

Release date: 23rd January 2009
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On 9 December 2008, legislative amendments to the *Income Tax Assessment Act (Cwlth) 1936* came into effect extending eligibility for the s.128F interest withholding tax (IWT) exemption to domestically issued state central borrowing authority bonds (Domestic Bonds).

These amendments apply to interest paid on or after 9th December 2008, with respect to Domestic Bonds, whether issued before or after that date. The amendments do not automatically entitle Domestic Bonds to an exemption from IWT, and the remaining requirements for exemption under s.128F (notably the 'public offer test') will need to be satisfied.

SAFA considers that the following outstanding bonds were issued in a manner that would have satisfied the public offer test requirements of s.128F:

SAFA	5.25%	maturing 06-Jun-2014
SAFA	FRN	maturing 11-Dec-2014
SAFA	FRN	maturing 12-Dec-2014
SAFA	FRN	maturing 20-May-2016
SAFA	5.75%	maturing 20-Sep-2017
SAFA	4.75%	maturing 06-Aug-2019
SAFA	FRN	maturing 24-Feb-2020
SAFA	5.00%	maturing 20-May-2021

SAFA is not able at this stage to definitively determine if outstandings of any other previously issued domestic bond of SAFA would have satisfied the public offer test requirements of s.128F, including the following previously issued domestic bonds:

SAFA	4.00% Capital Index Bond	maturing 20-Aug-201
SAFA	Wholesale Index Linked	maturing 15-Jun-2016
SAFA	12.50% Wholesale Private Placement	maturing 15-Apr-2021

Authorised by:
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