



Loans (Taxation Exemption) Act 1978

No. 160 of 1978

**An Act to provide for the exemption from taxation
of certain documents and payments relating to
certain overseas borrowings by or on behalf of the
Commonwealth**

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An Act to provide for the exemption from taxation of certain documents and payments relating to certain overseas borrowings by or on behalf of the Commonwealth

[Assented to 28 Nov 1978]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *Loans (Taxation Exemption) Act 1978*.

2 Commencement

This Act shall come into operation on the day on which it receives the Royal Assent.

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3 Interpretation

- (1) In this Act, unless the contrary intention appears:

law means a law of the Commonwealth or of a State or Territory;

prescribed borrowing means a borrowing of moneys outside Australia by or on behalf of the Commonwealth upon terms and conditions that do not provide for the issue of stock or securities of a kind to which section 6B of the *Loans Securities Act 1919* applies.

- (2) A reference in this Act to tax or duty shall be read as including a reference to withholding tax within the meaning of the *Income Tax Assessment Act 1936* and to tax or duty in respect of:

- (a) the estates of deceased persons;
- (b) property derived from deceased persons; and
- (c) gifts or other dispositions of property.

4 Exemption from taxation of certain documents and payments

- (1) Where, by the terms and conditions upon which a prescribed borrowing has been made, the Commonwealth has given an undertaking, however expressed, to the effect that a document relating to the borrowing will be exempt from, free of, or not subject to taxes imposed in Australia, the document is not subject to any tax or duty under any law.
- (2) Where, by the terms and conditions upon which a prescribed borrowing has been made, the Commonwealth has given an undertaking, however expressed, to the effect that an amount payable by or on behalf of the Commonwealth in respect of the borrowing, whether by way of principal, interest, commitment fee or otherwise, will be exempt from, free of, or not subject to, taxes imposed in Australia, except where the person beneficially entitled to the amount is a person included in a particular class of persons consisting of or including all residents of Australia, the amount:
- (a) is not subject to any tax or duty under any law; and
 - (b) shall be disregarded for all purposes in determining the liability of any person to pay tax or duty under any law or in determining the amount of any such liability,

- unless, at the time of the act, transaction or event that, according to the provisions of the law imposing the tax or duty, gave rise to liability to the tax or duty, the person beneficially entitled to the amount was a person included in that particular class of persons.

5 Application of Act

This Act has effect notwithstanding anything contained in any law.