

The Board of Directors  
Sugar Terminals Limited  
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16 August 2001

Dear Sirs

**Application of Private Binding Rulings on the Gifting of Shares to  
Grower and Miller Shareholders**

I have been requested by the company's officers to explain the impact for the shareholders of Sugar Terminals Limited (STL) of the private binding rulings issued by the Commissioner of Taxation (the Commissioner) to the respective miller and grower representative shareholders. To that extent, I understand that permission has been granted by the ruling recipient shareholders for the following information to be released:

**1. Summary of Private Binding Rulings (PBRs)**

Broadly, the private binding rulings issued by the Commissioner on 8 June 2001 addressed the following questions and his respective response to each is provided below:

*Question One*

Is the first element of the cost base of each Sugar Terminals Limited (STL) share gifted .... by Queensland Sugar Corporation (QSC) the market value of that share at the time of acquisition?

*Answer*

The first element of the cost base of each STL share gifted .... by QSC is the market value of that share at the time of its acquisition.

*Question Two*

Will the gifting of the STL shares .... constitute assessable income....?

(2)



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*Answer*

The gifting of the STL shares .... by QSC does not constitute assessable income....

## **2. The Application of the PBRs to Other STL Shareholders**

Although a PBR is binding on the Commissioner in respect of the taxpayer to whom it relates, another taxpayer whose circumstances are on all fours with the PBR recipient, should be able to rely on the ruling issued.

I understand that a copy of each PBR has been circulated to the STL grower and miller members respectively.

Should any miller or grower shareholder require further clarification or wish to discuss their individual circumstances, I would be pleased to assist. I can be contacted on 07 3257 5607.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Nick Thorburn'.

Nick Thorburn  
Partner  
Corporate Tax Services

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