

LAWS70212 Taxation of Financial Investments

Credit Points:	12.50
Level:	7 (Graduate/Postgraduate)
Dates & Locations:	This subject is not offered in 2014.
Time Commitment:	Contact Hours: The total class time is between 24 and 26 hours. Total Time Commitment: Not available
Prerequisites:	Successful completion of <i>Taxation of Business and Investment Income</i> , an equivalent subject or appropriate professional experience
Corequisites:	None
Recommended Background Knowledge:	Applicants without legal qualifications should note that subjects are offered in the discipline of law at an advanced graduate level. While every effort will be made to meet the needs of students trained in other fields, concessions will not be made in the general level of instruction or assessment. Most subjects assume the knowledge usually acquired in a degree in law (LLB, JD or equivalent). Applicants should note that admission to some subjects in the Melbourne Law Masters will be dependent upon the individual applicant's educational background and professional experience.
Non Allowed Subjects:	None
Core Participation Requirements:	The Melbourne Law Masters welcomes applications from students with disabilities. The inherent academic requirements for study in the Melbourne Law Masters are: The ability to attend a minimum of 75% of classes and actively engage in the analysis and critique of complex materials and debate; The ability to read, analyse and comprehend complex written legal materials and complex interdisciplinary materials; The ability to clearly and independently communicate in writing a knowledge and application of legal principles and interdisciplinary materials and to critically evaluate these; The ability to clearly and independently communicate orally a knowledge and application of legal principles and interdisciplinary materials and critically evaluate these; The ability to work independently and as a part of a group; The ability to present orally and in writing legal analysis to a professional standard. Students who feel their disability will inhibit them from meeting these inherent academic requirements are encouraged to contact the Disability Liaison Unit: www.services.unimelb.edu.au/disability/
Contact:	For more information, contact the Melbourne Law Masters office. Email: law-masters@unimelb.edu.au (mailto:law-masters@unimelb.edu.au) Phone: +61 3 8344 6190 Website: www.law.unimelb.edu.au/masters (http://www.law.unimelb.edu.au/masters)
Subject Overview:	<p><i>Taxation of Financial Investments</i> is an advanced subject that provides a detailed analysis of the tax treatment, planning and outcomes of a wide range of financial investments typically held by Australian superannuation funds, managed funds and other sophisticated investors. The subject is aimed at tax professionals who work or want to work with the financial services industry. It will be co-taught by leading professionals in the field of financial instruments and managed funds, bringing both tax practitioner and in-house financial services experience to deliver technical and practical insights. Students who complete this subject will have a detailed knowledge and understanding of the technical tax rules and practical issues for financial investments, the policy underlying the rules and recent and proposed major tax reforms in this important area.</p> <p>Principal topics will include:</p> <ul style="list-style-type: none"> # General tax policy and financial principles for the income tax treatment of financial instruments # Income tax law applicable to financial investments and liabilities including the rules for Taxation of Financial Arrangements (TOFA), Division 16E, debt/equity rules and other securities provisions # TOFA for managed funds and superannuation funds—differences in treatment, cash settleable rules, classification issues, practical issues

	<ul style="list-style-type: none"> # Equity and debt-financing techniques, particularly interest surrogates and hybrid debt instruments and relevant aspects of taxation of dividends and franking including 45-day rule, realisation and parcel selection # Income taxation of hedging and synthetic instruments such as short selling, securities lending, repurchase agreements, exchange-traded and over-the-counter put and call options, futures and FX # Aspects of tax on cross-border financial instruments including withholding tax; transfer pricing; thin capitalisation # Investment in units, including flowthrough of income and component issues, cost base adjustments and timing issues, unit holder issues # Capital and revenue deeming rules for superannuation funds and managed investment trusts # Current and future reform proposals for managed investment trusts and other trusts including the Investment Manager Regime.
Learning Outcomes:	<p>A student who has successfully completed this subject should:</p> <ul style="list-style-type: none"> # Understand the economic and legal features of financial instruments relevant to the tax system # Apply the relevant concepts in working through technical issues raised by the Australian tax law applicable to financial instruments, including tax of financial arrangements (TOFA) legislation and other provisions applicable to securities, hybrid instruments and finance leasing. # Reason from first principles in understanding and critiquing legislative design.
Assessment:	Class Participation (10%) Take-home examination (90%) (11 – 14 July)
Prescribed Texts:	Core subject materials will be provided free of charge to all students. Some subjects require further texts to be purchased. Details regarding any prescribed texts will be provided prior to the commencement of the subject.
Breadth Options:	This subject is not available as a breadth subject.
Fees Information:	Subject EFTSL, Level, Discipline & Census Date, http://enrolment.unimelb.edu.au/fees
Links to further information:	www.law.unimelb.edu.au/subject/LAWS70212/2014