



104-5 Summary of the CGT events

CGT events			
Event number and description	Time of event is:	Capital gain is:	Capital loss is:
A1 Disposal of a CGT asset <i>[s 104-10]</i>	when disposal contract is entered into or, if none, when entity stops being asset's owner	capital proceeds from disposal <i>less</i> asset's cost base	asset's reduced cost base <i>less</i> capital proceeds
B1 Use and enjoyment before title passes <i>[s 104-15]</i>	when use of CGT asset passes	capital proceeds <i>less</i> asset's cost base	asset's reduced cost base <i>less</i> capital proceeds
C1 Loss or destruction of a CGT asset <i>[s 104-20]</i>	when compensation is first received or, if none, when loss discovered or destruction occurred	capital proceeds <i>less</i> asset's cost base	asset's reduced cost base <i>less</i> capital proceeds
C2 Cancellation, surrender and similar endings <i>[s 104-25]</i>	when contract ending asset is entered into or, if none, when asset ends	capital proceeds from ending <i>less</i> asset's cost base	asset's reduced cost base <i>less</i> capital proceeds
C3 End of option to acquire shares etc. <i>[s 104-30]</i>	when option ends	capital proceeds from granting option <i>less</i> expenditure in granting it	expenditure in granting option <i>less</i> capital proceeds
D1 Creating contractual or other rights <i>[s 104-35]</i>	when contract is entered into or right is created	capital proceeds from creating right <i>less</i> incidental costs of creating it	incidental costs of creating right <i>less</i> capital proceeds
D2 Granting an option <i>[s 104-40]</i>	when option is granted	capital proceeds from grant <i>less</i> expenditure to grant it	expenditure to grant option <i>less</i> capital proceeds
D3 Granting a right to income from mining <i>[s 104-45]</i>	when contract is entered into or, if none, when right is granted	capital proceeds from grant of right <i>less</i> expenditure to grant it	expenditure to grant right <i>less</i> capital proceeds
D4 Entering into a conservation covenant <i>[s 104-47]</i>	when covenant is entered into	capital proceeds from covenant <i>less</i> cost base apportioned to the covenant	reduced cost base apportioned to the covenant <i>less</i> capital proceeds from covenant
E1 Creating a trust over a CGT asset <i>[s 104-55]</i>	when trust is created	capital proceeds from creating trust <i>less</i> asset's cost base	asset's reduced cost base <i>less</i> capital proceeds



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E2 Transferring a CGT asset to a trust <i>[s 104-60]</i>	when asset transferred	capital proceeds from transfer <i>less</i> asset's cost base	asset's reduced cost base <i>less</i> capital proceeds
E3 Converting a trust to a unit trust <i>[s 104-65]</i>	when trust is converted	market value of asset at that time <i>less</i> its cost base	asset's reduced cost base <i>less</i> that market value
E4 Capital payment for trust interest <i>[s 104-70]</i>	when trustee makes payment	non-assessable part of the payment <i>less</i> cost base of the trust interest	<i>no capital loss</i>
E5 Beneficiary becoming entitled to a trust asset <i>[s 104-75]</i>	when beneficiary becomes absolutely entitled	for trustee—market value of CGT asset at that time <i>less</i> its cost base; for beneficiary—that market value <i>less</i> cost base of beneficiary's capital interest	for trustee—reduced cost base of CGT asset at that time <i>less</i> that market value; for beneficiary—reduced cost base of beneficiary's capital interest <i>less</i> that market value
E6 Disposal to beneficiary to end income right <i>[s 104-80]</i>	the time of the disposal	for trustee—market value of CGT asset at that time <i>less</i> its cost base; for beneficiary—that market value <i>less</i> cost base of beneficiary's right to income	for trustee—reduced cost base of CGT asset at that time <i>less</i> that market value; for beneficiary—reduced cost base of beneficiary's right to income <i>less</i> that market value
E7 Disposal to beneficiary to end capital interest <i>[s 104-85]</i>	the time of the disposal	for trustee—market value of CGT asset at that time <i>less</i> its cost base; for beneficiary—that market value <i>less</i> cost base of beneficiary's capital interest	for trustee—reduced cost base of CGT asset at that time <i>less</i> that market value; for beneficiary—reduced cost base of beneficiary's capital interest <i>less</i> that market value
E8 Disposal by beneficiary of capital interest <i>[s 104-90]</i>	when disposal contract entered into or, if none, when beneficiary ceases to own CGT asset	capital proceeds <i>less</i> appropriate proportion of the trust's net assets	appropriate proportion of the trust's net assets <i>less</i> capital proceeds
E9 Creating a trust over future property <i>[s 104-105]</i>	when entity makes agreement	market value of the property (as if it existed when agreement made) <i>less</i>	incidental costs in making agreement <i>less</i> market value of the property (as if it



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Event number and description	Time of event is:	Capital gain is:	Capital loss is:
		incidental costs in making agreement	existed when agreement made)
E10 Annual cost base reduction exceeds cost base of interest in AMIT [s 104-107A]	when reduction happens	excess of cost base reduction over cost base	<i>no capital loss</i>
F1 Granting a lease [s 104-110]	for grant of lease—when entity enters into lease contract or, if none, at start of lease; for lease renewal or extension—at start of renewal or extension	capital proceeds <i>less</i> expenditure on grant, renewal or extension	expenditure on grant, renewal or extension <i>less</i> capital proceeds
F2 Granting a long term lease [s 104-115]	for grant of lease—when lessor grants lease; for lease renewal or extension—at start of renewal or extension	capital proceeds from grant, renewal or extension <i>less</i> cost base of leased property	reduced cost base of leased property <i>less</i> capital proceeds from grant, renewal or extension
F3 Lessor pays lessee to get lease changed [s 104-120]	when lease term is varied or waived	<i>no capital gain</i>	amount of expenditure to get lessee's agreement
F4 Lessee receives payment for changing lease [s 104-125]	when lease term is varied or waived	capital proceeds <i>less</i> cost base of lease	<i>no capital loss</i>
F5 Lessor receives payment for changing lease [s 104-130]	when lease term is varied or waived	capital proceeds <i>less</i> expenditure in relation to variation or waiver	expenditure in relation to variation or waiver <i>less</i> capital proceeds
G1 Capital payment for shares [s 104-135]	when company pays non-assessable amount	payment <i>less</i> cost base of shares	<i>no capital loss</i>
G3 Liquidator or administrator declares shares or financial instruments worthless [s 104-145]	when declaration was made	<i>no capital gain</i>	shares' or financial instruments' reduced cost base
H1 Forfeiture of a deposit [s 104-150]	when deposit is forfeited	deposit <i>less</i> expenditure in connection with prospective sale	expenditure in connection with prospective sale <i>less</i> deposit



CGT events			
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H2 Receipt for event relating to a CGT asset [s 104-155]	when act, transaction or event occurred	capital proceeds <i>less</i> incidental costs	incidental costs <i>less</i> capital proceeds
I1 Individual or company stops being an Australian resident [s 104-160]	when individual or company stops being Australian resident	for each CGT asset the person owns, its market value <i>less</i> its cost base	for each CGT asset the person owns, its reduced cost base <i>less</i> its market value
I2 Trust stops being a resident trust [s 104-170]	when trust ceases to be resident trust for CGT purposes	for each CGT asset the trustee owns, its market value of asset <i>less</i> its cost base	for each CGT asset the trustee owns, its reduced cost base <i>less</i> its market value
J1 Company stops being member of wholly-owned group after roll-over [s 104-175]	when the company stops	market value of asset at time of event <i>less</i> its cost base	reduced cost base of asset <i>less</i> that market value
J2 Change in relation to replacement asset or improved asset after a roll-over under Subdivision 152-E [s 104-185]	when the change happens	the amount mentioned in subsection 104-185(5)	<i>no capital loss</i>
J4 Trust fails to cease to exist after a roll-over under Subdivision 124-N [s 104-195]	when the failure happens	market value of asset <i>less</i> asset's cost base	reduced cost base of asset <i>less</i> asset's market value
J5 Failure to acquire replacement asset and to incur fourth element expenditure after a roll-over under Subdivision 152-E [s 104-197]	at the end of the replacement asset period	the amount of the capital gain that you disregarded under Subdivision 152-E	<i>no capital loss</i>
J6 Cost of acquisition of replacement asset or amount of fourth element expenditure, or both, not sufficient to cover disregarded capital gain [s 104-198]	at the end of the replacement asset period	the amount mentioned in subsection 104-198(3)	<i>no capital loss</i>



CGT events			
Event number and description	Time of event is:	Capital gain is:	Capital loss is:
<p>K1 As the result of an incoming international transfer of a Kyoto unit or an Australian carbon credit unit from your foreign account or your nominee's foreign account, you start to hold the unit as a registered emissions unit</p> <p><i>[s 104-205]</i></p>	when you start to hold the unit as a registered emissions unit	market value of unit <i>less</i> its cost base	reduced cost base of unit <i>less</i> its market value
<p>K2 Bankrupt pays amount in relation to debt</p> <p><i>[s 104-210]</i></p>	when payment is made	<i>no capital gain</i>	so much of payment as relates to denied part of a net capital loss
<p>K3 Asset passing to tax-advantaged entity</p> <p><i>[s 104-215]</i></p>	when individual dies	market value of asset at death <i>less</i> its cost base	reduced cost base of asset <i>less</i> that market value
<p>K4 CGT asset starts being trading stock</p> <p><i>[s 104-220]</i></p>	when asset starts being trading stock	market value of asset <i>less</i> its cost base	reduced cost base of asset <i>less</i> its market value
<p>K5 Special capital loss from collectable that has fallen in market value</p> <p><i>[s 104-225]</i></p>	when CGT event A1, C2 or E8 happens to shares in the company, or an interest in the trust, that owns the collectable	<i>no capital gain</i>	market value of the shares or interest (as if the collectable had not fallen in market value) <i>less</i> the capital proceeds from CGT event A1, C2 or E8
<p>K6 Pre-CGT shares or trust interest</p> <p><i>[s 104-230]</i></p>	when another CGT event involving the shares or interest happens	capital proceeds from the shares or trust interest (so far as attributable to post-CGT assets owned by the company or trust) <i>less</i> the assets' cost bases	<i>no capital loss</i>
<p>K7 Balancing adjustment occurs for a depreciating asset that you used for purposes other than taxable purposes</p> <p><i>[s 104-235]</i></p>	When balancing adjustment event occurs	Termination value <i>less</i> cost times fraction	Cost <i>less</i> termination value times fraction



CGT events			
Event number and description	Time of event is:	Capital gain is:	Capital loss is:
K8 Direct value shifts affecting your equity or loan interests in a company or trust <i>[s 104-250, div 725]</i>	the decrease time for the interests	the gain worked out under section 725-365	<i>no capital loss</i>
K9 Entitlement to receive payment of a carried interest <i>[s 104-255]</i>	when you become entitled to receive payment	capital proceeds from entitlement	<i>no capital loss</i>
K10 You make a forex realisation gain covered by item 1 of the table in subsection 775-70(1) <i>[s 104-260]</i>	when the forex realisation event happens	the forex realisation gain	<i>no capital loss</i>
K11 You make a forex realisation loss covered by item 1 of the table in subsection 775-75(1) <i>[s 104-265]</i>	when the forex realisation event happens	<i>no capital gain</i>	the forex realisation loss
K12 Foreign hybrid loss exposure adjustment <i>[s 104-270]</i>	just before the end of the income year	<i>no capital gain</i>	the amount stated in subsection 104-270(3)
L1 Reduction under section 705-57 in tax cost setting amount of assets of entity becoming subsidiary member of consolidated group or MEC group <i>[s 104-500]</i>	Just after entity becomes subsidiary member	<i>no capital gain</i>	amount of reduction
L2 Amount remaining after step 3A etc. of joining allocable cost amount is negative <i>[s 104-505]</i>	Just after entity becomes subsidiary member	amount remaining	<i>no capital loss</i>
L3 Tax cost setting amounts for retained cost	Just after entity becomes subsidiary member	amount of excess	<i>no capital loss</i>



CGT events			
Event number and description	Time of event is:	Capital gain is:	Capital loss is:
base assets exceed joining allocable cost amount [s104-510]			
L4 No reset cost base assets against which to apply excess of net allocable cost amount on joining [s 104-515]	Just after entity becomes subsidiary member	<i>no capital gain</i>	amount of excess
L5 Amount remaining after step 4 of leaving allocable cost amount is negative [s 104-520]	When entity ceases to be subsidiary member	amount remaining	<i>no capital loss</i>
L6 Error in calculation of tax cost setting amount for joining entity's assets: CGT event L6 [s 104-525]	start of the income year when the Commissioner becomes aware of the errors	the net overstated amount resulting from the errors, or a portion of that amount	the net understated amount resulting from the errors, or a portion of that amount
L8 Reduction in tax cost setting amount for reset cost base assets on joining cannot be allocated [s 104-535]	Just after entity becomes subsidiary member	<i>no capital gain</i>	amount of reduction that cannot be allocated

Note: Subsection 230-310(4) (which deals with hedging financial arrangements) provides that in certain circumstances a CGT event is taken to have occurred in relation to a hedging financial arrangement at the same time as a CGT event actually occurs in relation to a hedged item covered by the arrangement.