

SOUTH AUSTRALIA



RevenueSA

Financial Institutions Duty

Circular No. 186

**NON-DUTIABLE RECEIPTS
TRANSFERS FROM INCOME EQUALISATION DEPOSITS
AND FARM MANAGEMENT BONDS TO FARM
MANAGEMENT DEPOSITS**

The *Financial Institutions Duty Regulations 1998* have been amended, effective from 27 May 1999, to exempt from financial institutions duty the receipt of money from a Income Equalisation Deposit or a Farm Management Bond.

In September 1997, the Federal Government launched the *Agriculture - Advancing Australia* initiative, aimed at improving the profitability, competitiveness and sustainability of the farming sector and encouraging rural communities and primary producers to be more innovative and financially self reliant.

A component of this package is the introduction of a new commercialised Farm Management Deposit ("FMD") scheme to replace the Income Equalisation Deposit ("IED") and Farm Management Bond ("FMB") schemes administered by the former Federal Department of Primary Industry and Energy aimed at providing assistance to primary producers who experience uneven income streams common in agriculture.

Regulation 5(i) of the *Financial Institutions Duty Regulations 1998* (published in *Government Gazette* 27 May 1999 at page 2776), exempts from financial institutions duty transfers of existing deposits held under the old schemes when transferred to the new scheme.

The exemption is restricted to a transfer from an IED or an FMB held by the Commonwealth Department of Agriculture, Fisheries and Forestry to an FMD account. Further additions to an FMD account will be liable to financial institutions duty.

FURTHER INFORMATION

Location

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28 May 1999

COMMISSIONER OF STATE TAXATION

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