

Acquisition by Unibail-Rodamco of Westfield Corporation and OneMarket demerger (ASX: WFD)

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Note

BGL do not provide accounting or taxation advice. The following is designed to act as a guide for Simple Fund 360 users. It is not designed to be accounting or tax advice and should not be taken as a strict guideline. Other methods that are more suitable may be used instead of these steps.

Overview

Westfield transferred all its shares in OneMarket to its shareholders (i.e. to the Westfield Group stapled security holders). This happened on 7 June 2018, just before the exchange of Westfield Group stapled securities for Unibail-Rodamco SE stapled securities and cash. On 7 June 2018, all of the Westfield Group stapled securities were exchanged for Unibail-Rodamco SE stapled securities and cash.

Westfield was delisted from the ASX at close 08/06/2018.

ATO Westfield Group - 2018 Calculator

Former Westfield Group stapled security holders can use The Westfield Group - 2018 calculator to work out their tax outcomes from the takeover by Unibail-Rodamco SE on 7 June 2018.

[Click Here to view instructions](#)

Summary - Unibail Acquisition

- The cash consideration (being AUD\$3.51536 (US\$2.67) per Westfield stapled security) under the Unibail-Rodamco acquisition scheme
- The scrip consideration (being 0.01844 Unibail-Rodamco stapled shares per Westfield stapled security)
- The issue of Unibail-Rodamco CDIs to eligible Westfield security holders.

Key Dates

Event	Date
Effective Date	30 th May 2018
Record Date	1 st June 2018
Implementation Date	7 th June 2018

Summary - OneMarket Demerger

The demerger scheme consideration (being one OneMarket share for every 20 Westfield Corporation Limited shares) is transferred to each Westfield security holder who was registered as the holder of a Westfield Corporation Limited share at 7pm (Sydney time) on 1 June 2018 (other than ineligible security holders or security holders who elected to sell their OneMarket shares).

Shareholders who hold fewer than 10,000 Westfield shares as at the Demerger Record Date, and do not wish to receive OneMarket shares can elect to participate in the Sale Facility. When electing to participate, the OneMarket shares are transferred to a sale agent to proceed with the sale facility and forward the cash proceeds.

- 1 OneMarket share (OMN.ASX) for every 20 Westfield (WFD.ASX) share held. Rounded up to the nearest whole number.
- Consideration from the demerger will be paid via a Distribution. Where the Distribution exceeds A\$150,000,000, then this excess will be paid as a Capital Reduction.

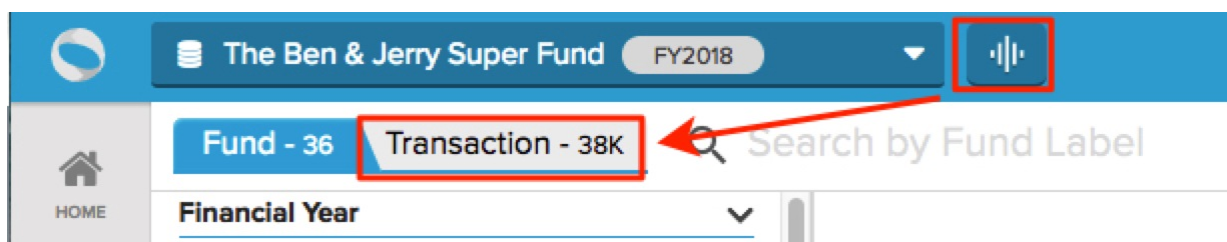
The Distribution will not be paid in cash. Rather, the proceeds will be applied to the purchase of the OneMarket share allocation.

Key Dates:

Event	Date
Effective Date	30 th May 2018
Record Date	1 st June 2018
Implementation Date	7 th June 2018
Dispatch of SSF Proceeds	31 st July 2018

How can I see which funds are affected by the Demerger?

1. Navigate to Analytical Insights and then select the **Transaction** tab



2. Search for **WFD.AX** and select **Investment**

The screenshot shows the 'Account Classification' table for the fund. The 'Investment' category is selected and highlighted in yellow. The table has columns for 'Units', 'Value', and 'Entries'. The 'Investment' row shows 49 units with a value of \$15.8K. Below it, 'Units in Listed Unit Trusts (Australian)' shows 2.0K units with a value of \$15.8K. 'Westfield Corporation' shows 2.0K units with a value of \$15.8K.

Account Classification	Units	Value	Entries
Investment	49	\$15.8K	49
Units in Listed Unit Trusts (Australian)	2.0K	\$15.8K	49
Westfield Corporation	2.0K	\$15.8K	49

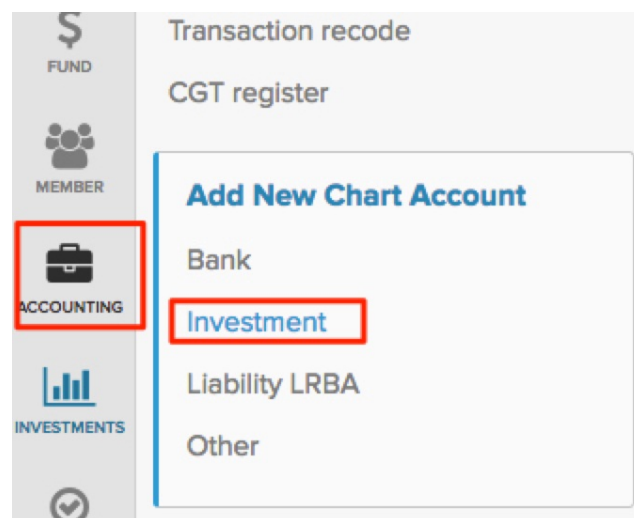
Instructions for Simple Fund 360

EXAMPLE

- The fund holds 5,000 Units in Westfield which has a cost base of \$37,500.00 including brokerage
- Rollover Relief is Not Applied

STEP ONE - Add New Securities to Chart of Accounts

Add **URW.AX** (Unibail-Rodamco-Westfield) and **OMN.AX** (OneMarket) to the fund's chart of accounts



STEP TWO - Receipt of OneMarket (OMN) Shares

For every 20 Westfield Group stapled securities you held, you received 1 OneMarket share (note for fractions this is rounded up to the nearest whole number). The OneMarket shares were received as a dividend on the WCL shares – so that for each WCL share there was a dividend of \$0.0677

Cr 2018/31 states that the amount of the distribution is a dividend as defined in subsection 6(1) of the ITAA 1936.

1. The dividend amount can be confirmed by Westfield Annual tax statement
2. In the example above $5000 / 20 = 250$ units
3. In the example above $5000 \times \$0.0677 = \338.50

Simple Fund 360 Instructions

1. Record a Distribution/Dividend on the 07th June 2018 for the amount received
2. Record a purchase in OMN for the units received and dividend amount.

Edit Transaction - General Journal

Date	Reference	Description
07/06/2018	23	OMN SHARES
<input type="checkbox"/> Dividend / Distribution Reinvestment		

Expand to Upload Documents ▶

Account	Units	Debit	Credit
77600/OMN.AX Investment Onemarket Limited 77600/OMN.AX Shares in Listed Companies (Australian)	250,000,000	338.50	
23800/WFD.AX Income Westfield Corporation Distributions Received			338.50

STEP THREE - DEMERGER (No-Rollover Relief)

1. Disposal of Units in Westfield

1. Use the ATO 2018 Westfield Calculator to calculate your capital Gain or Loss.
2. Ensure the Reduced Cost Base in the calculator matches that of Simple Fund 360.
3. In the example above the reduced cost base for the WFD units is \$35,609.66. The CGT Gain calculated by the ATO Calculator is \$9,011.08. Therefore in Simple Fund 360 the consideration which the WFD shares will need to be sold for is $35609.66 + 9011.08 = \$44,620.74$

2. Cash Received

1. A Cash amount will be received in the bank for the demerger (or issued by cheque if Bank details are not on file with the Registry).
2. This will be equal to \$3.5153 per unit held in Westfield.
3. In the example above, the cash amount received was \$17,576.50 ($\3.5153×5000 units).

3. Units in Unibail-Rodamco

1. Confirm with the Registry or broker statement the new units in Unibail-Rodamco. If you need to estimate you can use the following
2. When Unibail-Rodamco completed the acquisition, they allocated 0.01844 stapled shares for every 1 WFD held (rounded down
3. This amount is then converted to the final URW.ASX CDI instrument of 0.3688 (being 0.01844×20 CDI). For the example above this is equal to $5,000 \times 0.01844 = 92$ (rounded down). $92 \times 20 = 1840$

4. Cost Base for Unibail-Rodamco

1. This will be equal to the deemed disposal amount for Westfield less the Cash amount received
2. In the example above this is equal to \$26,985.26.

5. Remaining amount between the Cost base of Unibail, Cash and Disposal of Westfield

1. The tax ruling notes that there may be fluctuations in the Unibail-Rodamco share price and exchange rates. This may cause a remaining amount outstanding between the Cost base of Unibail, Cash and Disposal of Westfield. This can be recorded to a

- Non-Deductible Expense account
- In the example above this is equal to \$58.98.

Name	Westfield 2018 Calculator v1.27 (12 July 2018)										Total
Parcel Number	1	2	3	4	5	6	7	8	9	10	
Acquisition Date (dd/mm/yyyy)	24-Aug-14										
Number of Stapled Securities	5,000										5,000
Purchase Price per unit (incl. transaction costs)	7.5000										
Total Purchase Price	37,500.00										37,500.00
Elect CGT Roll-over for your WCL shares?	No										
Does roll-over apply?	No										
Westfield stapled securities cost base information											
Starting cost base	37,500.00										37,500.00
Cost base if you sold from 11/08/2017 to 12/02/2018	36,207.74										36,207.74
Cost base if you sold from 13/02/2018 to 7/06/2018	35,609.66										35,609.66
CGT gains/losses on Westfield stapled securities											
CGT gain/loss for WCL shares	4,223.11										
CGT gain/loss for WFDT units	-7,531.54										
CGT gain/loss for WAT units	12,319.52										
Total CGT gains/losses (before any CGT discount)	9,011.08										9,011.08

Instructions for Simple Fund 360

- Edit the Transaction received via the fund's bank feed or if the fund does not have a data feed create a new Bank Transaction
- Process disposal for the consideration calculated
- Enter a purchase for the number of units issues in URW and for the cost base calculated.

Account	Units	Debit	Credit
60400/ANZ987...ANZ Asset - Bank Bank		17,576.50	
77600/URW.AX Unibail-rodamco-westfield 77600/URW.AX Investment Shares in Listed Companies (Australian)	1,840.000000	26,985.26	
37111 Non-Deductible Expense 37111 Expense		58.98	
77600/WFD.AX Westfield Corporation 77600/WFD.AX Investment Shares in Listed Companies (Australian)	5,000.000000		44,620.74

STEP THREE - DEMERGER (Rollover-Relief)

1. Rollover of units into Unibail-Rodamco (WCL - rollover relief)

- Use the ATO 2018 Westfield Calculator to calculate your Unibail-Rodamco CDISs with CGT-Rollover
- Ensure the Reduced Cost Base in the calculator matches that of Simple Fund 360.
- The ATO accepts that the portion of the Unibail-Rodamco shares that were received in respect of your WCL shares was 34.7% and the portion that was not received in respect of your WCL shares was 65.3%.
- In the example above the cost base rolled over is equal to \$5146.08.
-

34	Unibail-Rodamco CDIs (with CGT Roll-over)	
35	Total Cost Base	5,146.08
36	Number of CDIs	638
37	Cost base per CDI	8.0660
38	Acquisition date	24-Aug-14

2. Disposal of Units in Westfield

1. Use the ATO 2018 Westfield Calculator to calculate your capital Gain or Loss.
2. Ensure the Reduced Cost Base in the calculator matches that of Simple Fund 360.
3. In the example above the reduced cost base for the WFD units prior to the demerger is \$35,609.66. The CGT Gain calculated by the ATO Calculator is \$4,787.97. Therefore in Simple Fund 360 the consideration which the WFD shares will need to be sold for is $35,609.66 + 4,787.97 - 5146.08 = \$35,251.55$

3. Cash Received

1. A Cash amount will be received in the bank for the demerger (or issued by cheque if Bank details are not on file with the Registry).
2. This will be equal to \$3.5153 per unit held in Westfield.
3. In the example above, the cash amount received was \$17,576.50 ($\3.5153×5000 units).

4. Units in Unibail-Rodamco (WFDT and WAT - no rollover relief)

1. Confirm with the Registry or broker statement the new units in Unibail-Rodamco. If you need to estimate you can use the following
2. When Unibail-Rodamco completed the acquisition, they allocated 0.01844 stapled shares for every 1 WFD held (rounded down
3. This amount is then converted to the final URW.ASX CDI instrument of 0.3688 (being 0.01844×20 CDI). For the example above this is equal to $5,000 \times 0.01844 = 92$ (rounded down). $92 \times 20 = 1840$. The ATO accepts that the portion of the Unibail-Rodamco shares that were received in respect of your WCL shares was 34.7% and the portion that was not received in respect of your WCL shares was 65.3%. $1840 \times 65.3\%$ is 1202

5. Cost Base for Unibail-Rodamco (WFDT and WAT - no rollover relief)

1. This will be based on the amount in the ATO 2018 Westfield Calculator. In this example above this is equal to \$17628.41.

6. The remaining amount between the Cost base of Unibail, Cash and Disposal of Westfield

1. The tax ruling notes that there may be fluctuations in the Unibail-Rodamco share price and exchange rates. This may cause a remaining amount outstanding between the Cost base of Unibail, Cash and Disposal of Westfield. This can be recorded to a Non-Deductible Expense account
2. In the example above this is equal to \$46.64

Westfield stapled securities cost base information										
Starting cost base	37,500.00									37,500.00
Cost base if you sold from 11/08/2017 to 12/02/2018	36,207.74	-	-	-	-	-	-	-	-	36,207.74
Cost base if you sold from 13/02/2018 to 7/06/2018	35,609.66	-	-	-	-	-	-	-	-	35,609.66
CGT gains/losses on Westfield stapled securities										
CGT gain/loss for WCL shares	Roll-over									
CGT gain/loss for WFDT units	-7,531.54									
CGT gain/loss for WAT units	12,319.52									
Total CGT gains/losses (before any CGT discount)	4,787.97	-	-	-	-	-	-	-	-	4,787.97
Please retain the following cost base information for your OneMarket shares and Unibail-Rodamco CDIs										
OneMarket shares		Unibail-Rodamco CDIs (without CGT Roll-over)								
Total Cost Base	338.50	Total Cost Base	17,628.41		Total CDIs			1,840		
Number of One Market Units	250	Number of CDIs	1,202							
Cost Base per One Market Unit	1.354	Cost base per CDI	14.6659							
Acquisition Date	7-Jun-18	Acquisition Date	7-Jun-18							
Unibail-Rodamco CDIs (with CGT Roll-over)										
Total Cost Base	5,146.08									5,146.08
Number of CDIs	638									638
Cost base per CDI	8.0660									
Acquisition date	24-Aug-14									

Instructions for Simple Fund 360

1. Enter a demerger for the units and cost base (CGT Rollover) calculated

Step Three Corporate Action Summary						
Head Security						
CORPORATE ACTION DATE	CORPORATE ACTION TYPE	SECURITY CODE	INVESTMENT CODE	UNITS ON HAND	COST BASE EFFECT	UNITS AFTER CORPORATE ACTION
07/06/2018	Demerger	WFD.AX	78200/WFD.AX	5,000.000000	-5,146.11	5,000.000000
Demerged Security						
CORPORATE ACTION DATE	CORPORATE ACTION TYPE	SECURITY CODE	INVESTMENT CODE	UNITS ON HAND	COST BASE EFFECT	UNITS AFTER CORPORATE ACTION
07/06/2018	Demerger	URW.AX	78200/URW.AX	0.000000	5,146.11	638.000000

2. Edit the Transaction received via the fund's bank feed or if the fund does not have a data feed create a new Bank Transaction
3. Process disposal for the consideration calculated
4. Enter a purchase for the number of units issues in URW and for the cost base calculated.

References

1. ATO CR 2018/31 - Income tax: sale of Westfield Group stapled securities to Unibail-Rodamco SE - capital gains consequences
2. Westfield Scheme booklet - Unibail-Rodamco Acquisition
3. Westfield Scheme booklet - Onemarket demerger
4. Westfield - Exchange Rate Confirmation
5. OMN - Cost Base Information

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