



***TD 98/25 - Income tax: capital gains: is there a CGT event when an investor pays the final instalment under the Commonwealth Bank of Australia (CBA) and Telstra public share offers and the shares are transferred to the investor?***

 This cover sheet is provided for information only. It does not form part of *TD 98/25 - Income tax: capital gains: is there a CGT event when an investor pays the final instalment under the Commonwealth Bank of Australia (CBA) and Telstra public share offers and the shares are transferred to the investor?*

 This document has changed over time. This is a consolidated version of the ruling which was published on 11 November 1998

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# Taxation Determination

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**Income tax: capital gains: is there a CGT event when an investor pays the final instalment under the Commonwealth Bank of Australia (CBA) and Telstra public share offers and the shares are transferred to the investor?**

## Preamble

This Determination is a 'public ruling' for the purposes of Part IVAAA of the *Taxation Administration Act 1953* and is legally binding on the Commissioner. Taxation Rulings TR 92/1 and TR 97/16 together explain how a Determination is legally or administratively binding.

## Date of effect

This Determination applies to years commencing both before and after its date of issue. However, this Determination does not apply to taxpayers to the extent that it conflicts with the terms of settlement of a dispute agreed to before the date of issue of the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

1. Investors in the CBA and Telstra public share offers were invited by the Commonwealth to make offers to purchase shares in the respective companies. If an application was successful, shares were allocated to the investor. Those shares were then transferred, at the direction of the investor, to a security trust to protect the vendor's interest in the unpaid final instalment. The trustee of the security trust issued instalment receipts as evidence of the investor's beneficial interest in the shares.

2. On payment of the final instalment and transfer of the shares from the trustee to the investor no CGT event occurs.

**Note:** CGT event A1 will happen on a disposal of the shares (or instalment receipts if sold earlier) and it is at this point that it will be determined whether a capital gain or a capital loss arises.

## Commissioner of Taxation

11 November 1998

FOI INDEX DETAIL: [Reference No.](#) 1017835

Not previously issued in draft form

[Related Determinations:](#) TD 98/11

[Subject Ref:](#) acquisition of shares; capital gains; capital gains tax; disposal of shares

[ATO Ref:](#) NAT 98/11077-2; CPL/P/99/34