

EXPOSURE DRAFT

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Inserts for
**Tax and Superannuation Laws
Amendment (2014 Measures No. 3) Bill
2014: foreign resident CGT integrity
measures**

Commencement information

Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details

- | | | |
|----------------|---|--|
| 1. | | |
| 2. Schedule ?? | The day this Act receives the Royal Assent. | |
| 3. | | |
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EXPOSURE DRAFT

Schedule ??—Foreign resident CGT integrity measures

Income Tax Assessment Act 1997

1 After subsection 855-30(4)

Insert:

- (4A) For the purposes of subsections (2) and (4), disregard the *market value of an asset that is not *taxable Australian real property if:
- (a) the parties to an *arrangement included the first entity and the other entity, or included:
 - (i) the first entity or the other entity; and
 - (ii) an entity that is a first entity or other entity for the purposes of a related application of subsection (3) and table item 2 in subsection (4); and
 - (b) an effect of the arrangement was to create the asset, as an asset of one of those 2 parties, before the *CGT event happened.

2 Application of amendment

- (1) Subsection 855-30(4A) of the *Income Tax Assessment Act 1997* (as inserted by this Schedule) applies in relation to a CGT event if:
- (a) in a case where those 2 parties were members of the same consolidated group or MEC group at the time the asset was created—the CGT event happens after the budget time; and
 - (b) otherwise—the CGT event happens on or after [*insert day the exposure draft is released to the public*].
- (2) For the purposes of this item, the **budget time** is 7.30 pm, by legal time in the Australian Capital Territory, on 14 May 2013.