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| **EXPOSURE DRAFT** |

Treasury Laws Amendments (2019 Measures No. #) Regulations 2019

I, General the Honourable Sir Peter Cosgrove AK MC (Ret’d), Governor‑General of the Commonwealth of Australia, acting with the advice of the Federal Executive Council, make the following regulation.

Dated 2019

Peter Cosgrove

Governor‑General

By His Excellency’s Command

Stuart Robert **[DRAFT ONLY—NOT FOR SIGNATURE]**

Assistant Treasurer

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1 Name

 This instrument is the *Treasury Laws Amendments (2019 Measures No. #) Regulations 2019*.

2 Commencement

 (1) Each provision of this instrument specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

| Commencement information |
| --- |
| Column 1 | Column 2 | Column 3 |
| Provisions | Commencement | Date/Details |
| 1. The whole of this instrument | The day after this instrument is registered. |  |

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.

 (2) Any information in column 3 of the table is not part of this instrument. Information may be inserted in this column, or information in it may be edited, in any published version of this instrument.

3 Authority

 This instrument is made under the *Income Tax Assessment Act 1997.*

4 Schedules

 Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

Schedule 1—Amendments

Income Tax Assessment Regulations 1997

1 Subregulation 974‑135F(4)

Repeal the subregulation, substitute:

 (4) In this regulation, a condition applying to the obligation is a ***non‑viability condition*** if the condition has the effect that if a non‑viability trigger event occurs the note must be:

 (a) written off; or

 (b) converted into ordinary shares of the issuer of the note or a parent entity of the issuer; or

 (c) converted into a mutual equity interest of the issuer of the note or a parent entity of the issuer.

2 After Subregulation 974‑135(5)

Insert:

 (6) In this regulation, a ***mutual equity interest***, has the same meaning as in Attachment K of the *Prudential Standard APS 111 Capital Adequacy: Measurement of Capital*.