



- Please read the notes over the page before completing this form
- Use this form to elect to retain foreign losses or revoke an election made previously to retain foreign losses

I/We elect that

Name of company

IRD number (8 digit numbers start in the second box. 1 2 3 4 5 6 7 8)

Contact person's name Phone () extn
Daytime (include extension)

(tick one)

- shall retain any attributed foreign losses and/or foreign investment fund losses and not include these losses with the losses attributed to shareholders
- shall revoke the foreign loss election made previously
- This applies from onwards.
Day Month Year

Shareholder's name

IRD number Signature
Date

For company and trustee shareholders only (see Note 2)
Signatory's name Office

Shareholder's name

IRD number Signature
Date

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Date

For company and trustee shareholders only (see Note 2)
Signatory's name Office

Please send your completed form to: Inland Revenue, PO Box 39010, Wellington Mail Centre



Notes

Note 1: Foreign losses

The term “foreign loss” is used to describe

- attributed foreign losses from a controlled foreign company (CFC), and/or
- attributed foreign investment fund (FIF) losses.

A CFC is a foreign company controlled by five or fewer New Zealand resident shareholders. An FIF is a foreign entity (for example, an offshore unit trust or a superannuation fund) in which a New Zealand resident has an interest.

Note 2: Election to retain foreign losses or revocation of election

The shareholders of a loss attributing qualifying company (LAQC) may elect for the company to retain any foreign losses so it can carry them forward to offset against future foreign income.

Where an election is not made or the election is revoked, foreign losses received by the LAQC will be included in the losses attributed to shareholders, to be offset against foreign income.

The election and revocation must be made by all *sui juris* shareholders (see Note 3).

Where the shareholder is a company, enter below the signature the name and office (for example, company secretary) of the person signing on behalf of the company.

Where the shareholder is a trustee, enter the shareholder’s name as “Trustees in the”. A trustee must sign the election or revocation. Enter their name below the signature and put “trustee” in the “office” section.

Note 3: *Sui juris*

A legal phrase used to describe people who have the legal capacity to deal with their property, make binding contracts, and to sue or be sued. People who do not have full legal capacity (that is, non *sui juris*) include minors and people who have an intellectual disability.

Note 4: Application date of foreign loss elections

An election will apply from the beginning of the income year following the income year we receive it, unless a later date is specified.

Elections received by Inland Revenue by 31 March will apply from the beginning of that income year, unless a later year is specified. For a new company, elections will apply from the beginning of the company’s first income year, provided we receive them in time for an income return to be filed.

Note 5: Application date of revocations

A revocation will apply from the beginning of the income year we receive the notification, unless a later year is specified.

Any losses carried forward while the election was in place cannot be attributed to shareholders and will remain with the company to be offset or carried forward.

FOR MORE HELP

If you need more information please read our booklet *Qualifying companies (IR 435)*. You can view this on our website (see below) or you can order a copy by phoning INFOexpress on 0800 257 773.

www.ird.govt.nz

Visit our website for services and information. Go to:

- **Get it done online** to file returns, register for services and access account information
- **Work it out** to calculate tax, entitlements, repayments and due dates and to convert overseas income to New Zealand currency.

You can also check out our newsletters and bulletins, and have your say on items for public consultation.