


# ***CR 2025/14 - SPC Global Ltd - scrip for scrip roll-over***

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Status: **legally binding**

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## Class Ruling

# SPC Global Ltd – scrip for scrip roll-over

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### **📌 Relying on this Ruling**

This publication is a public ruling for the purposes of the *Taxation Administration Act 1953*.

If this Ruling applies to you, and you correctly rely on it, we will apply the law to you in the way set out in this Ruling. That is, you will not pay any more tax or penalties or interest in respect of the matters covered by this Ruling.

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### **What this Ruling is about**

1. This Ruling sets out the income tax consequences for the holders of ordinary shares in SPC Global Ltd (SPC) who acquired ordinary shares in The Original Juice Co. Ltd (OJC) in exchange for their shares in SPC.
2. Full details of the scheme are set out in paragraphs 26 to 45 of this Ruling.
3. All legislative references in this Ruling are to the *Income Tax Assessment Act 1997*, unless otherwise indicated.

### **Who this Ruling applies to**

4. This Ruling applies to you if you:
  - were issued new OJC ordinary shares by OJC for the disposal of your SPC ordinary shares to OJC
  - were a 'resident of Australia' as defined in subsection 6(1) of the *Income Tax Assessment Act 1936*, and
  - held your SPC shares on capital account – that is, you did not hold your shares in SPC as revenue assets (as defined in section 977-50) or as trading stock (as defined in subsection 995-1(1)).
5. This Ruling does not apply to anyone who is subject to the taxation of financial arrangements rules in Division 230 in relation to the scheme outlined in paragraphs 26 to 45 of this Ruling.

Note: Division 230 will not apply to individuals unless they have made an election for it to apply.

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**When this Ruling applies**

6. This Ruling applies from 1 July 2024 to 30 June 2025.

**Ruling****Disposal of SPC Global Ltd shares*****CGT event A1***

7. CGT event A1 happened when you disposed of your SPC shares to OJC (section 104-10).
8. If you accepted OJC's offer to acquire all of your SPC shares (Offer) before the Offer became unconditional, CGT event A1 happened when the Offer became unconditional on 13 December 2024 (paragraph 104-10(3)(a)).
9. If you accepted the Offer on the date on which the Offer became unconditional (13 December 2024), CGT event A1 happened on that date (paragraph 104-10(3)(a)).
10. The time of CGT event A1 is relevant in determining your capital proceeds for each SPC share. The capital proceeds from a CGT event are the total of the money, and the market value of any property, you received or are entitled to receive. The market value of property is worked out as at the time the CGT event happens (subsection 116-20(1)).
11. You must determine the market value of an OJC share at the time CGT event A1 happened to you.
12. We will accept that the market value of an OJC share at the time of CGT event A1 is the closing price of a share in SPC Global Holdings Ltd (being the new name of OJC) on the Australian Securities Exchange (ASX) on 17 December 2024.
13. You made a capital gain from CGT event A1 happening if the capital proceeds from the disposal of your SPC shares exceed their cost base (subsection 104-10(4)). The capital gain is the amount of the excess.
14. You made a capital loss from CGT event A1 happening if the capital proceeds are less than the reduced cost base of your SPC shares (subsection 104-10(4)). The capital loss is the amount of the difference.

***Availability of scrip for scrip roll-over for the disposal of your SPC Global Ltd shares***

15. Subject to the qualification in paragraph 16 of this Ruling, if you made a capital gain from the disposal of your SPC shares, you may choose to obtain scrip for scrip roll-over for the capital gain (sections 124-780 and 124-785).
16. Scrip for scrip roll-over cannot be chosen if any capital gain you might make from the replacement OJC shares would be disregarded, except because of a roll-over (paragraph 124-795(2)(a)).

**Consequences if you choose scrip for scrip roll-over*****Capital gain is disregarded***

17. If you choose scrip for scrip roll-over, your capital gain is disregarded (subsection 124-785(1)).

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***Acquisition date of your shares in The Original Juice Co. Ltd for discount capital gain purposes***

18. For the purposes of determining your eligibility to make a discount capital gain, the OJC shares you acquired in exchange for your SPC shares are taken to have been acquired on the date you acquired, for CGT purposes, the corresponding SPC shares (table item 2 of subsection 115-30(1)).

***Cost base and reduced cost base of your shares in The Original Juice Co. Ltd***

19. If you choose scrip for scrip roll-over, the first element of the cost base and reduced cost base of a replacement OJC share you received is worked out by reasonably attributing to it the cost base and reduced cost base (respectively) of the SPC shares for which the OJC shares were exchanged and for which the roll-over was obtained (subsections 124-785(2) and (4)).

20. You can calculate the first element of the cost base and reduced cost base of each replacement OJC share by dividing the total cost bases of your SPC shares by the number of replacement OJC shares you received.

***Consequences if you do not choose, or cannot choose, scrip for scrip roll-over***

***Capital gain is not disregarded***

21. If you do not choose, or cannot choose, scrip for scrip roll-over, you must take into account any capital gain or capital loss from CGT event A1 happening on the disposal of your SPC shares in working out your net capital gain or net capital loss for the income year in which CGT event A1 happened (sections 102-5 and 102-10).

22. If you make a capital gain where scrip for scrip roll-over is not chosen, or cannot be chosen, you can treat the capital gain as a discount capital gain provided that the conditions of Subdivision 115-A are met. In particular, you must have acquired your SPC shares at least 12 months before the date on which CGT event A1 happened (excluding the date of acquisition and the date on which CGT event A1 happened).

***Cost base and reduced cost base of your shares in The Original Juice Co. Ltd***

23. If you do not choose, or cannot choose, scrip for scrip roll-over, the first element of the cost base and reduced cost base of a replacement OJC share that you received is equal to the market value of the part of the SPC share you gave in respect of acquiring the OJC share (subsections 110-25(2) and 110-55(2)).

24. The market value of the SPC shares you gave is to be worked out as at the time when you acquired the OJC shares.

***Acquisition date of your shares in The Original Juice Co. Ltd***

25. Under table item 2 of section 109-10, if you acquired your shares in OJC by accepting the Offer:

- before it became unconditional, the date on which you acquired your shares in OJC is the date on which the Offer became unconditional (13 December 2024), resulting in the formation of a contract with OJC (which is also the time at which CGT event A1 happens to you), or

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- on the date on which it became unconditional, the date on which you acquired your shares in OJC is the date on which you entered into the contract with OJC (13 December 2024, which is also the time at which CGT event A1 happens to you).

## **Scheme**

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26. The following description of the scheme is based on information provided by the applicant. If the scheme is not carried out as described, this Ruling cannot be relied upon.

### **SPC Global Ltd**

27. SPC is a company that was incorporated in Australia on 10 May 2019. It was not listed on any securities exchange.
28. SPC was the head company of an income tax consolidated group under Part 3-90.
29. SPC carries on a business of processing and packaging fruits and food.
30. SPC has one class of shares on issue. On the date on which the Implementation Deed was entered into, there were 171,243,464 SPC ordinary shares on issue.
31. Just before the Implementation Deed was entered into, SPC had 16 registered shareholders.

### **The Original Juice Co. Ltd**

32. OJC is a company incorporated in Australia.
33. OJC was listed on the ASX on 29 June 2012. The ordinary shares in OJC trade under the ASX code 'OJC'.
34. OJC has more than 300 shareholders. Subsections 124-810(3) and (5) did not apply to OJC just before the Implementation Deed was entered into.
35. OJC carries on a business of making fruit juices.

### **Acquisition of SPC Global Ltd by The Original Juice Co. Ltd**

36. On 2 October 2024, SPC and OJC announced the execution of an Implementation Deed under which OJC offered to acquire all the issued ordinary shares of SPC.
37. Under the Offer, each shareholder of SPC was issued 7.67183193406884 OJC ordinary shares in exchange for each SPC ordinary share they held.
38. The Offer was subject to several defeating conditions. The Offer was declared unconditional on 13 December 2024.
39. The Offer resulted in OJC acquiring 100% of the ordinary shares in SPC on 13 December 2024.
40. After the acquisition was completed, OJC changed its name to SPC Global Holdings Ltd under section 157 of the *Corporations Act 2001* (and changed its ASX code to SPG).

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41. The shares in OJC were suspended from trading on the ASX on 23 September 2024 and resumed trading on the ASX (as SPG shares) on 17 December 2024.

#### **Other matters**

42. No SPC shareholder was a 'significant stakeholder' or 'common stakeholder', (within the meaning of those terms in section 124-783).

43. Paragraph 124-780(3)(f) is satisfied in respect of the disposal of SPC shares to OJC.

44. An SPC shareholder, SPC and OJC were not all members of the same 'linked group' (within the meaning of that term in section 170-260) just before the Implementation Deed was entered into.

45. OJC did not make a choice under subsection 124-795(4) that SPC shareholders could not obtain a roll-over under Subdivision 124-M in relation to CGT event A1 happening in relation to the exchange of SPC shares.

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**Commissioner of Taxation**

12 February 2025

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Status: **not legally binding**

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## References

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*Related Rulings/Determinations:*

TR 2006/10; TD 2002/4; TD 2002/10

*Legislative references:*

- ITAA 1936 6(1)
  - ITAA 1997 102-5
  - ITAA 1997 102-10
  - ITAA 1997 104-10
  - ITAA 1997 104-10(3)(a)
  - ITAA 1997 104-10(4)
  - ITAA 1997 109-10
  - ITAA 1997 110-25(2)
  - ITAA 1997 110-55(2)
  - ITAA 1997 Subdiv 115-A
  - ITAA 1997 115-30(1)
  - ITAA 1997 116-20(1)
  - ITAA 1997 Subdiv 124-M
  - ITAA 1997 124-780
  - ITAA 1997 124-780(3)(f)
  - ITAA 1997 124-783
  - ITAA 1997 124-785
  - ITAA 1997 124-785(1)
  - ITAA 1997 124-785(2)
  - ITAA 1997 124-785(4)
  - ITAA 1997 124-795(2)(a)
  - ITAA 1997 124-795(4)
  - ITAA 1997 124-810(3)
  - ITAA 1997 124-810(5)
  - ITAA 1997 170-260
  - ITAA 1997 Div 230
  - ITAA 1997 Pt 3-90
  - ITAA 1997 977-50
  - ITAA 1997 995-1(1)
  - Corporation Act 2001 157
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ATO references

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