

# EXPOSURE DRAFT

EXPOSURE DRAFT
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Inserts for  
**Tax and Superannuation Laws  
Amendment (2016 National Innovation  
and Science Agenda) Bill 2016: Access to  
losses**

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**Commencement information**

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<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions</b>	<b>Commencement</b>	<b>Date/Details</b>
1. Schedule #	The first 1 January, 1 April, 1 July or 1 October to occur after the day this Act receives the Royal Assent.	
2.		
3.		

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## Schedule #—Access to losses

### Part 1—Companies

#### *Income Tax Assessment Act 1997*

##### **1 Section 165-210 (heading)**

Repeal the heading, substitute:

##### **165-210 The business continuity test—carrying on the same business**

##### **2 Subsection 165-210(1)**

Omit “*same business test* if throughout the \*same business test period”, substitute “*business continuity test* if throughout the \*business continuity test period”.

##### **3 Subsection 165-210(2)**

Omit “\*same business test if, at any time during the \*same business test period,”, substitute “\*business continuity test under this section if, at any time during the \*business continuity test period,”.

##### **4 Subsection 165-210(3)**

Omit “\*same business test”, substitute “\*business continuity test under this section”.

##### **5 Subsection 165-210(3)**

Omit “\*same business test period”, substitute “\*business continuity test period”.

##### **6 Subsection 165-210(4)**

Omit “\*same business test”, substitute “\*business continuity test under this section”.

##### **7 Subsection 165-210(4)**

Omit “\*same business test period”, substitute “\*business continuity test period”.

##### **8 After section 165-210**

Insert:

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## 165-211 The business continuity test—carrying on a similar business

- 1  
2 (1) A company also satisfies the *business continuity test* in relation to:  
3 (a) a \*tax loss for an income year starting on or after 1 July 2015;  
4 or  
5 (b) taxable income for an income year starting on or after 1 July  
6 2015; or  
7 (c) a \*net capital gain or \*net capital loss for an income year  
8 starting on or after 1 July 2015; or  
9 (d) a \*trading stock loss for an income year starting on or after  
10 1 July 2015; or  
11 (e) a debt, incurred in an income year starting on or after 1 July  
12 2015, that the company writes off as bad;  
13 if throughout the \*business continuity test period it carries on a  
14 business (its *current business*) that is similar to the \*business it  
15 carried on immediately before the \*test time (its *former business*).
- 16 (2) Without limiting the matters that may be taken into account in  
17 ascertaining whether the company's current business is similar to  
18 its former business, the following must be taken into account:  
19 (a) the extent to which the assets (including goodwill) that are  
20 used in its current business to generate assessable income  
21 throughout the \*business continuity test period were also used  
22 in its former business to generate assessable income;  
23 (b) the extent to which the sources from which its current  
24 business generated assessable income throughout the  
25 business continuity test period were also the sources from  
26 which its former business generated assessable income;  
27 (c) whether any changes to its former business are changes that  
28 would reasonably be expected to have been made to a  
29 similarly placed business.
- 30 (3) However, the company does *not* satisfy the \*business continuity  
31 test under this section if, before the \*test time, it:  
32 (a) started to carry on a \*business it had not previously carried  
33 on; or  
34 (b) in the course of its business operations, entered into a  
35 transaction of a kind that it had not previously entered into;  
36 and did so for the purpose, or for purposes including the purpose,  
37 of being taken to have carried on throughout the \*business
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continuity test period a business that is similar to the business it carried on immediately before the test time.

## 9 Subsection 175-5(2)

After “if”, insert “the loss is for an income year starting before 1 July 2015, and”.

## 10 Subsection 175-40(2)

Repeal the subsection, substitute:

(2) However, the Commissioner cannot \*disallow the \*excluded loss if:

(a) the loss is for an income year starting before 1 July 2015; and

(b) in determining (under section 165-96) whether Subdivision 165-A would prevent the company from deducting the loss (or the part of the loss) for the income year if the loss were a \*tax loss of the company for that earlier income year, the company:

(i) would fail to meet a condition in section 165-12 (which is about the company maintaining the same owners) in respect of the income year; but

(ii) would meet the condition in section 165-13 (which is about the company satisfying the same business test) in respect of the income year.

Note: Subdivision 165-A deals with the deductibility of a company’s tax loss for an earlier income year if there has been a change in the ownership or control of the company in the period from the start of the loss year to the end of the income year.

## 11 Subsection 175-80(2)

After “if”, insert “the loss is for an income year starting before 1 July 2015, and”.

## 12 After subsection 707-140(1)

Insert:

(1A) However, subsection (1) does not affect the operation of paragraph 165-211(1)(a).

Note: This subsection ensures that the head company can only apply the version of the business continuity test in section 165-211 if the loss of the joining entity was incurred on or after 1 July 2015.

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1 **13 Application of amendments**

2           The amendments made by this Part apply in relation to income years  
3           starting on or after 1 July 2015.

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1 **Part 2—Listed widely held trusts**

2 *Income Tax Assessment Act 1936*

3 **14 Section 269-100 (heading) in Schedule 2F**

4 Repeal the heading, substitute:

5 **269-100 Passing the business continuity test**

6 **15 Subsection 269-100(1) in Schedule 2F**

7 Omit “*passes the same business test* during a period (the *same business*  
8 *test period*)”, substitute “*passes the business continuity test* during a  
9 period (the *business continuity test period*)”.

10 **16 Subsection 269-100(1) in Schedule 2F**

11 Omit “same business test period”, substitute “business continuity test  
12 period”.

13 **17 Subsection 269-100(3) in Schedule 2F**

14 Omit “the same business test if, at any time during the same business  
15 test period,”, substitute “the business continuity test under this section  
16 if, at any time during the business continuity test period,”.

17 **18 Subsection 269-100(4) in Schedule 2F**

18 Omit “pass the same business test”, substitute “pass the business  
19 continuity test under this section”.

20 **19 Subsection 269-100(4) in Schedule 2F**

21 Omit “same business test period”, substitute “business continuity test  
22 period”.

23 **20 Subsection 269-100(5) in Schedule 2F**

24 Omit “the test if, at any time during the same business test period,”,  
25 substitute “the business continuity test under this section if, at any time  
26 during the business continuity test period,”.

27 **21 At the end of Subdivision 269-F in Schedule 2F**

28 Add:

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## 269-105 Modified test for income years starting on or after 1 July 2015

### *Cases in which businesses need only be similar*

- (1) A listed widely held trust also *passes the business continuity test* during a period (the *business continuity test period*) in relation to a time (the *test time*) and in relation to:
- (a) a tax loss for a loss year starting on or after 1 July 2015; or
  - (b) net income for an income year starting on or after 1 July 2015; or
  - (c) a debt, incurred in an income year starting on or after 1 July 2015, that the trust writes off as bad; or
  - (d) a debt, incurred in an income year starting on or after 1 July 2015, in relation to which a debt/equity swap (within the meaning of section 63E) occurs;
- if throughout the business continuity test period it carries on a business (its *current business*) that is similar to the business it carried on immediately before the test time (its *former business*).

### *Relevance of being a trust*

- (2) The mere fact of being a trust does not mean that the trust cannot carry on a business.

### *Matters to be considered*

- (3) Without limiting the matters that may be taken into account in ascertaining whether the trust's current business is similar to its former business, the following must be taken into account:
- (a) the extent to which the assets (including goodwill) that are used in its current business to generate assessable income throughout the business continuity test period were also used in its former business to generate assessable income;
  - (b) the extent to which the sources from which its current business generated assessable income throughout the business continuity test period were also the sources from which its former business generated assessable income;
  - (c) whether any changes to its former business are changes that would reasonably be expected to have been made to a similarly placed business.

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*Exception*

- (4) However, the trust does *not* satisfy the business continuity test under this section if, before the test time, it:
  - (a) started to carry on a business it had not previously carried on;  
or
  - (b) in the course of its business operations, entered into a transaction of a kind that it had not previously entered into;  
and did so for the purpose, or for purposes including the purpose, of being taken to have carried on throughout the business continuity test period a business that is similar to the business it carried on immediately before the test time.

**22 Application of amendments**

The amendments made by this Part apply in relation to income years starting on or after 1 July 2015.



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1 **Part 3—Consequential amendments**

2 *Income Tax Assessment Act 1936*

3 **23 Section 266-125 (heading) in Schedule 2F**

4 Repeal the heading, substitute:

5 **266-125 There must be no abnormal trading (subject to 50% stake**  
6 **or business continuity exceptions)**

7 **24 Paragraph 266-125(2)(b) in Schedule 2F**

8 Omit “same business test”, substitute “business continuity test”.

9 **25 Subsection 266-125(2) in Schedule 2F (second note)**

10 Omit “same business test”, substitute “business continuity test”.

11 **26 Paragraphs 266-135(2)(b) and (c) in Schedule 2F**

12 Omit “same business test”, substitute “business continuity test”.

13 **27 Subsection 266-135(3) in Schedule 2F**

14 Omit “same business test”, substitute “business continuity test”.

15 **28 Paragraph 268-20(4)(b) in Schedule 2F**

16 Omit “same business test”, substitute “business continuity test”.

17 **29 Section 269-5 in Schedule 2F**

18 Omit “same business test”, substitute “business continuity test”.

19 **30 Subdivision 269-F (heading) in Schedule 2F**

20 Repeal the heading, substitute:

21 **Subdivision 269-F—Business continuity test**

22 **31 Subsection 272-140(1) in Schedule 2F**

23 Insert:

24 *pass the business continuity test* has the meaning given by  
25 Subdivision 269-F.

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1 **32 Subsection 272-140(1) (definition of *pass the same***  
2 ***business test*) in Schedule 2F**

3 Repeal the definition.

4 ***Income Tax Assessment Act 1997***

5 **33 Subsection 4-15(2) (table item 1)**

6 Omit “same business test”, substitute “business continuity test”.

7 **34 Subsection 25-35(5) (table item 1)**

8 Omit “same business test”, substitute “business continuity test”.

9 **35 Section 36-25 (table relating to tax losses of companies,**  
10 **table items 1 and 2)**

11 Omit “same business test”, substitute “business continuity test”.

12 **36 Section 102-30 (table items 4 and 5)**

13 Omit “same business test”, substitute “business continuity test”.

14 **37 Section 165-5**

15 Omit:

16 (b) it satisfies the same business test by carrying on  
17 the same business, entering into no new kinds of  
18 transactions and conducting no new kinds of  
19 business.

20 substitute:

21 (b) it satisfies the business continuity test by carrying  
22 on the same business (including entering into no  
23 new kinds of transactions and conducting no new  
24 kinds of business), or by carrying on a similar  
25 business (on or after 1 July 2015).

26 **38 Paragraph 165-10(b)**

27 Omit “same business test”, substitute “business continuity test”.

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1 **39 Section 165-13 (heading)**

2 Repeal the heading, substitute:

3 **165-13 Alternatively, the company must satisfy the business**  
4 **continuity test**

5 **40 Subsection 165-13(2)**

6 Omit “\*same business test for the income year (the *same business test*

7 *period*)”, substitute “\*business continuity test for the income year (the

8 *business continuity test period*)”.

9 **41 Subsection 165-13(2) (note)**

10 Omit “same business test”, substitute “business continuity test”.

11 **42 Section 165-15 (heading)**

12 Repeal the heading, substitute:

13 **165-15 The same people must control the voting power, or the**  
14 **company must satisfy the business continuity test**

15 **43 Subsection 165-15(2)**

16 Omit “\*same business test for the income year (the *same business test*

17 *period*)”, substitute “\*business continuity test for the income year (the

18 *business continuity test period*)”.

19 **44 Subsection 165-15(3)**

20 Omit “\*same business test”, substitute “\*business continuity test”.

21 **45 Subsection 165-15(3) (note)**

22 Omit “same business test”, substitute “business continuity test”.

23 **46 Section 165-23**

24 Omit “same business test”, substitute “business continuity test”.

25 **47 Section 165-35 (heading)**

26 Repeal the heading, substitute:

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1 **165-35 On a change of ownership, unless the company satisfies the**  
2 **business continuity test**

3 **48 Paragraph 165-35(b)**

4 Omit “\*same business test for the *rest* of the income year (the *same*  
5 *business test period*)”, substitute “\*business continuity test for the *rest*  
6 of the income year (the *business continuity test period*)”.

7 **49 Section 165-35**

8 Omit “apply the \*same business test”, substitute “apply the business  
9 continuity test”.

10 **50 Section 165-35 (note 1)**

11 Omit “same business test”, substitute “business continuity test”.

12 **51 Section 165-40 (heading)**

13 Repeal the heading, substitute:

14 **165-40 On a change of control of the voting power in the company,**  
15 **unless the company satisfies the business continuity test**

16 **52 Subsection 165-40(2)**

17 Omit “\*same business test for the *rest* of the income year (the *same*  
18 *business test period*)”, substitute “\*business continuity test for the *rest*  
19 of the income year (the *business continuity test period*)”.

20 **53 Subsection 165-40(3)**

21 Omit “\*same business test”, substitute “\*business continuity test”.

22 **54 Subsection 165-40(3) (note)**

23 Omit “same business test”, substitute “business continuity test”.

24 **55 Subsection 165-45(4)**

25 Omit “\*same business test for all of them, considered as a single period  
26 (the *same business test period*). Apply the same business test”,  
27 substitute “\*business continuity test for all of them, considered as a  
28 single period (the *business continuity test period*). Apply the business  
29 continuity test”.

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1 **56 Subsection 165-45(4) (note 1)**

2 Omit “same business test”, substitute “business continuity test”.

3 **57 Section 165-93**

4 Omit:

5 (b) it satisfies the same business test by carrying on  
6 the same business, entering into no new kinds of  
7 transactions and conducting no new kinds of  
8 business.

9 substitute:

10 (b) it satisfies the business continuity test by carrying  
11 on the same business (including entering into no  
12 new kinds of transactions and conducting no new  
13 kinds of business), or by carrying on a similar  
14 business (on or after 1 July 2015).

15 **58 Section 165-99**

16 Omit “same business test”, substitute “business continuity test”.

17 **59 Section 165-102 (heading)**

18 Repeal the heading, substitute:

19 **165-102 On a change of ownership, or of control of voting power,  
20 unless the company satisfies the business continuity test**

21 **60 Section 165-115**

22 Omit “same business test”, substitute “business continuity test”.

23 **61 Paragraph 165-115AA(3)(b)**

24 Omit “same business test”, substitute “business continuity test”.

25 **62 Subsection 165-115B(4) (heading)**

26 Repeal the heading, substitute:

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*Need to meet business continuity test*

1  
2 **63 Subsection 165-115B(4)**

3 Omit “same business test”, substitute “business continuity test”.

4 **64 Subsection 165-115BA(4) (heading)**

5 Repeal the heading, substitute:

6 *No increase in assessable income if company satisfies the business*  
7 *continuity test*

8 **65 Subsection 165-115BA(4)**

9 Omit “same business test”, substitute “business continuity test”.

10 **66 Subsection 165-115BA(5) (heading)**

11 Repeal the heading, substitute:

12 *Assumptions for purposes of business continuity test*

13 **67 Paragraph 165-115BA(5)(d)**

14 Omit “same business test period”, substitute “\*business continuity test  
15 period”.

16 **68 Section 165-117**

17 Omit “same business test by carrying on the same business, entering  
18 into no new kinds of transactions and conducting no new kinds of  
19 business”, substitute “business continuity test by carrying on the same  
20 business (including entering into no new kinds of transactions and  
21 conducting no new kinds of business), or by carrying on a similar  
22 business (on or after 1 July 2015)”.

23 **69 Paragraph 165-120(1)(c)**

24 Omit “same business test”, substitute “business continuity test”.

25 **70 Section 165-126 (heading)**

26 Repeal the heading, substitute:

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1 **165-126 Alternatively, the company must satisfy the business**  
2 **continuity test**

3 **71 Subsection 165-126(2)**

4 Omit “\*same business test for the \*second continuity period (the *same*  
5 *business test period*)”, substitute “\*business continuity test for the  
6 \*second continuity period (the *business continuity test period*)”.

7 **72 Subsection 165-126(2) (note)**

8 Omit “same business test”, substitute “business continuity test”.

9 **73 Section 165-129 (heading)**

10 Repeal the heading, substitute:

11 **165-129 Same people must control the voting power, or the company**  
12 **must satisfy the business continuity test**

13 **74 Subsection 165-129(2)**

14 Omit “\*same business test for the \*second continuity period (the *same*  
15 *business test period*)”, substitute “\*business continuity test for the  
16 \*second continuity period (the *business continuity test period*)”.

17 **75 Subsection 165-129(3)**

18 Omit “\*same business test”, substitute “\*business continuity test”.

19 **76 Subsection 165-129(3) (note)**

20 Omit “same business test”, substitute “business continuity test”.

21 **77 Paragraph 165-132(1)(b)**

22 Omit “same business test”, substitute “business continuity test”.

23 **78 Subsection 165-132(1)**

24 Omit “\*same business test for the later income year (the *same business*  
25 *test period*)”, substitute “\*business continuity test for the later income  
26 year (the *business continuity test period*)”.

27 **79 Subsection 165-132(2) (note)**

28 Omit “same business test”, substitute “business continuity test”.

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1 **80 Subdivision 165-E (heading)**

2 Repeal the heading, substitute:

3 **Subdivision 165-E—Business continuity test**

4 **81 Subsections 165-212D(1) and (2)**

5 Omit “\*same business test”, substitute “\*business continuity test”.

6 **82 Subsection 166-5(5) (heading)**

7 Repeal the heading, substitute:

8 *Satisfies the business continuity test*

9 **83 Subsection 166-5(5)**

10 Omit “\*same business test for the income year (the *same business test*

11 *period*)”, substitute “\*business continuity test for the income year (the

12 *business continuity test period*)”.

13 **84 Subsection 166-5(5) (note 1)**

14 Omit “same business test”, substitute “business continuity test”.

15 **85 Subsection 166-5(6)**

16 Omit “\*same business test”, substitute “\*business continuity test”.

17 **86 Subsection 166-20(4) (heading)**

18 Repeal the heading, substitute:

19 *Satisfies the business continuity test*

20 **87 Subsection 166-20(4)**

21 Omit “\*same business test for the rest of the income year (the *same*

22 *business test period*)”, substitute “\*business continuity test for the rest

23 of the income year (the *business continuity test period*)”.

24 **88 Subsection 166-20(4) (note 1)**

25 Omit “same business test”, substitute “business continuity test”.

26 **89 Subsection 166-20(5)**

27 Omit “\*same business test”, substitute “\*business continuity test”.

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1 **90 Subsection 166-40(5) (heading)**

2 Repeal the heading, substitute:

3 *Satisfies the business continuity test*

4 **91 Subsection 166-40(5)**

5 Omit “\*same business test for the \*second continuity period (the *same*  
6 *business test period*)”, substitute “\*business continuity test for the  
7 \*second continuity period (the *business continuity test period*)”.

8 **92 Subsection 166-40(5) (note 1)**

9 Omit “same business test”, substitute “business continuity test”.

10 **93 Subsection 166-40(6)**

11 Omit “\*same business test”, substitute “\*business continuity test”.

12 **94 Paragraphs 175-5(2)(b) and 175-80(2)(b)**

13 Omit “same business test”, substitute “business continuity test”.

14 **95 Subsection 415-35(4)**

15 Omit “\*same business test period”, substitute “\*business continuity test  
16 period”.

17 **96 Subsection 415-35(4)**

18 Omit “same business test period would”, substitute “business continuity  
19 test period would”.

20 **97 Subsection 415-40(4)**

21 Omit “\*same business test period”, substitute “\*business continuity test  
22 period”.

23 **98 Subsection 415-40(4)**

24 Omit “same business test period would”, substitute “business continuity  
25 test period would”.

26 **99 Section 701-5 (note 3)**

27 Omit “same business test”, substitute “business continuity test”.

28 **100 Subsection 707-120(3)**

29 Repeal the subsection, substitute:

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*Business continuity test involving trial year*

- 1  
2 (3) When working out whether the joining entity carried on,  
3 throughout the \*trial year (or a period including the trial year):  
4 (a) the same business as the business it carried on at a particular  
5 time; or  
6 (b) a similar business to the business it carried on at that time;  
7 assume that the entity carried on at and just after the joining time  
8 the same business that it carried on just before the joining time.

9 **101 Section 707-125 (heading)**

10 Repeal the heading, substitute:

11 **707-125 Modified business continuity test for companies' post-1999**  
12 **losses**

13 **102 Subsection 707-125(2)**

14 Omit “\*same business test”, substitute “\*business continuity test”.

15 **103 Paragraph 707-125(2)(a)**

16 Omit “*same business test period*”, substitute “*business continuity test*  
17 *period*”.

18 **104 Paragraph 707-125(3)(a)**

19 Omit “(the *same business test period*) for the \*same business test”,  
20 substitute “(the *business continuity test period*) for the \*business  
21 continuity test”.

22 **105 Paragraph 707-125(3)(b)**

23 Omit “same business test”, substitute “business continuity test”.

24 **106 Paragraph 707-125(4)(a)**

25 Omit “\*same business test for the period (the *same business test*  
26 *period*)”, substitute “\*business continuity test for the period (the  
27 *business continuity test period*)”.

28 **107 Paragraph 707-125(4)(b)**

29 Omit “same business test”, substitute “business continuity test”.

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1 **108 Section 707-135 (heading)**

2 Repeal the heading, substitute:

3 **707-135 Transferring loss transferred to joining entity because**  
4 **business continuity test was satisfied**

5 **109 Subsection 707-135(1)**

6 Repeal the subsection, substitute:

7 (1) This section operates if the loss had been transferred to the joining  
8 entity (by a previous operation of this Subdivision) because the  
9 entity *from* which the loss was transferred carried on during a  
10 particular period:

- 11 (a) the same business as it carried on at a particular time; or  
12 (b) if section 165-211 applies in relation to the loss—a business  
13 similar to the business it carried on at a particular time.

14 Note: Section 165-211 enables an entity to satisfy the business continuity  
15 test by carrying on a similar business.

16 **110 Subsection 707-135(2)**

17 Omit “\*same business test”, substitute “\*business continuity test”.

18 **111 Paragraph 707-135(2)(a)**

19 Omit “*same business test period*”, substitute “*business continuity test*  
20 *period*”.

21 **112 Subsection 707-210(6) (heading)**

22 Repeal the heading, substitute:

23 *Business continuity test applying to latest transferee under*  
24 *Division 166*

25 **113 Subsection 707-210(6)**

26 Omit “\*same business test”, substitute “\*business continuity test”.

27 **114 Paragraph 707-400(1)(a)**

28 Omit “\*same business test”, substitute “\*business continuity test”.

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1 **115 Paragraph 707-400(1)(b)**

2 Omit “same business test period”, substitute “business continuity test  
3 period”.

4 **116 Subsection 707-400(1)**

5 Omit “*same business test period*”, substitute “*business continuity test*  
6 *period*”.

7 **117 Subsection 707-400(1)**

8 Omit “same business test” (first occurring), substitute “business  
9 continuity test”.

10 **118 Subsection 709-215(6) (heading)**

11 Repeal the heading, substitute:

12 *Test time for business continuity test under section 165-126*

13 **119 Paragraph 715-15(1)(a)**

14 Omit “\*same business test”, substitute “\*business continuity test”.

15 **120 Paragraph 715-15(1)(b)**

16 Omit “same business test”, substitute “business continuity test”.

17 **121 Subparagraph 715-15(1)(c)(iii)**

18 Omit “same business test”, substitute “business continuity test”.

19 **122 Paragraph 715-15(1)(d)**

20 Omit “same business test”, substitute “business continuity test”.

21 **123 Section 715-50 (heading)**

22 Repeal the heading, substitute:

23 **715-50 Step 1 amount is reduced if membership interest in**  
24 **subsidiary member is 165-CC tagged asset and business**  
25 **continuity test is failed**

26 **124 Paragraph 715-50(1)(d)**

27 Omit “\*same business test”, substitute “\*business continuity test”.

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1 **125 Subparagraph 715-50(1)(d)(i)**

2 Omit “*same business test period*”, substitute “*business continuity test*  
3 *period*”.

4 **126 Section 715-55 (heading)**

5 Repeal the heading, substitute:

6 **715-55 Step 2 amount is affected if liability of subsidiary member is**  
7 **165-CC tagged asset of another group member and**  
8 **business continuity test is failed**

9 **127 Paragraph 715-55(1)(d)**

10 Omit “\*same business test”, substitute “\*business continuity test”.

11 **128 Subparagraph 715-55(1)(d)(i)**

12 Omit “*same business test period*”, substitute “*business continuity test*  
13 *period*”.

14 **129 Paragraph 715-60(1)(d)**

15 Omit “\*same business test”, substitute “\*business continuity test”.

16 **130 Subparagraph 715-60(1)(d)(i)**

17 Omit “*same business test period*”, substitute “*business continuity test*  
18 *period*”.

19 **131 Paragraph 715-70(2)(c)**

20 Omit “\*same business test”, substitute “\*business continuity test”.

21 **132 Subparagraph 715-70(2)(c)(i)**

22 Omit “*same business test period*”, substitute “*business continuity test*  
23 *period*”.

24 **133 Section 715-90 (heading)**

25 Repeal the heading, substitute:

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1 **715-90 How business continuity test applies if leaving time is**  
2 **changeover time for leaving company**

3 **134 Subsection 715-90(2) (note)**

4 Omit “same business test”, substitute “business continuity test”.

5 **135 Subsection 715-95(3)**

6 Omit “\*same business test”, substitute “\*business continuity test”.

7 **136 Paragraph 715-95(3)(a)**

8 Omit “*same business test period*”, substitute “*business continuity test*  
9 *period*”.

10 **137 Paragraph 715-355(3)(c)**

11 Omit “\*same business test”, substitute “\*business continuity test”.

12 **138 Subparagraph 715-355(3)(c)(i)**

13 Omit “*same business test period*”, substitute “*business continuity test*  
14 *period*”.

15 **139 Paragraph 715-360(3)(c)**

16 Omit “\*same business test”, substitute “\*business continuity test”.

17 **140 Subparagraph 715-360(3)(c)(i)**

18 Omit “*same business test period*”, substitute “*business continuity test*  
19 *period*”.

20 **141 Subsection 719-260(2) (note)**

21 Omit “same business test”, substitute “business continuity test”.

22 **142 Subsection 719-260(3) (heading)**

23 Repeal the heading, substitute:

24 *Business continuity test for focal company under Division 166*

25 **143 Subsection 719-260(3)**

26 Omit “\*same business test”, substitute “\*business continuity test”.

# EXPOSURE DRAFT

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1 **144 Subsection 719-260(4) (heading)**

2 Repeal the heading, substitute:

3 *Business continuity test for focal company to transfer loss*

4 **145 Subsection 719-260(4) (note)**

5 Omit “same business test period”, substitute “business continuity test  
6 period”.

7 **146 Subsection 719-265(3) (heading)**

8 Repeal the heading, substitute:

9 *Loss transferred because business continuity test satisfied*

10 **147 Subsection 719-265(3)**

11 Omit “\*same business test”, substitute “\*business continuity test”.

12 **148 Paragraph 719-265(3)(a)**

13 Omit “\*same business test period”, substitute “\*business continuity test  
14 period”.

15 **149 Group heading before section 719-285**

16 Repeal the heading, substitute:

17 **Business continuity test and change of head company**

18 **150 Section 719-285 (heading)**

19 Repeal the heading, substitute:

20 **719-285 Business continuity test and change of head company**

21 **151 Section 719-285**

22 Omit “\*same business test”, substitute “\*business continuity test”.

23 **152 Section 719-285 (note 1)**

24 Omit “same business test”, substitute “business continuity test”.

25 **153 Subsection 719-455(3) (notes 1 and 2)**

26 Omit “same business test”, substitute “business continuity test”.

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# EXPOSURE DRAFT

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1 **154 Subsection 719-455(4) (heading)**

2 Repeal the heading, substitute:

3 *Business continuity test for head company under Division 166*

4 **155 Subsection 719-455(4)**

5 Omit “\*same business test”, substitute “\*business continuity test”.

6 **156 Subsection 995-1(1)**

7 Insert:

8 *business continuity test* has the meaning given by  
9 Subdivision 165-E.

10 *business continuity test period* has the meaning given by  
11 sections 165-13, 165-15, 165-35, 165-40, 165-45, 165-126,  
12 165-129, 165-132, 166-5, 166-20, 166-40, 707-125, 707-135,  
13 715-50, 715-55, 715-60, 715-70, 715-95, 715-355 and 715-360,  
14 and affected by sections 415-35, 415-40 and 707-400.

15 **157 Subsection 995-1(1)**

16 Repeal the following definitions:

- 17 (a) definition of *same business test*;  
18 (b) definition of *same business test period*.

19 **158 Subsection 995-1(1) (definition of *test time*)**

20 Omit “\*same business test”, substitute “\*business continuity test”.

21 **159 Application of amendments**

22 The amendments made by this Part apply in relation to income years  
23 starting on or after 1 July 2015.