

SOUTH AUSTRALIA



STATE TAXATION OFFICE

Financial Institutions Duty

Circular No. 84

FINANCIAL INSTITUTIONS DUTY

Non-Dutiable Receipts

- Treasury Products

- Offshore Banking Units

Regulations under the Financial Institutions Duty Act, 1983 have been made to declare certain receipts derived from Treasury Products or offshore banking activities of offshore banking units to be non-dutiable receipts with effect from 10 June, 1993.

TREASURY PRODUCTS

Regulation 6(1)(d) declares the following transactions either singly or in combination to be non-dutiable receipts under Section 7(2)(r) of the Financial Institutions Duty Act ("the Act").

- (i) an interest rate, currency or commodity swap;
- (ii) an interest rate, currency or commodity option;
- (iii) a forward exchange rate agreement;
- (iv) a forward interest rate agreement;
- (v) a futures contract traded on a Futures Exchange within the meaning of the Corporations Law;

OFFSHORE BANKING UNITS

Regulation 6(1)(e) declares receipts that relate to offshore banking activities by financial institutions that are offshore banking units to be non-dutiable receipts under Section 7(2)(r) of the Act. The definitions of offshore banking unit and offshore banking activities are those

found in the Commonwealth Income Tax Assessment Act, 1936 in Division 11A of Part III and Section 121D respectively.

The above exemptions apply only to the financial institution's own dealings and **NOT** to any proceeds credited to a client's account.

PRIOR DEALINGS

This Office will not pursue any outstanding revenue which may have been payable on receipts occurring prior to 10 June, 1993.

No refunds will be made of any financial institutions duty paid on Treasury Products or Offshore Banking Units prior to 10 June, 1993.

Enquiries may be directed to Frank Milburn, Assistant Manager, Returns on 226 3660.

September, 1993

COMMISSIONER OF STAMPS

Historical Use Only