



Interest in a foreign investment fund disclosure schedule

(accounting profits method)

For the period 1 April to 31 March

- **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 accounting profits 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 accounting profits method if you meet **all** of the following conditions:
 - the FIF is a company, and
 - the FIF is listed on a recognised stock exchange or interests in it are offered widely to the public for subscription or purchase, and
 - the net after-tax accounting profits or losses of the FIF are calculated under generally accepted accounting principles and detailed in audited financial statements sent to shareholders for which a standard audit opinion (without qualification) is given, and
 - the net after-tax accounting profits or losses include all extraordinary items, and
 - the net after-tax accounting profits or losses are calculated on a consolidated basis if the FIF has any subsidiaries, and
 - you have no reason to believe that the net after-tax accounting profits or losses of the FIF are not fairly represented, and
 - the FIF is not a foreign entity listed in Part C of Schedule 4 to the Income Tax Act 1994.
- 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 439 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

1. Details of person required to file this disclosure schedule

Name

IRD number (8 digit numbers start in the second box.)

Contact person for enquiries

Phone number ()

2. Details of foreign investment fund (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 accounting profits method for the accounting period of the FIF that ended in your current income year.

3. Income interest

Tick one of the options below to show the measurement basis you used to calculate your income interest

Quarterly measurement basis

Daily measurement basis Print the date you made this election (IR 467 form).

Annual measurement basis Print the highest income interest percentage of the categories listed below held on the 31st day of March falling within the accounting period of the FIF. Go to panel 4 “Calculation” below.

Note: This option is only available if you held the FIF interest for more than one year.

| | | |
|-----|-------|------|
| Day | Month | Year |
|-----|-------|------|

| | | |
|-----|-------|------|
| Day | Month | Year |
|-----|-------|------|

| | | |
|--|---|---|
| | . | % |
|--|---|---|

Did your income interest remain the same on each quarterly measurement day (or day where you elected to use the daily measurement basis) for the accounting period of the FIF in each of the categories listed below?

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.

Note: Include interests you actually held and those held by nominees. Do not include interests held by associated persons.

| | Day | Month | Year |
|-----------------------------|-----|-------|------|-----|-------|------|-----|-------|------|-----|-------|------|
| Measurement day | | | | | | | | | | | | |
| Subscribed capital | | | | | | | | | | | | |
| Voting rights | | | | | | | | | | | | |
| Entitlement to profits | | | | | | | | | | | | |
| Net assets on distribution | | | | | | | | | | | | |
| Highest of above categories | | | | | | | | | | | | |

Print the weighted average figure (based on the number of days in each period above) for the category with the highest weighted income interest.

| | | |
|--|---|---|
| | . | % |
|--|---|---|

4. Calculation

Print the currency in which the financial statements were prepared.

| |
|--|
| |
|--|

Note: If the FIF’s financial statements were prepared in a foreign currency, convert the net after-tax accounting profits or losses 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.

Calculation of FIF income or loss for an interest held at any time during the accounting period of the FIF that ended in your current income year.

Print the net after-tax accounting profits or losses of the FIF for the accounting period that ended in your current income year. Attach a copy of the FIF’s audited financial statements to this form.

| | | |
|----------|--|---|
| A | | . |
|----------|--|---|

Convert to New Zealand dollars.

Conversion rate

| |
|--|
| |
|--|

| | | |
|----------|-------|---|
| B | \$ NZ | . |
|----------|-------|---|

Print the income interest percentage you held for the accounting period of the FIF in Box C.

| | | | |
|----------|--|---|---|
| C | | . | % |
|----------|--|---|---|

Multiply Box B by Box C. Print the total in Box D. If this total is positive, this is your FIF income. If this total is negative, this is your FIF loss. If the amount is a loss, show it in brackets.

| | | | |
|----------|----|--|---|
| D | \$ | | . |
|----------|----|--|---|

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.

E \$

Complete the relevant panels below

FIF income offset by FIF losses incurred:

- in the current income year or earlier years, for FIFs using any calculation method except the branch equivalent method, or
- by a wholly owned group member with FIFs using any calculation method except the branch equivalent method if you are a company.

| IRD number (if group company) | Name of FIF | Loss |
|-------------------------------|----------------------|-------------------------|
| <input type="text"/> | <input type="text"/> | \$ <input type="text"/> |
| <input type="text"/> | <input type="text"/> | \$ <input type="text"/> |
| <input type="text"/> | <input type="text"/> | \$ <input type="text"/> |

Total loss **F** \$

FIF losses offset:

- against other FIF income derived in the current income year calculated using any calculation method except the branch equivalent method, or
- by a wholly owned group member with FIFs using any calculation method except the branch equivalent method if you are a company.

| IRD number (if group company) | Name of FIF | Income |
|-------------------------------|----------------------|-------------------------|
| <input type="text"/> | <input type="text"/> | \$ <input type="text"/> |
| <input type="text"/> | <input type="text"/> | \$ <input type="text"/> |
| <input type="text"/> | <input type="text"/> | \$ <input type="text"/> |

Total income **G** \$

FIF losses offset against other current income to the extent of FIF income derived in prior income years, using any calculation method except the branch equivalent method.

H \$

For the purposes of this offset rule, the amount of FIF income derived in previous income years is reduced by any previous FIF loss offsets made under this rule.

FIF losses arising from:

- a business dealing in such interests, or
- an FIF interest you acquired for the purpose of deriving a gain on disposal, and you elect to offset the loss against your other income.

I \$

FIF income or loss:

- if Box E is positive, subtract Box F from Box E and print your answer in Box J.
- if Box E is negative, add Boxes G, H and I to Box E and print your answer in Box J.

J \$

If Box J is positive, this is your FIF income to be included in your current tax return.

If Box J is negative, this is your FIF loss to carry forward to your next year's FIF calculations.

Part C – Disclosure

Did you maintain a branch equivalent tax account (BETA) during the year?

- Yes Complete and attach to your income tax return a single IR 308 form (if you are a New Zealand resident person other than a company) or an IR 408 form (if you are a company) showing the aggregate BETA entries for all relevant foreign companies.
- No

Declaration

I declare that the information given in this disclosure schedule and its attachments is true and correct.

Name

Signature

Designation

Date

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.