

## **112HB. Certain share conversions dutiable**

- (1) This section applies if, on or after 12 May 1997, a WA company converts any of its issued shares, other than redeemable shares, into redeemable shares —
  - (a) by varying or abrogating the rights of the issued shares;
  - (b) by cancelling the issued shares and issuing redeemable shares to replace them; or
  - (c) by any other means.
- (2) If this section applies the WA company shall prepare and lodge a statement with the Commissioner unless the conversion also results in a relevant acquisition occurring under Part IIIA.
- (3) The statement shall be in a form approved by the Commissioner and shall be lodged within 3 months after the later of —
  - (a) the date when the conversion has effect; or
  - (b) if the conversion is approved by a court under section 195 of the Corporations Law, the date when under that section an office copy of the court's order is lodged with the Australian Securities Commission.
- (4) The statement shall be deemed, for the purposes of this Act, to be an instrument executed on the date when the conversion has effect.
- (5) The statement shall be charged with duty at the rate provided for in item 4A (1) (f) or (fa) of the Second Schedule, according to the nature of the shares immediately prior to the company's resolution to convert them, on the dutiable value.
- (6) The dutiable value is the unencumbered value of the converted shares immediately prior to the company's resolution to convert them.
- (7) The Commissioner —
  - (a) may require the company to provide him with evidence in a form approved by him of the unencumbered value of the converted shares; and
  - (b) either on the basis of that evidence or of a valuation obtained by him, may determine the dutiable value.
- (8) The company and its directors at the time of the company's resolution to convert the shares are jointly liable to pay the duty charged on the statement.
- (9) A WA company that contravenes subsection (2) or (3) or that lodges a statement that is false in a material particular commits an offence against this Act.
- (10) A WA company that fails to comply with a requirement made under subsection (7) (a) commits an offence against this Act.

*[Section 112HB inserted by No. 13 of 1997 s.33.]*