



ASSISTANT TREASURER

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**PRESS
RELEASE**

RELEASE OF DRAFT LEGISLATION TO WIDEN THE SCOPE OF THE SCRIP FOR SCRIP ROLLOVER RELIEF

The Assistant Treasurer, Senator Nick Sherry, has today released draft legislation that makes it easier for takeovers and mergers regulated by the *Corporations Act 2001* to qualify for capital gains tax (CGT) scrip for scrip rollover.

The scrip for scrip rollover enables taxpayers to defer realising capital gains from exchanging shares in one company for shares in another as part of a merger or takeover. Similar relief is also available for the exchange of trust interests.

“This legislation is good news for certain shareholders facing an unforeseen tax event, while increasing the scope of the scrip for scrip rollover in this way means there’s one less obstacle to takeovers and mergers,” the Assistant Treasurer said.

It is a requirement of the scrip for scrip rollover that members in the target entity have the ability to participate in the arrangement on substantially the same terms.

This measure carves out mergers and takeovers that comply with Australia’s corporations law from having to meet the participation requirements of the scrip for scrip rollover.

This measure applies to CGT events that happen from 6 January 2010, the day the Assistant Treasurer announced the Government’s intention to introduce the legislation.

Copies of the draft legislation and explanatory materials are available at www.treasury.gov.au.

The consultation period closes on 7 May 2010.

CANBERRA

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