

EXPOSURE DRAFT

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Inserts for
**Tax and Superannuation Laws
Amendment (2014 Measures No. 3) Bill
2014: Foreign resident CGT assets used
by permanent establishments**

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.		

EXPOSURE DRAFT

Schedule ??—Foreign resident CGT assets used by permanent establishments

Income Tax Assessment Act 1997

1 Section 855-15 (cell at table item 3, column headed “Description”)

Repeal the cell, substitute:

A *CGT asset that:

(a) you have used at any time in carrying on a *business through:

- (i) if you are a resident in a country that has entered into an *international tax agreement with Australia containing a *permanent establishment article—a permanent establishment (within the meaning of the relevant international tax agreement) in Australia; or
- (ii) otherwise—a *permanent establishment in Australia; and

(b) is not covered by item 1, 2 or 5 of this table

2 After section 855-15

Insert:

855-16 Meaning of *permanent establishment article*

A *permanent establishment article* is:

- (a) Article 5 of the United Kingdom convention (within the meaning of the *International Tax Agreements Act 1953*); or
- (b) a corresponding provision of another *international tax agreement.

3 Subsection 855-35(1)

Omit “(within the meaning of section 23AH of the *Income Tax Assessment Act 1936*)”, substitute “(as mentioned in that item)”.

4 Subsection 995-1(1)

Insert:

permanent establishment article has the meaning given by section 855-16.

EXPOSURE DRAFT

1 **5 Application of amendments**

2 The amendments made by this Schedule apply to CGT events that
3 happen on or after the commencement of item 112 of Schedule 4 to the
4 *Tax Laws Amendment (2006 Measures No. 4) Act 2006*.

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