

**Macquarie Bank Limited**  
ABN 46 008 583 542  
AFS Licence 237502  
Macquarie Investment Lending

Level 22  
20 Bond Street  
Sydney NSW 2000  
GPO Box 4294  
Sydney NSW 2001

Telephone (61 2) 8232 3434  
Free Call 1800 656 819  
Facsimile (61 2) 8232 4490  
Free Fax 1800 673 484  
Internet <http://www.macquarie.com.au>  
DX 10287

Offices also in Melbourne, Brisbane and Perth

## **Media Release**



### **New Capital Protected Product Legislation Enforced Today**

**2 July 2007** – Macquarie Investment Lending said it was expecting a significant number of applications for capital protected lending products with the new Legislation on Capital Protected Products coming into force from today.

Macquarie Investment Lending Head of Sales and Marketing, Peter Van der Westhuyzen said that in the lead up to the end of the 2005/2006 financial year last week, a significant number of advisers had indicated that they were waiting for the start of the new Legislation before they put their clients into capital protected products (CPPs).

“This was just one of many trends we were seeing towards the end of the financial year, and it makes sense for advisers to wait to get the best possible investment conditions for their clients before they lock in their capital protection,” Mr Van der Westhuyzen said.

He said the new legislation replaces the Interim Methodology, that advisers had to work with during the past four years, with more flexible rules around interest deductibility for investors taking out CPPs from 1 July 2007.

“This legislation will benefit Australian investors acquiring capital protected products from 1 July 2007 because it more accurately recognises the true finance cost of loan products borrowing at a 100% Loan to Value Ratio, allowing more of the interest to be deducted on revenue account in the year it is incurred. This may have the effect of reducing the after tax cost of the investment strategy and potentially increasing returns to investors.”

He said Macquarie was pleased about this legislation being passed because it had been working closely with the Australian Taxation Office (ATO) and Treasury since 1998 to achieve tax certainty for capital protected products which it had pioneered following a demand from investors for certainty and security.

“We saw CPPs as being a product that we introduced to the market and this increased our interest in working with the ATO and involving ourselves in discussions about the deductibility status of capital protected products to ensure the best possible result for our advisers and their clients” Mr van der Westhuyzen said.

“At a time when people are starting to question the sustainability of the Australian market’s record performance, CPPs can give some investors a level of comfort that they can still invest without the risk of losing their capital if they hold their investment until maturity.

He said while the new legislation would benefit investors who took out a new capital protected loan from today, it was important for them to speak to their Financial Adviser to make sure it was the correct investment strategy for their personal financial needs.

Macquarie Investment Lending is the leading provider of protected lending in Australia, offering a comprehensive range of products including Macquarie’s Geared Equities Investment plus.

Macquarie has a national team of specialists in distribution, products, marketing and client services dedicated to providing premium products and service to advisers, distributors and investors.

For further information please contact:

Irene O’Brien, Head of PR and Communication,

Macquarie Financial Services Group (02) 8232-3241

Peter van der Westhuyzen, Head of Sales and Marketing

Macquarie Investment Lending (02) 8232-6109