



TD 97/4W - Income tax: how are business profits or losses calculated under Article 4 of Annex D ('the Taxation Code') to the Treaty between Australia and the Republic of Indonesia on the Zone of Cooperation in an Area between the Indonesian Province of East Timor and Northern Australia ('the Timor Gap Treaty')?

 This cover sheet is provided for information only. It does not form part of *TD 97/4W - Income tax: how are business profits or losses calculated under Article 4 of Annex D ('the Taxation Code') to the Treaty between Australia and the Republic of Indonesia on the Zone of Cooperation in an Area between the Indonesian Province of East Timor and Northern Australia ('the Timor Gap Treaty')*?

 This document has changed over time. This is a consolidated version of the ruling which was published on 5 April 2017



Notice of Withdrawal

Taxation Determination

Income tax: how are business profits or losses calculated under Article 4 of Annex D ('the Taxation Code') to the Treaty between Australia and the Republic of Indonesia on the Zone of Cooperation in an Area between the Indonesian Province of East Timor and Northern Australia ('the Timor Gap Treaty')?

Taxation Determination TD 97/4 is withdrawn with effect from today.

1. TD 97/4 deals with the calculation of business profits under Article 4 of Annex D to the Treaty between Australia and the Republic of Indonesia on the Zone of Cooperation in an Area between the Indonesian Province of East Timor and Northern Australia ('the Timor Gap Treaty').
2. TD 97/4 states that the correct method of calculating business profits of a 'special purpose' company under Article 4.1 is to calculate the business profits or losses under the tax systems of both Australia and Indonesia, and then reduce those taxable amounts (or losses for tax purposes) in each country by 50 per cent.
3. The Timor Gap Treaty was superseded by the Treaty between the Government of East Timor and the Government of Australia ('the Timor Sea Treaty'), which came into effect on 20 May 2002.
4. TD 97/4 has no ongoing relevance and is therefore withdrawn without replacement.

Commissioner of Taxation

5 April 2017

ATO references

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