# Inland RevenueInterest in a foreign investmentTe Tari Taakefund disclosure schedule

(branch equivalent method)

Income Tax Act 1994

IR 440

November 2002

For the period 1 April		to 31 March	
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- This form must be completed by a New Zealand resident person with an interest in a foreign investment fund (FIF) who elects to calculate FIF income or loss using the branch equivalent method.
- An interest in an FIF may include shares in a foreign company, units in a foreign unit trust or an entitlement to benefit from a foreign superannuation scheme or a foreign life insurance policy.
- The FIF rules may not apply if your foreign interest is held in a company or unit trust resident in Australia, Canada, Germany, Japan, Norway, the United Kingdom or the United States.
- The FIF rules do not apply if you are a natural person and the total cost of your FIF interests did not exceed NZ\$50,000 at all times during the income year. Cost for the purposes of this exemption includes cost whenever incurred (current and prior income years).
- You can only use the branch equivalent method if the FIF is a company and you have sufficient information to calculate your FIF income or loss according to New Zealand taxation legislation.
- For more information, phone us on **0800 443 773**.
- Complete a separate form for each FIF in which you held an interest. Attach each IR 440 to your income tax return.
- For information on exchange rates, please refer to the April and October issues of our *Tax Information Bulletin (TIB)* or our website at **www.ird.govt.nz/otherservices/currency**

### Part A – Disclosure schedule

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#### 1. Details of person required to file this disclosure schedule

Name	
IRD number	
Contact person for enquiries	
Phone number	( )
Details of foreign investment fun	d (FIF)
Name of FIF	
Principal business activity	
Balance date	Day Month Year
State the nature of your FIF interest, for example, units or shares	
Country or territory of residence	
Postal address	Street address or PO Box number
	Town or city

## Part B – Worksheet

Use this worksheet to calculate your FIF income or loss using the branch equivalent method for the accounting period of the FIF that ended in your current income year.

3.	3. Income interest									
	If you elected to calculate your control and income interests on a daily measurement basis (IR 467 form), print the date you made this election.									
	(IR 467 1	orm), print the date you r	nade this ei	ection.				Day	Month	Year
Did your income interest remain the same on each quarterly measurement day (or day where you elected to use measurement basis) for the accounting period of the FIF in each of the categories listed below?							ed to use th	le dally		
	Yes Print the highest control interest percentage of the categories listed below.								%	
	No Print your income interest percentage on each quarterly measurement day in each of the categories listed below. If you used the daily measurement basis, attach a separate sheet of paper showing all changes in your income interest percentage in each of the categories listed below.									
		<b>Note:</b> Include interests associated persons.	you actually	held and the	ose held by nor	minees. D	o not include	interests he	eld by	
			Day Month	Year	Day Month	Year	Day Month	Year	Day Mor	nth Year
		Measurement day								
		Subscribed capital								
		Voting rights								
		Entitlement to profits								
		Net assets on distribution								
		Highest of above categories								
		Print the weighted aver for the category with the				lays in ea	ch period abo	ove)		• %
		for the category with the	e nighest we	eiginea meo	ine interest.					
4.	Calculat	ion								
	Print the	currency in which the fin	ancial state	ments were	prepared.					
		the FIF's financial statem								
	tax at Box A below to New Zealand dollars. To do this use the average exchange rate for the 15th day of each complete month falling in the FIF's accounting period.						nplete			
	montina		ing ponou.							
	Calculat	ion of FIF income or lo	ss for an in	terest held	at any time o	during the	e accounting	period of	the FIF th	at
				E for the ea	acupting paria	d that any	ded in vour o	wort		
		net profit or loss before t rear. Attach a copy of the						ment		•
	Adjustme	ents to conform to New Z	ealand tax l	legislation.						
	Add									
							•			•
	Deduct									
							•			
	Print you	r amended net profit or le	oss before t	ax in Box A				A		•
	Convert t	to New Zealand dollars.		Cor	nversion rate			В	\$ NZ	•
	Print the	income interest percenta	age you held	d for the acc	counting period	d in Box C	<i>.</i>	С		• %
		Box B by Box C. Print the						ie. D	\$	
	If this tota	al is negative, this is you	r FIF loss. I	f the amour	nt is a loss, sho	ow it in br	ackets.		Ψ	

#### 5. Treatment of attributed foreign income or loss

Enter the total FIF income from Box D. If the amount is a loss show it in brackets.

#### Complete the relevant panels below

#### FIF income offset against:

FIF losses (calculated under the branch equivalent method) or attributed foreign income losses incurred in the current or earlier income years, from a controlled foreign company (CFC) or FIF resident in the same country or territory as this FIF, or
 if you are a company, similar offsets between members of a wholly owned group of companies.

E \$

Μ

\$

IRD number (if group company)
Name of FIF

Image: Second second

#### FIF losses offset against:

 FIF income (calculated under the branch equivalent method) or attributed foreign income derived in the current income year from a CFC or FIF resident in the same country or territory as this FIF, or

- if you are a company, similar offsets between members of a wholly owned group of companies.

IRD number (if group company)	Name of FIF		Income	
			\$	•
			\$	•
			\$	•
		Total income	G \$	•
Total Boxes above. If Box If Box E is negative, add it	E is positive, subtract Box F from Box E. o Box G. Print the result in Box H.		H \$	•

If Box H is positive, this is your FIF income to be included in your current tax return for this FIF interest. If Box H is negative, this is your FIF loss to carry forward to your next year's FIF calculations.

#### 6. Tax credit

Print the country and currency in which the income tax was	Country	Currency
paid or payable. Attach evidence of the income tax paid or		
payable if in excess of NZ\$10,000 (or equivalent).		

In most circumstances the foreign company income must be calculated using the same currency as the previous year (this also applies to certain financial arrangements).

Show the exchan	ge rate used.		I Actual transaction date			
J Average for the 15th day of each complete mo					h complete month	
Convert to New Z	ealand dollars.	(1)	(2)	(2)	(4)	(5)
Source of rate (I or J)	Conversion date	Amount of foreign tax	Conversion rate	(3) Foreign tax in NZ\$ Divide (1) by (2)	(4) Income interest percentage	(5) Your foreign tax credit Multiply (3) by (4)
						· · · · · · · · · · · · · · · · · · ·
Print the total of your foreign tax credits from column (5) above in Box K.						
	Calculate the New Zealand income tax payable on your FIF income (Box H above) at your average rate of tax. Print the total in Box L.					

Subtract Box L from Box K. Print the total in Box M.

If Box M is zero or negative, transfer Box K to your income tax return. If Box M is positive, transfer Box L to your income tax return and tick the option/s over the page to show how you wish to treat the positive amount in Box M.

attributed foreign income der	income tax payable on FIF income (calculated ur ived in the current income year from an FIF or CFC re available between members of a wholly owned	C resident in the same country or territory
Please specify below.	re available between members of a whony owned	group of companies.
IRD number (if group company)	Name of FIF or CFC	Offset amount
		\$
		\$ \$
		\$
		Total offset N \$
Excess tax credit to carry for	prward from this FIF interest.	0 \$
Add Boxes N and O. Print the to The amount in Box P must equal		P \$ .
Part C – Disclosure		
Did you maintain a branch equivalent	tax account (BETA) during the year?	
Yes Complete and attach to you	r income tax return a single IR 308 form (if you ar 08 form (if you are a company) showing the aggre	
Did you offset an underlying foreign to received during your current income your Yes	ax credit (UFTC) against your foreign dividend wit year from this FIF?	hholding payment liability for dividends

Did you or a person paying foreign tax in respect of which a foreign tax credit arose (including a UFTC) or a person associated with either of you receive a refund or repayment of the foreign tax or other related benefit during your current income year?

res	
NIa	
No	

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## Declaration

I declare that the information given in this disclosure schedule and its attachments is true and correct.	
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Name	Signature	
Designation		Date
		2010

**Privacy Act 1993**. Inland Revenue may give information about you to other government agencies or their contracted agents who are entitled to it under legislation. For more details phone us on 0800 443 773.