



Product rulings – terms of use

Product rulings are issued on the basis that people or entities applying for rulings, and their associates, will abide by the strict terms of use.

Failure to comply with the terms of use may lead to the withdrawal of the ruling.

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> Refer to Product Ruling [PR 2007/71](#) *The Product Rulings system* for more information on the Commissioner of Taxation's view of obligations applicable to all product ruling applicants after the issue of a product ruling.

Product rulings – agreement on terms of use

I, (the Promoter)

in consideration of the Commissioner of Taxation (the Commissioner) issuing a product ruling (the product ruling) with respect to the

(the Scheme)

agree to be bound by the terms of use set out in schedule 1 below.

I further agree that if I or any current or future associate of mine or any person or entity at any time connected with or providing services to the Scheme fails to comply with the terms of use in schedule 1, then the Commissioner may withdraw the product ruling without notice at any time. I accept that this agreement does not operate to bestow any rights upon me or my associates, nor to exclude the operation of any of the powers granted to the Commissioner.

Dated this day of Month Year

Signed

Full name

The Promoter

Signed

Full name

Witness

Signed

Full name

For the Commissioner of Taxation

Signed

Full name

Witness

Schedule 1

TERMS OF USE OF PRODUCT RULING

The product ruling may only be reproduced in full. Extracts, paraphrases or quotations from the product ruling must not be produced. Unless reproduced in full in the prospectus or in any equivalent or similar document used in the marketing of the Scheme, copies of the product ruling will be provided to all potential investors free of charge.

Promotional or other material, where the product ruling or its content is referred to, must clearly state that the product ruling:

- is only a ruling on the application of taxation law
- is only binding on the ATO if the Scheme is implemented in the specific manner outlined in the product ruling.

Promotional or other material, where the product ruling or its content is referred to, must include the following statements, in bold text:

- **The Commissioner of Taxation (Commissioner) does not sanction, endorse or guarantee this product. Further, the Commissioner gives no assurance that the product is commercially viable, that charges are reasonable, appropriate or represent industry norms, or that projected returns will be achieved or are reasonably based.**
- **Potential participants must form their own view about the commercial and financial viability of the product. The Commissioner recommends you consult an independent financial (or other) adviser for such information.**

Promotional or other material may:

- only refer to the product ruling in connection with the Scheme
- not refer to the product ruling in connection with any other scheme, other than to advise potential investors that the product ruling is of no relevance to any other scheme.

Promotional or other material includes presentations provided to a potential investor and discussions with a potential investor by any of the following:

- the Promoter
- associates of the Promoter
- any person or entity in any way connected with the Scheme.

The Promoter will notify the ATO if the Scheme is implemented in a manner that is in any way different to the description of the Scheme contained in the product ruling as supplied to the ATO by the Promoter.

⚠ The promoter penalty laws contained in Division 290 of Schedule 1 to the *Tax Administration Act 1953* were implemented to deter the implementation of schemes in a way that is materially different to a product ruling. If you engage in such conduct and the scheme is promoted as if it is in conformance with a product ruling, you may be subject to a civil penalty.

➡ For more guidance on the promoter penalty laws and the maximum amount of penalty that could apply, refer to Law Administration Practice Statement [PS LA 2008/8 Application of the promoter penalty laws \(Division 290 of Schedule 1 to the Taxation Administration Act 1953\)](#) to schemes involving product rulings.

Soon after the end of each financial year, the Promoter will provide each investor in the Scheme with a statement of income derived by the investor in that financial year.

Additional terms of use for agribusiness schemes:

- the Promoter must obtain a separate signature from the Scheme applicants, on the Scheme application form, acknowledging that the applicant understands:
 - the product ruling for the Scheme is not a sanction, endorsement or guarantee of commercial success by the Commissioner, and the Commissioner recommends they consult an independent financial (or other) adviser for information on the commercial viability of the Scheme.
- the Promoter must obtain a declaration from the retail sellers of the product, that the retail seller:
 - understands that an ATO product ruling is not an endorsement of the commercial viability of the Scheme,
 - agrees to inform buyers that an ATO product ruling is not an endorsement of the commercial viability of the Scheme, and
 - agrees to inform buyers that the Commissioner recommends an independent financial (or other) adviser be consulted for information.