



Interest in a foreign investment fund disclosure schedule (branch equivalent 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 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

1. Details of person required to file this disclosure schedule

Name

IRD number

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 branch equivalent method for the accounting period of the FIF that ended in your current income year.

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.

Day	Month	Year
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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.

Measurement day	Day			Month			Year			Day			Month			Year		
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 amended net profit or loss before 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.

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 profit or loss before tax of the FIF for the accounting period that ended in your current income year. Attach a copy of the FIF's financial statements to this form. .

Adjustments to conform to New Zealand tax legislation.

Add

 . .

Deduct

 . .

Print your amended net profit or loss before tax in Box A. **A** .

Convert to New Zealand dollars. Conversion rate **B** \$ NZ .

Print the income interest percentage you held for the accounting period 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 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.

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"/>	<input type="text"/>	\$ <input type="text"/> . <input type="text"/>

Total loss **F** \$.

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
<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"/>	<input type="text"/>	\$ <input type="text"/> . <input type="text"/>

Total income **G** \$.

Total Boxes above. If Box E is positive, subtract Box F from Box E. If Box E is negative, add it to 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 paid or payable. Attach evidence of the income tax paid or payable if in excess of NZ\$10,000 (or equivalent).

Country	Currency
<input type="text"/>	<input type="text"/>

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 exchange rate used.

I Actual transaction date

J Average for the 15th day of each complete month

Convert to New Zealand dollars.

Source of rate (I or J)	Conversion date	(1) Amount of foreign tax	(2) Conversion rate	(3) Foreign tax in NZ\$ Divide (1) by (2)	(4) Income interest percentage	(5) Your foreign tax credit Multiply (3) by (4)
<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"/>	<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"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Print the total of your foreign tax credits from column (5) above in Box K.

K \$ NZ .

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.

L \$.

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

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.

- Offset** against New Zealand income tax payable on FIF income (calculated under the branch equivalent method) or attributed foreign income derived in the current income year from an FIF or CFC resident in the same country or territory as this FIF. Similar offsets are available between members of a wholly owned group of companies.

Please specify below.

IRD number (if group company)	Name of FIF or CFC	Offset amount
		\$.
		\$.
		\$.
Total offset		N \$.
		O \$.
		P \$.

Add Boxes N and O. Print the total in Box P.
The amount in Box P must equal the positive amount in Box M.

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

Did you offset an underlying foreign tax credit (UFTC) against your foreign dividend withholding payment liability for dividends received during your current income year from this FIF?

- Yes
- No

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?

- Yes
- No

Declaration

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

Name

Designation

Signature

/ /
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.