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FEDERAL GOVERNMENT CLARIFICATION OF CAPITAL GAINS TAX FOR SUPERANNUATION FUND BORROWINGS



On 17 January 2011 the Assistant Treasurer announced an extension to the income tax reforms to cover Superannuation Instalment Warrant (Borrowing) arrangements in relation to direct and indirect interests in listed Securities (Shares) as well as unlisted Securities and other asset bundles such as Units in Investment Trusts.

The Government has taken this step to clarify that on making the last payment of the Borrowings for the Instalment Warrant, the bare Trust holding the assets will **not be liable** to pay Capital Gains Tax on the transfer of the asset into the name of the Superannuation Fund.

Draft Legislation to clarify this announcement is expected to be available for public review shortly.

This represents an extension of the ATO's previously announced policy of affording Capital Gains Tax transaction concessions for limited classes of Stock Exchange traded Securities (Shares).

If you have any queries in relation to this matter or to any related Superannuation or Superannuation Borrowing matter, please feel free to contact Adam Robinson or Ian Portas.*

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*Please note that the above information is a general guide only, and should not be relied upon without checking the application of the new laws to your situation with one of our solicitors.