

## Elliott, Casey

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**From:** [mark.oreilly@au.pwc.com](mailto:mark.oreilly@au.pwc.com)  
**Sent:** Monday, 6 August 2012 5:48 PM  
**To:** CGT Minor Amendments  
**Cc:** [malcolm.moss@au.pwc.com](mailto:malcolm.moss@au.pwc.com); [kieran.oneill@au.pwc.com](mailto:kieran.oneill@au.pwc.com)  
**Subject:** Proposed amendments to CGT

Casey

We refer to the Proposals Paper "Minor Amendments to the capital gains tax law" which was issued by Treasury in June 2012. We acknowledge that submissions closed on 25 July 2012, but ask that the submission below be considered as a part of the consultation process.

We welcome the proposed amendments by way of the expansion of the Subdivision 124-G roll-overs and the proposed Subdivision 124-H roll-overs for revenue assets and trading stock to all shares that qualify for the general conditions of the roll-over, as outlined in the 30 June 2012 Proposals Paper.

The proposed amendments to Subdivision 124-G and Subdivision 124-H will ensure the efficient operation of the revenue asset and trading stock roll-overs, by broadening these roll-overs to all shares that qualify for the roll-over, and not just those shares that are in a consolidated group.

At the outset we conclude that the proposed amendments will remove the technical deficiency of the current provisions.

We submit that the scope of the proposed amendments should be broadened to capture the circumstances relevant to Subdivision 124-M - scrip for scrip roll-over.

We ask that it be considered that the proposed amendments to Subdivision 124-G and Subdivision 124-H (which broadly apply to related shareholder transactions) be broadened to capture circumstances in Subdivision 124-M to allow the same relief for third party transactions.

We consider this to be a reasonable approach on the basis that where a third party transaction occurs that does not give rise to a taxing event due to the operation of Subdivision 124-M, the outcome should be mirrored to that of the proposed amendments of Subdivision 124-G and Subdivision 124-H, where shares held as trading stock or revenue assets are rolled over as there has been no economic disposal of these assets.

Should you have any queries in relation to this matter or would like to discuss further, please do not hesitate to contact me on (02) 8266 2979.

Kind regards

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