CFC must value its trading stock at cost price only.
2. The former subsection 31(5) of the Act had been repealed and substituted with subsection 70-70(2) of the *Income Tax Assessment Act 1997* (ITAA 1997) from 1 July 1997. Subsection 70-70(2) of the ITAA 1997 was subsequently repealed by *Tax Laws Amendment (Foreign Source Income deferral) Act (No 1) 2010* on 14 July 2010.
3. As TD 96/39 is no longer current, it is accordingly withdrawn.

Commissioner of Taxation

18 January 2012

ATO references

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ATOLaw topic: Income tax ~~ Assessable income ~~ Income from controlled foreign companies