

Subpart MP—Memorandum accounts of consolidated groups

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General provisions

MP 1 Memorandum accounts of consolidated groups

Single company

- (1) For the purposes of this Part, a consolidated group is treated as if it were a single company, and sections HB 1 and HB 2 (which relate to the treatment of consolidated groups) apply to the group.

Consolidated group accounts

- (2) A consolidated group may—
- (a) be required to maintain a memorandum account for a tax year; or
 - (b) be entitled to maintain a memorandum account for a tax year.

Separate accounts

- (3) A consolidated group's memorandum account is separate from the memorandum account of each company in the group.

General rules

- (4) The general rules on memorandum accounts set out in sections MA 2 and MA 3 (which relate to the treatment of memorandum accounts) apply to a memorandum account of a consolidated group.

Tables

- (5) The credits and debits that arise in a memorandum account are listed in tables in this subpart. The tables—
- (a) state the credits and the debits; and
 - (b) state the credit dates and debit dates when the credits and debits arise; and
 - (c) refer to the section that fully defines them, and provides the credit dates and debit dates for each credit and debit.

Defined in this Act: company, consolidated group, memorandum account, tax year

Origin: 2004 No 35 ss ME 10, ME 25, MF 7, MG 13, MI 14

MP 2 When credits and debits arise only in group accounts

Credits only in group account

- (1) A credit may arise only in the memorandum account of a consolidated group and not in the memorandum account of a group company, unless another provision expressly states otherwise.

Debits only in group account

- (2) A debit may arise only in the memorandum account of a consolidated group and not in the memorandum account of a group company, unless another provision expressly states otherwise.

Particular credits and debits

- (3) The credit referred to in subsection (1) and the debit referred to in subsection (2) are listed in provisions in this subpart.

Company's obligation overridden

- (4) This section applies despite—
 - (a) the obligation that a group company may have under this Part to record a credit or debit; and
 - (b) the fact that the credit and debit referred to in this section may otherwise be eligible to give rise to a credit or debit in the group company's account.

Defined in this Act: company, consolidated group, memorandum account

Origin: 2004 No 35 ss ME 13, ME 27, MF 9, MG 16, MI 19

Consolidated groups and imputation credit accounts

Introductory provisions

MP 3 Changes in consolidated imputation groups

New group company

- (1) A consolidated imputation group continues to have the same imputation credit account if the group starts an imputation group with a company that is not part of another consolidated group.

Combining consolidated groups

- (2) Two consolidated imputation groups that choose to combine to form 1 imputation group must record in the imputation credit account of the new group—
- (a) all credits and debits in the imputation credit accounts of the 2 groups just before the election takes effect; and
 - (b) all credits and debits that arise for a group company that is part of the new group on and after the election takes effect.

Imputation group becoming consolidated imputation group

- (3) A consolidated imputation group continues to use the imputation credit account of an imputation group if the companies that are part of the imputation group choose to convert their status to that of a consolidated imputation group.

Opening balances

- (4) The opening balances for the imputation credit account of the consolidated imputation group referred to in subsection (3) are described in section MA 7 (Opening balances of memorandum accounts).

Defined in this Act: company, consolidated group, consolidated imputation group, imputation credit account, imputation group

Origin: 2004 No 35 s ME 10(1A), (1B), (1D)

MP 4 Resident imputation subgroups

Subgroup of trans-Tasman imputation group

- (1) The resident imputation subgroup of a trans-Tasman imputation group must record in its imputation credit account the credits and debits described in subsection (2).

Eligible credits and debits

- (2) The credits and debits referred to in subsection (1) are those that arise in the imputation credit account of the subgroup's trans-Tasman imputation group in relation to a company that—
- (a) will be part of the subgroup if the credit or debit arises before the subgroup is formed; or
 - (b) is part of the subgroup if the credit or debit arises when or after the subgroup is formed.

Defined in this Act: company, imputation credit account, imputation group, resident imputation subgroup, trans-Tasman imputation group

Origin: 2004 No 35 s ME 10(1C)

MP 5 When credits and debits arise only in consolidated imputation group accounts

Credits only in group account

- (1) A credit listed in subsection (2) arises only in the imputation credit account of a consolidated imputation group and not in the imputation credit account of a group company.

Particular credits

- (2) The credit referred to in subsection (1) is a credit described in the following rows of table M19: imputation credits of consolidated imputation groups:
- (a) row 2 (payment of tax):
 - (b) row 3 (deposit in tax pooling account):
 - (c) row 7 (derivation of dividend with imputation credit):
 - (d) row 8 (derivation of dividend with FDWP credit):
 - (e) row 9 (payment of FDWP).

Debits only in the group account

- (3) A debit listed in subsection (4) arises only in the imputation credit account of a consolidated imputation group and not in the imputation credit account of a group company.

Particular debits

- (4) The debit referred to in subsection (3) is a debit described in the following rows of table M20: imputation debits of consolidated imputation groups:
- (a) row 2 (payment of dividend):
 - (b) row 4 (refund of income tax):
 - (c) row 6 (refund from tax pooling account):
 - (d) row 7 (transfer to tax pooling account):
 - (e) row 8 (refund of FDWP):
 - (f) row 9 (refund of tax credit):
 - (g) row 11 (group company's debit):
 - (h) row 14 (breach of imputation ratio).

Defined in this Act: company, consolidated imputation group, dividend, FDWP, FDWP credit, imputation credit, imputation credit account, imputation ratio, income tax, pay, tax

Origin: 2004 No 35 s ME 12(1)

MP 6 Provisions applying to consolidated imputation groups

Single company, tax liabilities

- (1) The provisions listed in subsection (2) apply, modified as necessary, to a consolidated imputation group and to the imputation credit account of the group as if—
 - (a) the group were a single company; and
 - (b) a reference to a company's liability for further income tax, late payment penalty, or imputation penalty tax were a reference to a joint and several liability owed by group companies when the tax or penalty becomes payable.

Other provisions

- (2) The provisions are—
 - (a) sections MB 58 and MB 59 (which relate to further income tax); and
 - (b) sections 97, 101, 139B, 140B, 140D, and 180 of the Tax Administration Act 1994.

Consolidation provisions

- (3) Section HB 1(2) to (5) (Returns, assessments, and liability of consolidated group) overrides subsection (1)(b).

Defined in this Act: company, consolidated imputation group, further income tax, imputation credit account, imputation penalty tax, pay

Origin: 2004 No 35 s ME 14(3)

Imputation credits of consolidated imputation groups

Table M19: imputation credits of consolidated imputation groups

Row	Imputation credit	Credit date	Further defined
1	<i>Opening credit balance</i>		
	Opening credit balance	1 April or when the group starts	section MA 7
2	<i>Payment of tax</i>		
	Income tax paid for a group tax liability	day of payment	section MP 7
3	<i>Deposit in tax pooling account</i>		
	Group funds paid into a tax pooling account	day of payment	section MP 8
4	<i>Transfer from tax pooling account</i>		
	A transfer from a tax pooling account	day of credit or refund	section MP 9
5	<i>Allocation from excess company</i>		
	An allocation from an excess company	day of notice of the allocation	section MP 10
6	<i>Payment of further income tax</i>		
	Further income tax paid	day of payment	section MP 11
7	<i>Derivation of dividend with imputation credit</i>		
	An imputation credit attached to a dividend derived	day the dividend is paid	section MP 12
8	<i>Derivation of dividend with FDWP credit</i>		
	An FDWP credit attached to a dividend derived	day the dividend is paid	section MP 13
9	<i>Payment of FDWP</i>		
	FDWP paid by a group company	day of payment	section MP 14
10	<i>Deduction of resident withholding tax</i>		
	A deduction of resident withholding tax	day the interest is paid	section MP 15
11	<i>Transfer from group company's FDWP account</i>		
	A transfer from a group company's FDWP account	debit date for the transfer	section MP 16
12	<i>Transfer from consolidated group's FDWP account</i>		
	A transfer from a consolidated group's FDWP account	debit date for the transfer	section MP 17
13	<i>Transfer from company's policyholder credit account</i>		
	A transfer from a company's policyholder credit account	debit date for the transfer	section MP 18

14	<i>Transfer from group's policyholder credit account</i>		
	A transfer from a consolidated group's policyholder credit account	debit date for the transfer	section MP 19
15	<i>Group company's credit</i>		
	A group company's credit	set out in section MP 20	section MP 20
16	<i>Elimination of double debit</i>		
	A debit for loss of shareholder continuity that cancels a credit for a tax pooling account deposit that is refunded	day of refund	section MP 21
17	<i>Reversal of tax advantage arrangement</i>		
	The reversal of a debit for a tax advantage arrangement	debit date for the debit	section MP 22
18	<i>Deduction of non-resident withholding tax</i>		
	Non-resident withholding tax paid on non-resident withholding income derived by a group company that is an Australian ICA company	day of deduction	section MP 23
19	<i>Deduction from withholding payment</i>		
	A tax deduction from a withholding payment paid to a group company that is also an Australian ICA company	day tax deduction is withheld	section MP 24
20	<i>Payment of schedular income tax</i>		
	Schedular income tax paid by a group company that is an Australian ICA company	day of payment	section MP 25
<p>How to use this table</p> <p>Each row in the table describes—</p> <p>(a) the imputation credits that may arise in the imputation credit account of a consolidated imputation group during a tax year; and</p> <p>(b) the credit date when the credit arises.</p> <p>A more detailed description of the imputation credits and, as necessary, credit dates is contained in the section noted in the last column.</p>			

MP 7 Consolidated ICA payment of tax

Credit

- (1) A consolidated imputation group has an imputation credit as described in table M19: imputation credits of consolidated imputation groups, row 2 (payment of tax) for a payment of income tax. Subsection (2) overrides this subsection.

No credit

- (2) A consolidated imputation group does not have an imputation credit for an amount of—
- (a) income tax paid as a trustee, unless paid on category A income; or
 - (b) a transfer from a tax pooling account to a tax account with the Commissioner; or
 - (c) income tax paid on income derived by a company that is not an ICA company; or
 - (d) income tax paid by crediting an amount under subpart LE (Non-resident investors); or
 - (e) further income tax applied under section MB 58 or MB 59 (which relate to further income tax) to pay income tax or provisional tax; or
 - (f) income tax paid under section LB 2(2) (Credit of tax for imputation credit) by crediting an imputation credit; or
 - (g) income tax paid under section LD 8(1) (Credit of tax for dividend withholding payment credit in hands of shareholder) by crediting an FDWP credit; or
 - (h) income tax paid by a life insurer subject to section EY 47 (Non-resident life insurers with life insurance policies in New Zealand) to satisfy the tax year's policyholder base income tax liability; or
 - (i) income tax paid by crediting further income tax under section MB 62(3) (Further income tax paid satisfying income tax).

Credit date

- (3) The credit date is the day the tax is paid.

Defined in this Act: amount, category A income, Commissioner, company, consolidated imputation group, FDWP credit, further income tax, ICA company, imputation credit, imputation credit account, income, income tax, life insurer, pay, policyholder base income tax liability, provisional tax, tax year, trustee

Origin: 2004 No 35 s ME 11(1)(a), (2)(a)

MP 8 Consolidated ICA deposit in tax pooling account

Credit

- (1) A consolidated imputation group has an imputation credit as described in table M19: imputation credits of consolidated imputation groups, row 3 (deposit in tax pooling account) for an amount provided by it and paid by an intermediary into a tax pooling account.

Credit date

- (2) The credit date is the day the amount is deposited.

Defined in this Act: amount, consolidated imputation group, imputation credit, intermediary, pay

Origin: 2004 No 35 s ME 11(1)(aa), (2)(aa)

MP 9 Consolidated ICA transfer from tax pooling account

Credit

- (1) A consolidated imputation group has an imputation credit as described in table M19: imputation credits of consolidated imputation groups, row 4 (transfer from tax pooling account) for an amount that represents an entitlement to funds held in a tax pooling account and transferred by an intermediary.

Credit date

- (2) The credit date is—
- (a) the effective date under section MBA 6 (Transfers from tax pooling account) of the Income Tax Act 2004 if the amount is transferred to the group's tax account with the Commissioner; or
 - (b) the day the refund is made.

Defined in this Act: amount, Commissioner, consolidated imputation group, imputation credit, intermediary

Origin: 2004 No 35 s ME 11(1)(ab), (2)(ab)

MP 10 Consolidated ICA allocation from excess company

Credit

- (1) A consolidated imputation group has an imputation credit as described in table M19: imputation credits of consolidated imputation groups, row 5 (allocation from excess company) for an amount allocated from an excess company under section MB 9 (Payments to be set off within wholly-owned group) of the Income Tax Act 2004.

Credit date

- (2) The credit date is the day the Commissioner is notified of the allocation.

Defined in this Act: amount, company, consolidated imputation group, imputation credit, notify

Origin: 2004 No 35 s ME 11(1)(b), (2)(b)

MP 11 Consolidated ICA payment of further income tax

Credit

- (1) A consolidated imputation group has an imputation credit as described in table M19: imputation credits of consolidated imputation groups, row 6 (payment of further income tax) for an amount of further income tax paid under section MB 58 or MB 59 (which relate to further income tax).

Credit date

- (2) The credit date is the day the further income tax is paid.

Defined in this Act: amount, consolidated imputation group, further income tax, imputation credit, pay

Origin: 2004 No 35 s ME 11(1)(c), (2)(a)

MP 12 Consolidated ICA derivation of dividend with imputation credit

Credit

- (1) A consolidated imputation group has an imputation credit as described in table M19: imputation credits of consolidated imputation groups, row 7 (derivation of dividend with imputation credit) for the amount of an imputation credit attached to a dividend derived by a group company.

Credit date

- (2) The credit date is the day the dividend is paid.

Defined in this Act: amount, company, consolidated imputation group, dividend, imputation credit, pay

Origin: 2004 No 35 s ME 11(1)(d), (2)(c)

MP 13 Consolidated ICA derivation of dividend with FDWP credit

Credit

- (1) A consolidated imputation group has an imputation credit as described in table M19: imputation credits of consolidated imputation groups, row 8 (derivation of dividend with FDWP credit) for the amount of an FDWP credit attached to a dividend derived by a group company that—
 - (a) is part of a consolidated group without an FDWP account; or
 - (b) does not have an FDWP account and is not part of a consolidated group.

Credit date

- (2) The credit date is the day the dividend is paid.

Defined in this Act: amount, consolidated group, consolidated imputation group, dividend, FDWP account, FDWP credit, imputation credit

Origin: 2004 No 35 s ME 11(1)(e), (2)(c)

MP 14 Consolidated ICA payment of FDWP

Credit

- (1) A consolidated imputation group has an imputation credit as described in table M19: imputation credits of consolidated imputation groups, row 9 (payment of FDWP) for the amount of FDWP that is paid by a group company that—
- (a) is part of a consolidated group without an FDWP account; or
 - (b) does not have an FDWP account and is not part of a consolidated group.

No credit

- (2) Despite subsection (1), no credit arises for FDWP paid under section NH 3(2) or (3) (Payment and recovery of dividend withholding payment) by the reduction of a net loss.

Credit date

- (3) The credit date is the day the FDWP is paid.

Defined in this Act: amount, consolidated group, consolidated imputation group, FDWP, FDWP account, imputation credit, imputation credit account, net loss, pay

Origin: 2004 No 35 s ME 11(1)(f), (2)(a)

MP 15 Consolidated ICA deduction of resident withholding tax

Credit

- (1) A consolidated imputation group has an imputation credit as described in table M19: imputation credits of consolidated imputation groups, row 10 (deduction of resident withholding tax) for a payment of resident withholding tax that is treated under section NF 12(b) (Amount of resident withholding tax deduction deemed to have been received) as derived by a group company.

Credit date

- (2) The credit date is the day the interest or dividend relating to the resident withholding tax is paid.

Defined in this Act: company, consolidated imputation group, dividend, imputation credit, interest, resident withholding tax

Origin: 2004 No 35 s ME 11(1)(j), (2)(c)

MP 16 Consolidated ICA transfer from group company's FDWP account

Credit

- (1) A consolidated imputation group has an imputation credit as described in table M19: imputation credits of consolidated imputation groups, row 11 (transfer from group company's FDWP account) for an amount equal to the amount of an FDWP debit described in table M4: FDWP debits, row 6 (transfer to imputation credit account) transferred from the FDWP account of a group company.

Credit date

- (2) The credit date is the same as the debit date for the transfer.

Defined in this Act: amount, company, consolidated imputation group, FDWP account, FDWP debit, imputation credit, imputation credit account

Origin: 2004 No 35 s ME 11(1)(fb), (2)(fb)

MP 17 Consolidated ICA transfer from group's FDWP account

Credit

- (1) A consolidated imputation group has an imputation credit as described in table M19: imputation credits of consolidated imputation groups, row 12 (transfer from consolidated group's FDWP account) for an amount equal to the amount transferred under section NH 6(6) (Application of specific dividend withholding payment provisions to consolidated groups) from the FDWP account of a consolidated group.

Credit date

- (2) The credit date is the same as the debit date for the transfer.

Defined in this Act: amount, consolidated group, consolidated imputation group, FDWP account, imputation credit, imputation credit account

Origin: 2004 No 35 s ME 11(1)(g)

MP 18 Consolidated ICA transfer from group company's policyholder credit account

Credit

- (1) A consolidated imputation group has an imputation credit as described in table M19: imputation credits of consolidated imputation groups, row 13 (transfer from company's policyholder credit account) for an amount equal to the amount of a debit described in table M14: policyholder debits, row 3 (transfer to imputation credit account) for the transfer of a credit balance from a group company's policyholder credit account.

Credit date

- (2) The credit date is the same as the debit date for the transfer.

Defined in this Act: amount, company, consolidated imputation group, imputation credit, imputation credit account, policyholder credit account, policyholder debit

Origin: 2004 No 35 s ME 11(1)(jb), (2)(eb)

MP 19 Consolidated ICA transfer from group's policyholder credit account

Credit

- (1) A consolidated imputation group has an imputation credit as described in table M19: imputation credits of consolidated imputation groups, row 14 (transfer from group's policyholder credit account) for an amount equal to the amount of a debit described in table M28: policyholder debits of consolidated groups, row 3 (transfer to imputation credit account) for a transfer from the policyholder credit account of a consolidated group.

Credit date

- (2) The credit date is the same as the debit date for the transfer.

Defined in this Act: amount, consolidated group, consolidated imputation group, imputation credit, imputation credit account, policyholder credit account

Origin: 2004 No 35 s ME 11(1)(k), (2)(d)

MP 20 Consolidated ICA group company's credit

Credit

- (1) A consolidated imputation group has an imputation credit as described in table M19: imputation credits of consolidated imputation groups, row 15 (group company's credit) for the amount of a credit that arises when—
 - (a) an imputation credit described in table M1: imputation credits, arises in the imputation credit account of a group company; and

- (b) an imputation debit described in table M20: imputation debits of consolidated imputation groups, arises in the imputation credit account of the group; and
- (c) the debit is not offset by a credit arising in the group account before or after the credit arose in the group company's account.

Offsetting debits

- (2) For the purposes of subsection (1)(c), to determine whether a debit has been offset by a credit in the group account,—
 - (a) credits are treated as reducing debits in the order in which the credits arise; and
 - (b) a credit, whether some or all, is counted only once in determining whether a debit has been offset; and
 - (c) credits in the accounts of more than 1 group company become a credit to the group account—
 - (i) in the order of their credit date; and
 - (ii) as chosen by the group, if credits arise on the same credit date; and
 - (iii) on a pro rata basis, if no election is made under subparagraph (ii).

Credit date

- (3) The credit date is same as the debit date for the debit to the group account.

Defined in this Act: amount, company, consolidated imputation group, imputation credit, imputation credit account, imputation debit

Origin: 2004 No 35 s ME 13(2), (3)

MP 21 Consolidated ICA elimination of double debit

When this section applies

- (1) This section applies when an imputation debit in a consolidated imputation group's imputation credit account described in table M20: imputation debits of consolidated imputation groups, row 13 (debit for loss of shareholder continuity) has the effect of cancelling an imputation credit described in table M19: imputation credits of consolidated imputation groups, row 3 (deposit in tax pooling account).

Credit

- (2) A consolidated imputation group has an imputation credit as described in table M19: imputation credits of consolidated imputation groups, row 16 (elimination of double debit) for an amount that equals the amount of the debit referred to in subsection (1), and either—
 - (a) another debit as described in table M20: imputation debits of consolidated imputation groups, row 6 (refund from tax pooling account) arises for a

refund or transfer of the deposit on a debit date that is after the debit date for the debit for loss of shareholder continuity; or

- (b) the deposit is taken into account under section MBA 6 (Transfers from tax pooling account) of the Income Tax Act 2004 in determining the balance of the company's tax account with the Commissioner after the debit date for the debit for loss of shareholder continuity.

Credit date

- (3) The credit date is the day—
 - (a) the deposit is refunded; or
 - (b) a credit arises in the company's tax account with the Commissioner.

Defined in this Act: amount, Commissioner, company, consolidated imputation group, deposit, imputation credit, imputation credit account, imputation debit, shareholder

Origin: 2004 No 35 s ME 11(1A), (2A)

MP 22 Consolidated ICA reversal of tax advantage arrangement

Credit

- (1) A consolidated imputation group has an imputation credit as described in table M19: imputation credits of consolidated imputation groups, row 17 (reversal of tax advantage arrangement) for an amount equal to the amount of a debit in the group's account described in table M20: imputation debits of consolidated imputation groups, row 17 (tax advantage arrangement).

Credit date

- (2) The credit date is the same as the debit date for the debit.

Defined in this Act: amount, arrangement, consolidated imputation group, imputation credit, imputation credit account, tax advantage

Origin: 2004 No 35 s ME 11(1)(i), (2)(e)

MP 23 Consolidated ICA deduction of non-resident withholding tax

Credit

- (1) A consolidated imputation group that includes an Australian ICA company has an imputation credit as described in table M19: imputation credits of consolidated imputation groups, row 18 (deduction of non-resident withholding tax) for the amount of a payment of non-resident withholding tax on non-resident withholding income derived by the company.

Credit date

- (2) The credit date is the day the non-resident withholding tax is deducted.

Defined in this Act: amount, Australian ICA company, consolidated imputation group, imputation credit, imputation credit account, non-resident withholding income, non-resident withholding tax, pay

Origin: 2004 No 35 s ME 11(1B)(a), (2B)(a)

MP 24 Consolidated ICA deduction from withholding payment

Credit

- (1) A consolidated imputation group that includes an Australian ICA company has an imputation credit as described in table M19: imputation credits of consolidated imputation groups, row 19 (deduction from withholding payment) for the amount of a deduction from a withholding payment paid to the company as a non-resident contractor.

Credit date

- (2) The credit date is the day the deduction is withheld.

Defined in this Act: amount, Australian ICA company, consolidated imputation group, imputation credit, imputation credit account, non-resident, withholding payment

Origin: 2004 No 35 s ME 11(1B)(b), (2B)(b)

MP 25 Consolidated ICA payment of schedular income tax

Credit

- (1) A consolidated imputation group that includes an Australian ICA company has an imputation credit as described in table M19: imputation credits of consolidated imputation groups, row 20 (payment of schedular income tax) for the amount of a payment by the company of schedular income tax for income derived under section FC 13, FC 14, FC 18, or FC 21 (which relate to non-resident insurers, shippers, and film renters).

Credit date

- (2) The credit date is the day the schedular income tax is paid.

Defined in this Act: amount, Australian ICA company, consolidated imputation group, imputation credit, imputation credit account, income, pay, schedular income tax

Origin: 2004 No 35 s ME 11(1B)(c), (2B)(c)

Imputation debits of consolidated imputation groups

Table M20: imputation debits of consolidated imputation groups

Row	Imputation debit	Debit date	Further defined
1	<i>Opening debit balance</i>		
	Opening debit balance	1 April or when the group starts	section MA 7
2	<i>Payment of dividend</i>		
	An imputation credit attached to a dividend paid by a group company	day of payment	section MP 26
3	<i>Allocation of provisional tax</i>		
	Provisional tax allocated by a group to an underpaid company	day of notice of the allocation	section MP 27
4	<i>Refund of income tax</i>		
	A refund of income tax or provisional tax to a group	day of refund	section MP 28
5	<i>Amount applied to pay other taxes</i>		
	Income tax overpaid that is applied to satisfy an amount of tax (other than income tax) owing by a group company	day of application	section MP 29
6	<i>Refund from tax pooling account</i>		
	A refund from a tax pooling account	set out in section MP 30	section MP 30
7	<i>Transfer to tax pooling account</i>		
	A transfer to another taxpayer of funds in a tax pooling account	set out in section MP 31	section MP 31
8	<i>Refund of FDWP</i>		
	A refund of FDWP when no FDWP account	day of refund	section MP 32
9	<i>Refund of tax credit</i>		
	A refund of a tax credit	day of refund	section MP 33
10	<i>Overpayment of FDWP</i>		
	Overpaid FDWP applied, when a group does not have an FDWP account, to satisfy an amount owing that is not income tax or FDWP	day of application	section MP 34
11	<i>Group company's debit</i>		
	A debit that would increase a debit balance for a group company	set out in section MP 35	section MP 35

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12	<i>Transfer for net foreign attributed income</i>		
	A transfer to an FDWP account on account of net foreign attributed income for an income year	set out in section MP 36	section MP 36
13	<i>Debit for loss of shareholder continuity</i>		
	A debit for loss of shareholder continuity	day of loss of continuity	section MP 37
14	<i>Breach of imputation ratio</i>		
	A debit for breach of imputation ratio	31 March	section MP 38
15	<i>Transfer to policyholder credit account</i>		
	A transfer to a policyholder credit account of a group or a group company	day of election	section MP 39
16	<i>Redemption debit</i>		
	A redemption debit for a unit trust or group investment fund for an income year	day the return of income for the income year is filed	section MP 40
17	<i>Tax advantage arrangement</i>		
	A debit for a tax advantage arrangement	last day of the tax year in which the arrangement began	section MP 41
18	<i>Final balance</i>		
	A credit balance of a group's imputation credit account when the group stops being a consolidated imputation group	day of cessation	section MP 42
19	<i>Refund of non-resident withholding tax</i>		
	A refund of non-resident withholding tax to a group company that is an Australian ICA company	day of refund	section MP 43
20	<i>Refund of withholding payment</i>		
	A refund of withholding payment to a group company that is an Australian ICA company	day of refund	section MP 44
21	<i>Refund of schedular income tax</i>		
	A refund of schedular income tax to a group company that is an Australian ICA company	day of refund	section MP 45

How to use this table

Each row in the table describes—

- (a) the imputation debits that may arise in the imputation credit account of a consolidated imputation group during a tax year; and
- (b) the debit date when the debit arises.

A more detailed description of the imputation debits and, as necessary, debit dates is contained in the section noted in the last column.

MP 26 Consolidated ICA payment of dividend

Debit

- (1) A consolidated imputation group has an imputation debit as described in table M20: imputation debits of consolidated imputation groups, row 2 (payment of dividend) for an amount that equals the amount of an imputation credit attached to a dividend paid by a group company.

Debit date

- (2) The debit date is the day the dividend is paid.

Defined in this Act: amount, company, consolidated imputation group, dividend, imputation credit, imputation debit

Origin: 2004 No 35 s ME 12(1)(a), (2)(a)

MP 27 Consolidated ICA allocation of provisional tax

Debit

- (1) A consolidated imputation group has an imputation debit as described in table M20: imputation debits of consolidated imputation groups, row 3 (allocation of provisional tax) for an amount of provisional tax allocated by the group under section MB 9 (Payments to be set off within wholly-owned group) of the Income Tax Act 2004 to an underpaid company.

Debit date

- (2) The debit date is the day the Commissioner is notified of the allocation.

Defined in this Act: amount, company, consolidated imputation group, imputation debit, notify, provisional tax

Origin: 2004 No 35 s ME 12(1)(c), (2)(c)

MP 28 Consolidated ICA refund of income tax

Debit

- (1) A consolidated imputation group has an imputation debit as described in table M20: imputation debits of consolidated imputation groups, row 4 (refund of income tax) for the amount of a refund of income tax or provisional tax paid to the group. Subsection (2) overrides this subsection.

No debit

- (2) The debit does not include a refund of income tax paid before a debit described in table M20: imputation debits of consolidated imputation groups, row 13 (debit for

loss of shareholder continuity) arises to the extent to which the amount of the refund is less than the amount of the debit.

Debit date

- (3) The debit date is the day the refund is made.

Defined in this Act: amount, consolidated imputation group, imputation debit, income tax, pay, provisional tax, shareholder

Origin: 2004 No 35 s ME 12(1)(d), (2)(d)

MP 29 Consolidated ICA amount applied to pay other taxes

Debit

- (1) A consolidated imputation group has an imputation debit as described in table M20: imputation debits of consolidated imputation groups, row 5 (amount applied to pay other taxes) for an amount of overpaid income tax that is applied to satisfy an amount a group company owes under the Inland Revenue Acts. Subsection (2) overrides this subsection.

No debit

- (2) The debit referred to in subsection (1) does not include overpaid income tax to the extent to which it is—
- (a) applied to satisfy a liability for income tax; or
 - (b) for an amount paid before an imputation debit described in table M20: imputation debits of consolidated imputation groups, row 13 (debit for loss of shareholder continuity) arises, not more than the debit for loss of shareholder continuity.

Debit date

- (3) The debit date is the day the amount is applied.

Defined in this Act: amount, company, consolidated imputation group, imputation debit, income tax, Inland Revenue Acts, pay, shareholder

Origin: 2004 No 35 s ME 12(1)(l), (2)(k)

MP 30 Consolidated ICA refund from tax pooling account

When this section applies

- (1) This section applies in a tax year when a consolidated imputation group pays an intermediary an amount that gives rise to an imputation credit described in table M19: imputation credits of consolidated imputation groups, row 3 (deposit in tax

pooling account) or row 4 (transfer from tax pooling account), and the amount is later refunded by the intermediary from the tax pooling account.

Debit

- (2) The group has an imputation debit for the tax year as described in table M20: imputation debits of consolidated imputation groups, row 6 (refund from tax pooling account) for the amount of the refund.

Debit date

- (3) The debit date for the debit is—
- (a) the last day of the previous tax year to the extent of the amount of the debit that is not more than the credit balance in the imputation credit account on that date:
 - (b) the day the refund is made to the extent of the remaining amount of the debit that is not more than the credit balance in the imputation credit account on the day of refund:
 - (c) the last day of the previous tax year for the remainder of the imputation debit.

Defined in this Act: amount, consolidated imputation group, deposit, imputation credit, imputation credit account, imputation debit, intermediary, pay, tax year

Origin: 2004 No 35 s ME 12(1)(da), (2)(da)

MP 31 Consolidated ICA transfer to tax pooling account

When this section applies

- (1) This section applies in a tax year when a consolidated imputation group transfers to another person an entitlement to funds in a tax pooling account that gives rise to an imputation credit described in table M19: imputation credits of consolidated imputation groups, row 3 (deposit in tax pooling account) or row 4 (transfer from tax pooling account).

Debit

- (2) The group has an imputation debit as described in table M20: imputation debits of consolidated imputation groups, row 7 (transfer to tax pooling account) for the amount of the a transfer.

Debit date

- (3) The debit date for the debit is—
- (a) the last day of the previous tax year to the extent of the amount of the debit that is not more than the credit balance in the imputation credit account on that date:

- (b) the day the refund is made to the extent of the remaining amount of the debit that is not more than the credit balance in the imputation credit account on the day of refund:
- (c) the last day of the previous tax year for the remainder of the imputation debit.

Defined in this Act: amount, consolidated imputation group, imputation credit, imputation credit account, imputation debit, tax year

Origin: 2004 No 35 s ME 12(1)(db), (2)(da)

MP 32 Consolidated ICA refund of FDWP

Debit

- (1) A consolidated imputation group has an imputation debit as described in table M20: imputation debits of consolidated imputation groups, row 8 (refund of FDWP) for the amount of a refund of FDWP that relates to a dividend derived by a group company at a time when—
 - (a) the group company is part of a consolidated group without an FDWP account; or
 - (b) the group company does not have an FDWP account and is not part of a consolidated group.

Debit date

- (2) The debit date is the day the refund is made.

Defined in this Act: amount, company, consolidated group, consolidated imputation group, FDWP, FDWP account, imputation debit

Origin: 2004 No 35 s ME 12(1)(f), (2)(d)

MP 33 Consolidated ICA refund of tax credit

Debit

- (1) A consolidated imputation group has an imputation debit as described in table M20: imputation debits of consolidated imputation groups, row 9 (refund of tax credit) for the amount of a refund under section LD 8(1)(c) (Credit of tax for dividend withholding payment credit in hands of shareholder) that relates to a dividend derived by a group company at a time when—
 - (a) the group company is part of a consolidated group without an FDWP account; or

- (b) the group company does not have an FDWP account and is not part of a consolidated group.

Debit date

- (2) The debit date is the day the refund is made.

Defined in this Act: amount, company, consolidated group, consolidated imputation group, dividend, FDWP account, imputation debit

Origin: 2004 No 35 s ME 12(1)(f), (2)(d)

MP 34 Consolidated ICA overpayment of FDWP

Debit

- (1) A consolidated imputation group has an imputation debit as described in table M20: imputation debits of consolidated imputation groups, row 10 (overpayment of FDWP) for the amount of an overpayment of FDWP relating to a dividend derived by a group company in the following circumstances:
 - (a) the dividend is derived by the company at a time when—
 - (i) the company is part of a consolidated group without an FDWP account; or
 - (ii) the company does not have an FDWP account and is not part of a consolidated group; and
 - (b) the overpayment is applied to satisfy a liability owed by a group company under the Inland Revenue Acts other than a liability for income tax or FDWP; and
 - (c) the group does not have an FDWP account when the amount is applied.

Debit date

- (2) The debit date is the day the amount is applied.

Defined in this Act: amount, company, consolidated group, consolidated imputation group, dividend, FDWP, FDWP account, imputation debit, income tax, Inland Revenue Act, pay

Origin: 2004 No 35 s ME 12(1)(m), (2)(k)

MP 35 Consolidated ICA group company's debit

Debit

- (1) A consolidated imputation group has an imputation debit as described in table M20: imputation debits of consolidated imputation groups, row 11 (group company's

debit) for an amount to the extent to which the amount would, if subsection (2) did not exist, give rise to—

- (a) an imputation debit described in a row of table M2: imputation debits, in the imputation credit account of a group company; and
- (b) an imputation debit that would create or increase a debit balance in the group company's imputation credit account.

No debit for group company

- (2) The amount referred to in subsection (1) does not give rise to an imputation debit in the group company's account although otherwise eligible to be one.

Debit date

- (3) The debit date is the day that the amount would have been debited to the imputation credit account of the group company if subsection (2) did not exist.

Defined in this Act: amount, company, consolidated imputation group, imputation credit account, imputation debit

Origin: 2004 No 35 s ME 12(1)(k), (2)(j)

MP 36 Consolidated ICA transfer for net foreign attributed income

Election

- (1) A consolidated imputation group may choose to transfer an amount that relates to net foreign attributed income from the group's imputation credit account to the FDWP account of—
 - (a) a group company that is not also part of a consolidated group; or
 - (b) a consolidated group with the same membership as the consolidated imputation group.

Debit and credit

- (2) The amount transferred is—
 - (a) an imputation debit described in table M20: imputation debits of consolidated imputation groups, row 12 (transfer for net foreign attributed income) in the group's imputation credit account; and
 - (b) an FDWP credit described in table M21: FDWP credits of consolidated FDWP groups, row 7 (transfer for net foreign attributed income) in the FDWP account of the group company or consolidated group, as appropriate.

Two methods

- (3) The amount transferred must be calculated for an income year under method 1 or method 2 as described in this section.

When methods apply

- (4) The group must apply—
- (a) method 1 set out in subsection (5) if the group or a company that is not the group company referred to in subsection (1)(a) maintains an FDWP account and a conduit tax relief account for all of the tax year; or
 - (b) method 2 set out in subsection (6) if the group or a company that is not the group company referred to in subsection (1)(a) maintains only an FDWP account for all of the tax year.

Method 1

- (5) Under method 1, the group or company must apply sections KH 1 and KH 2 (which relate to credits for conduit tax relief) as if—
- (a) the amount transferred were conduit tax relief for the tax year corresponding to the income year; and
 - (b) the percentage of resident shareholders were substituted for the item **NRS** in section KH 1(2) and (3); and
 - (c) the percentage of resident shareholders were calculated by deducting the item **NRS** from 100%.

Method 2

- (6) Under method 2, the group or company must make the calculation under section KH 1 as if the group or company were a conduit tax relief company and the item **NRS** were 100%.

No transfer

- (7) Despite subsection (3), if neither method can be applied, no transfer arises under this section.

Debit date

- (8) The debit date for the debit is—
- (a) the last day of the tax year corresponding to the income year referred to in subsection (3) for so much of the amount transferred that is no more than the amount of provisional tax paid before that date for the income year; or
 - (b) the day on which the company files the return of income for the tax year corresponding to the income year referred to in subsection (3) for the balance of the transfer.

Defined in this Act: amount, company, conduit tax relief account, conduit tax relief company, consolidated group, consolidated imputation group, FDWP account, FDWP credit, foreign attributed income, imputation credit account, imputation debit, income year, provisional tax, resident, return of income, shareholder, tax year

MP 37 Consolidated ICA debit for loss of shareholder continuity

Debit

- (1) A consolidated imputation group has an imputation debit as described in table M20: imputation debits of consolidated imputation groups, row 13 (debit for loss of shareholder continuity) for the amount of an imputation credit retained in the group's imputation credit account and unused before the date of breach in shareholder continuity.

Debit date

- (2) The debit date is the day of loss of shareholder continuity.

Defined in this Act: amount, consolidated imputation group, imputation credit, imputation credit account, imputation debit, shareholder

Origin: 2004 No 35 ss ME 12(1)(h), (2)(g), ME 13(2)

MP 38 Consolidated ICA breach of imputation ratio

Debit

- (1) A consolidated imputation group has an imputation debit for a tax year as described in table M20: imputation debits of consolidated imputation groups, row 14 (breach of imputation ratio) for the amount of a debit described in table M2: imputation debits, row 16 (breach of imputation ratio) that would arise in the imputation credit account of a group company, if section MP 5(3) did not exist.

Debit date

- (2) The debit date is the last day of the tax year.

Defined in this Act: amount, company, consolidated imputation group, imputation credit account, imputation debit, imputation ratio, tax year

Origin: 2004 No 35 s ME 12(1)(e), (2)(e)

MP 39 Consolidated ICA transfer to policyholder credit account

Election

- (1) The nominated company of a consolidated imputation group may choose to transfer some or all of a credit balance in the group's imputation credit account to the policyholder credit account of a group company. Subsection (2) overrides this subsection.

Restriction

- (2) Subsection (1) does not apply to a consolidation imputation group that is also a resident imputation subgroup.

Method of election

- (3) The company makes the election by recording the credit balance transferred as—
- (a) a debit in the group's imputation credit account; and
 - (b) a credit in the group's policyholder credit account.

Result of election

- (4) When the election is made,—
- (a) a debit arises as described in table M20: imputation debits of consolidated imputation groups, row 15 (transfer to policyholder credit account); and
 - (b) a credit arises as described in table M27: policyholder credits of consolidated groups, row 2 (transfer from imputation credit account).

Debit date

- (5) The debit date is the day the election is made.

Defined in this Act: company, consolidated group, consolidated imputation group, imputation credit account, imputation debit, nominated company, policyholder credit, policyholder credit account, resident imputation subgroup

Origin: 2004 No 35 ss ME 12(1)(b), (2)(b), ME 14(1)

MP 40 Consolidated ICA redemption debit

Debit

- (1) A consolidated imputation group has an imputation debit as described in table M20: imputation debits of consolidated imputation groups, row 16 (redemption debit) for the amount of a redemption debit.

When redemption debit arises

- (2) A redemption debit arises when—
- (a) a group company that is not an Australian ICA company is—
 - (i) the manager of a unit trust; or
 - (ii) the trustee or manager of a group investment fund; and
 - (b) the group company derives a dividend from the redemption or cancellation of—
 - (i) a unit issued by the unit trust; or
 - (ii) an interest of an investor in the group investment fund; and

- (c) the company has acquired the unit or interest in the ordinary course of its management activities; and
- (d) the unit or interest had been offered to investors upon terms contemplating repurchase and redemption or cancellation by the group company.

Calculating amount

- (3) The debit is for the greater of the amounts described in subsections (4) and (6) calculated for the income year referred to in subsection (8) in which the group company derives the dividend referred to in subsection (2)(b).

First amount

- (4) The first amount is calculated using the formula—

$$\text{total credits} - \text{imputation debits.}$$

Definition of items in formula

- (5) In the formula in subsection (4),—
 - (a) **total credits** is the total amount of all imputation credits and FDWP credits attached to dividends derived by the group company in the income year in the circumstances described in subsection (2):
 - (b) **imputation debits** is the amount of imputation debits in the income year as described in table M20: imputation debits of consolidated imputation groups, row 13 (debit for loss of shareholder continuity) in the group's imputation credit account account.

Second amount

- (6) The second amount is calculated using the formula—

$$\frac{\text{total dividends}}{\text{group company's taxable income}} \times (\text{group company's tax liability} - \text{continuity debits}).$$

Definition of items in formula

- (7) In the formula in subsection (6),—
 - (a) **total dividends** is the total amount of all dividends derived in the circumstances described in subsection (2), including imputation credits and FDWP credits attached to the dividends:
 - (b) **group company's taxable income** is the taxable income of the group company for the tax year corresponding to the income year in which the dividends are derived:
 - (c) **group company's tax liability** is the group company's income tax liability for the tax year corresponding to the income year in which the dividends are derived:
 - (d) **continuity debits** is the amount of imputation credits attached to the dividends that have been cancelled by an imputation debit described in table

M20: imputation debits of consolidated imputation groups, row 13 (debit for loss of shareholder continuity).

Debit date

- (8) The debit date is the day the company or the group's nominated company files the return of income for the tax year corresponding to the income year in which the dividend is derived.

Defined in this Act: amount, Australian ICA company, company, consolidated imputation group, dividend, FDWP credit, group investment fund, imputation credit, imputation credit account, imputation debit, income tax liability, income year, investor, return of income, shareholder, tax year, taxable income, trustee, unit trust

Origin: 2004 No 35 s ME 41

MP 41 Consolidated ICA tax advantage arrangement

Debit

- (1) A consolidated imputation group has an imputation debit as described in table M20: imputation debits of consolidated imputation groups, row 17 (tax advantage arrangement) for the amount of a debit for a tax advantage arrangement determined under section GC 22 (Imputation: arrangement to obtain tax advantage).

Debit date

- (2) The debit date is the last day of the tax year in which the arrangement began.

Defined in this Act: amount, arrangement, consolidated imputation group, imputation debit, tax advantage, tax year

Origin: 2004 No 35 s ME 12(1)(i), (2)(h)

MP 42 Consolidated ICA final balance

Debit

- (1) A consolidated imputation group has an imputation debit as described in table M20: imputation debits of consolidated imputation groups, row 18 (final balance) for a credit balance in the imputation credit account when the group stops being a consolidated imputation group.

Debit date

- (2) The debit date is the day just before the group stops being a consolidated imputation group.

Defined in this Act: consolidated imputation group, imputation credit account, imputation debit

Origin: 2004 No 35 s ME 12(1)(j), (2)(h)

MP 43 Consolidated ICA refund of non-resident withholding tax

Debit

- (1) A consolidated imputation group that includes an Australian ICA company has an imputation debit as described in table M20: imputation debits of consolidated imputation groups, row 19 (refund of non-resident withholding tax) for the amount of a refund of non-resident withholding tax that gave rise to an imputation credit described in table M19: imputation credits of consolidated imputation groups, row 18 (deduction of non-resident withholding tax).

Debit date

- (2) The debit date is the day the refund is made.

Defined in this Act: amount, Australian ICA company, consolidated imputation group, imputation credit, imputation debit, non-resident withholding tax

Origin: 2004 No 35 s ME 12(1A)(a), (2A)

MP 44 Consolidated ICA refund of withholding payment

Debit

- (1) A consolidated imputation group that includes an Australian ICA company has an imputation debit as described in table M20: imputation debits of consolidated imputation groups, row 20 (refund of withholding payment) for the amount of a refund of withholding payment that gave rise to an imputation credit described in table M19: imputation credits of consolidated imputation groups, row 19 (deduction from withholding payment).

Debit date

- (2) The debit date is the day the refund is made.

Defined in this Act: amount, Australian ICA company, consolidated imputation group, imputation credit, imputation debit, withholding payment

Origin: 2004 No 35 s ME 12(1A)(b), (2A)

MP 45 Consolidated ICA refund of schedular income tax

Debit

- (1) A consolidated imputation group that includes an Australian ICA company has an imputation debit as described in table M20: imputation debits of consolidated imputation groups, row 21 (refund of schedular income tax) for the amount of a refund of a payment of schedular income tax that gave rise to an imputation credit described in table M19: imputation credits of consolidated imputation groups, row 20 (payment of schedular income tax).

Debit date

- (2) The debit date is the day the refund is made.

Defined in this Act: amount, Australian ICA company, consolidated imputation group, imputation credit, imputation debit, income tax, pay, schedular income tax

Origin: 2004 No 35 s ME 12(1A)(c), (2A)

Consolidated groups and FDWP accounts

Introductory provisions

MP 46 FDWP accounts of consolidated FDWP groups

Consolidated group account

- (1) A consolidated group is a foreign dividend withholding payment group (**consolidated FDWP group**) for a tax year if—
 - (a) a group company is an FDWP company at a time during the tax year; or
 - (b) the group chooses to maintain an FDWP account.

Effect of election

- (2) If a consolidated FDWP group makes an election under subsection (1)(b), it must maintain the FDWP account referred to in section MC 2 (FDWP accounts) from the date of election.

Notifying Commissioner

- (3) The nominated company of a consolidated FDWP group must notify the Commissioner of an election under subsection (1)(b)—
 - (a) no later than 21 days after the day of election; or
 - (b) by a later time if the Commissioner allows.

Defined in this Act: Commissioner, consolidated FDWP group, consolidated group, FDWP account, FDWP company, FDWP credit, nominated company, notify, tax year

Origin: 2004 No 35 s MG 13(1)

MP 47 Choosing to stop being consolidated FDWP group

Election

- (1) The nominated company of a consolidated FDWP group may choose that the group's status as a consolidated FDWP group is to end.

When election made

- (2) The election referred to in subsection (1) may be made during a tax year that is later than the tax year in which the group chooses under section MP 46 to become a consolidated FDWP group.

When company's status ends

- (3) The election referred to in subsection (1) takes effect from the start of the later tax year referred to in subsection (2), but only if,—
 - (a) before the election, the group—
 - (i) files an annual FDWP return for the year of election in the time allowed by section 71 of the Tax Administration Act 1994; and
 - (ii) pays further FDWP under section MC 27 (Payment of further FDWP for closing credit balance) for the year of election; and
 - (b) no group company is an FDWP company in the tax year after the year of election.

Defined in this Act: company, consolidated FDWP group, FDWP, FDWP account, FDWP company, further FDWP, nominated company, tax year

Origin: 2004 No 35 s MG 2(4), (5)

MP 48 When credits and debits arise only in consolidated FDWP group accounts

Credits to group accounts

- (1) A credit listed in subsection (2) arises only in the FDWP account of a consolidated FDWP group and not in the FDWP account of a group company.

Particular credits

- (2) The credit referred to in subsection (1) is a credit described in the following rows of table M21: FDWP credits of consolidated FDWP groups:
 - (a) row 2 (payment of FDWP):

- (b) row 4 (derivation of dividend with FDWP credit).

Debits only in group accounts

- (3) A debit listed in subsection (4) arises only in the FDWP account of a consolidated FDWP group and not in the FDWP account of a group company.

Particular debits

- (4) The debit referred to in subsection (3) is a debit described in the following rows of table M22: FDWP debits of consolidated FDWP groups:
 - (a) row 2 (payment of dividend):
 - (b) row 3 (refund of FDWP):
 - (c) row 5 (refund of tax credit):
 - (d) row 9 (breach of FDWP ratio).

Defined in this Act: company, consolidated FDWP group, dividend, FDWP, FDWP account, FDWP credit, FDWP ratio, pay

Origin: 2004 No 35 s MG 16(1)

MP 49 Provisions applying to consolidated FDWP groups

Single company, tax liabilities

- (1) The provisions set out in subsection (2) apply, modified as necessary, to a consolidated FDWP group and to the FDWP account of the group as if—
 - (a) the group were a single company; and
 - (b) a reference to a section of this Act were to an equivalent provision applicable to a consolidated group; and
 - (c) a reference to a company's liability for further FDWP, late payment penalty, or FDWP penalty tax were a reference to a joint and several liability owed by group companies when the tax or penalty becomes payable.

Other provisions

- (2) The provisions are—
 - (a) sections MC 27 and MC 28 (which relate to further FDWP); and
 - (b) sections 103, 104, 139B, 140C, 140D, and 181 of the Tax Administration Act 1994.

Consolidation provisions

- (3) Section HB 1(2) to (5) (Returns, assessments, and liability of consolidated group) overrides subsection (1)(c).

Defined in this Act: company, consolidated FDWP group, consolidated group, FDWP account, FDWP penalty tax, further FDWP, pay

Origin: 2004 No 35 s MG 16A(2)

FDWP credits of consolidated FDWP groups

Table M21: FDWP credits of consolidated FDWP groups

Row	FDWP credit	Credit date	Further defined
1	<i>Opening credit balance</i>		
	Opening credit balance	1 April	section MA 7
2	<i>Payment of FDWP</i>		
	FDWP paid by a group company	day of payment	section MP 50
3	<i>Payment of further FDWP</i>		
	Further FDWP paid	day of payment	section MP 51
4	<i>Derivation of dividend with FDWP credit</i>		
	An FDWP credit attached to a dividend derived	day the dividend is paid	section MP 52
5	<i>Group company's credit</i>		
	A credit of a group company	set out in section MP 53	section MP 53
6	<i>Transfer from group's conduit tax relief account</i>		
	A transfer of a closing credit balance from a group's conduit tax relief account	31 March	section MP 54
7	<i>Transfer for net foreign attributed income</i>		
	A transfer from a group's imputation credit account for net foreign attributed income	debit date in the imputation credit account	section MP 55
8	<i>Reversal of tax advantage arrangement</i>		
	The reversal of the debit for a tax advantage arrangement	debit date for the debit	section MP 56

How to use this table

Each row in the table describes—

- (a) the FDWP credits that may arise in the FDWP account of a consolidated FDWP group during a tax year; and
- (b) the credit date when the credit arises.

A more detailed description of the FDWP credits and, as necessary, credit dates is contained in the section noted in the last column.

MP 50 Consolidated FDWPA payment of FDWP

Credit

- (1) A consolidated FDWP group has an FDWP credit as described in table M21: FDWP credits of consolidated FDWP groups, row 2 (payment of FDWP) for a payment of FDWP by a group company. Subsection (2) overrides this subsection.

No credit

- (2) A consolidated FDWP group does not have an FDWP credit for an amount of FDWP paid—
- (a) by crediting an amount of further FDWP under sections MC 31 (Further FDWP paid satisfying liability for FDWP) and MP 49; or
 - (b) by reducing a net loss under section NH 5(4) (Dividend withholding payments and consolidated groups).

Credit date

- (3) The credit date is the day the FDWP is paid.

Defined in this Act: amount, company, consolidated FDWP group, FDWP, FDWP credit, further FDWP, net loss, pay

Origin: 2004 No 35 s MG 14(1)(a), (2)(a)

MP 51 Consolidated FDWPA payment of further FDWP

Credit

- (1) A consolidated FDWP group has an FDWP credit as described in table M21: FDWP credits of consolidated FDWP groups, row 3 (payment of further FDWP) for a payment of further FDWP under section MC 27 or MC 28 (which relate to further FDWP).

Credit date

- (2) The credit date is the day the further FDWP is paid.

Defined in this Act: consolidated FDWP group, FDWP credit, further FDWP, pay

Origin: 2004 No 35 s MG 14(1)(c), (2)(a)

MP 52 Consolidated FDWPA derivation of dividend with FDWP credit

Credit

- (1) A consolidated FDWP group has an FDWP credit as described in table M21: FDWP credits of consolidated FDWP groups, row 4 (derivation of dividend with FDWP

credit) for the amount of an FDWP credit attached to a dividend derived by a group company.

Credit date

- (2) The credit date is the day the dividend is paid.

Defined in this Act: amount, company, consolidated FDWP group, dividend, FDWP credit

Origin: 2004 No 35 s MG 14(1)(b), (2)(a)

MP 53 Consolidated FDWPA group company's credit

Credit

- (1) A consolidated FDWP group has an FDWP credit as described in table M21: FDWP credits of consolidated FDWP groups, row 5 (group company's credits) for the amount of a credit arising as follows:
- (a) an FDWP credit described in a row of table M3: FDWP credits, arises in the FDWP account of a group company; and
 - (b) an FDWP debit described in a row of table M22: FDWP debits of consolidated FDWP groups arises in the group FDWP account; and
 - (c) the debit is not offset by a credit arising in the group account before the credit arose in the group company's account.

Offsetting debits

- (2) For the purposes of subsection (1)(c), to determine whether the debit has been offset by a credit in the group account,—
- (a) credits are treated as reducing debits in the order in which the credits arise; and
 - (b) a credit, whether some or all, is counted only once in determining whether a debit has been offset; and
 - (c) credits in the accounts of more than 1 group company become a credit to the group account—
 - (i) in the order of their credit date; and
 - (ii) as chosen by the group, if credits arise on the same credit date; and
 - (iii) on a pro rata basis, if no election under subparagraph (ii).

Credit date

- (3) The credit date is just before the debit date for the debit to the group account.

Defined in this Act: amount, company, consolidated FDWP group, FDWP account, FDWP credit, FDWP debit

Origin: 2004 No 35 ss MG 14(1)(e), (2)(c), MG 16(2), (4)

MP 54 Consolidated FDWPA transfer from group's conduit tax relief account

Credit

- (1) A consolidated FDWP group has an FDWP credit for a tax year as described in table M21: FDWP credits of consolidated FDWP groups, row 6 (transfers from group's conduit tax relief account) for an amount equal to the amount of a conduit tax relief debit described in table M24: conduit tax relief debits of consolidated groups, row 3 (transfer to group's FDWP account) for the transfer of a closing credit balance to the FDWP account.

Credit date

- (2) The credit date is the last day of the tax year.

Defined in this Act: amount, conduit tax relief account, conduit tax relief debit, consolidated FDWP group, FDWP account, FDWP credit, tax year

Origin: 2004 No 35 s MI 20(2)

MP 55 Consolidated FDWPA transfer for net foreign attributed income

Credit

- (1) A consolidated FDWP group has an FDWP credit as described in table M21: FDWP credits of consolidated FDWP groups, row 7 (transfer for net foreign attributed income) for an amount equal to the amount of an imputation debit described in table M20: imputation debits of consolidated imputation groups, row 12 (transfer for net foreign attributed income) for a transfer to the FDWP account on account of net foreign attributed income.

Credit date

- (2) The credit date is the same as the debit date in the imputation credit account.

Defined in this Act: amount, consolidated FDWP group, consolidated imputation group, FDWP account, FDWP credit, foreign attributed income, imputation credit account, imputation debit

Origin: 2004 No 35 s MG 14(1)(f), (2)(d)

MP 56 Consolidated FDWPA reversal of tax advantage arrangement

Credit

- (1) A consolidated FDWP group has an FDWP credit as described in table M21: FDWP credits of consolidated FDWP groups, row 8 (reversal of tax advantage arrangement) for an amount equal to a debit in the group's FDWP account described

in table M22: FDWP debits of consolidated FDWP groups, row 13 (tax advantage arrangement).

Credit date

- (2) The credit date is the same as the debit date of the debit.

Defined in this Act: amount, arrangement, consolidated FDWP group, FDWP account, FDWP credit, tax advantage

Origin: 2004 No 35 s MG 14(1)(d), (2)(b)

FDWP debits of consolidated FDWP groups

Table M22: FDWP debits of consolidated FDWP groups

Row	FDWP debit	Debit date	Further defined
1	<i>Opening debit balance</i>		
	Opening debit balance	1 April	section MA 7
2	<i>Payment of dividend</i>		
	An FDWP credit attached to dividend paid by a group company	day the dividend is paid	section MP 57
3	<i>Refund of FDWP</i>		
	A refund of FDWP	day of refund	section MP 58
4	<i>Overpayment of FDWP</i>		
	Overpaid FDWP applied to satisfy an amount other than FDWP owing under an Inland Revenue Act	day of application	section MP 59
5	<i>Refund of tax credit</i>		
	A refund of a tax credit	day of refund	section MP 60
6	<i>Transfer to imputation credit account</i>		
	A transfer of a year-end credit balance to an imputation credit account	31 March	section MP 61

7	<i>Transfer to group's conduit tax relief account</i>		
	A transfer of a year-end credit balance to a group's conduit tax relief account	31 March	section MP 62
8	<i>Group company's debit</i>		
	A debit that would increase a debit balance for a group company	set out in section MP 63	section MP 63
9	<i>Breach of FDWP ratio</i>		
	A debit for breach of FDWP ratio	31 March	section MP 64
10	<i>Debit for loss of shareholder continuity</i>		
	A debit for loss of shareholder continuity	day of loss of continuity	section MP 65
11	<i>Transfer to policyholder credit account</i>		
	A transfer of a credit balance to a group's policyholder credit account	day of election	section MP 66
12	<i>Breach of FDWP ratio by PCA company</i>		
	A breach of FDWP ratio by a group company that is a PCA company	31 March	section MP 67
13	<i>Tax advantage arrangement</i>		
	A debit for a tax advantage arrangement	last day of the tax year in which the arrangement began	section MP 68
14	<i>Final balance</i>		
	A credit balance when a group stops being a consolidated FDWP group	day the group stops being a consolidated FDWP group	section MP 69
<p>How to use this table</p> <p>Each row in the table describes—</p> <p>(a) the FDWP debits that may arise in the FDWP account of a consolidated FDWP group during a tax year; and</p> <p>(b) the debit date when the debit arises.</p> <p>A more detailed description of the FDWP debits and, as necessary, debit dates is contained in the section noted in the last column.</p>			

MP 57 Consolidated FDWPA payment of dividend

Debit

- (1) A consolidated FDWP group has an FDWP debit as described in table M22: FDWP debits of consolidated FDWP groups, row 2 (payment of dividend) for the amount of an FDWP credit attached to a dividend paid by a group company that is part of the group when the dividend is paid.

Debit date

- (2) The debit date is the day the dividend is paid.

Defined in this Act: amount, company, consolidated FDWP group, dividend, FDWP account, FDWP credit, FDWP debit, pay

Origin: 2004 No 35 s MG 15(1)(a)

MP 58 Consolidated FDWPA refund of FDWP

Debit

- (1) A consolidated FDWP group has an FDWP debit as described in table M22: FDWP debits of consolidated FDWP groups, row 3 (refund of FDWP) for a refund of FDWP paid to a group company that is part of the group when it derived the dividend giving rise to the payment of FDWP and the refund. Subsection (2) overrides this subsection.

No debit

- (2) A debit under subsection (1) does not arise if—
- (a) the payment of FDWP giving rise to the refund was made before an FDWP debit described in table M22: FDWP debits of consolidated FDWP groups, row 10 (debit for loss of shareholder continuity) arises; and
 - (b) the debit for the refund is not more than the debit for loss of shareholder continuity.

Debit date

- (3) The debit date is the day the refund is made.

Defined in this Act: company, consolidated FDWP group, dividend, FDWP, FDWP debit, pay, shareholder

Origin: 2004 No 35 s MG 15(1)(d), (2)(d)

MP 59 Consolidated FDWPA overpayment of FDWP

Debit

- (1) A consolidated FDWP group has an FDWP debit as described in table M22: FDWP debits of consolidated FDWP groups, row 4 (overpayment of FDWP) for an overpayment of FDWP that is—
- (a) paid by a group company that is part of the group at the time it derived the dividend giving rise to the overpayment of FDWP; and
 - (b) applied to satisfy an amount owing under the Inland Revenue Acts.

No debit

- (2) Despite subsection (1), the debit does not include an overpayment of FDWP to the extent to which it is—
- (a) applied to satisfy a liability for FDWP; or
 - (b) for a payment of FDWP before an FDWP debit arises as described in table M22: FDWP debits of consolidated FDWP groups, row 10 (debit for loss of shareholder continuity), not more than the debit for loss of shareholder continuity.

Debit date

- (3) The debit date is the day the amount is applied.

Defined in this Act: amount, company, consolidated FDWP group, dividend, FDWP, FDWP account, FDWP debit, Inland Revenue Acts, pay, shareholder

Origin: 2004 No 35 s MG 15(1)(1), (2)(j)

MP 60 Consolidated FDWPA refund of tax credit

Debit

- (1) A consolidated FDWP group has an FDWP debit as described in table M22: FDWP debits of consolidated FDWP groups, row 5 (refund of tax credit) for a refund of a credit of tax under section LD 8(1)(c) (Credit of tax for dividend withholding payment credit in hands of shareholder) relating to a dividend derived by a group company that is part of the group at the time it derived the dividend.

Debit date

- (2) The debit date is the day the refund is made.

Defined in this Act: company, consolidated FDWP group, dividend, FDWP account

Origin: 2004 No 35 s MG 1(1)(e), (2)(d)

MP 61 Consolidated FDWPA transfer to imputation credit account

Debit

- (1) A consolidated FDWP group has an FDWP debit for a tax year as described in table M22: FDWP debits of consolidated FDWP groups, row 6 (transfer to imputation credit account) for an amount equal to a closing credit balance transferred under section NH 6(6) (Application of specific dividend withholding payment provisions to consolidated groups) to the group's imputation credit account.

Debit date

- (2) The debit date is the last day of the tax year.

Defined in this Act: amount, consolidated FDWP group, FDWP account, FDWP debit, imputation credit account, tax year

Origin: 2004 No 35 s MG 15(1)(c), (2)(c)

MP 62 Consolidated FDWPA transfer to group's conduit tax relief account

Debit

- (1) A consolidated FDWP group has an FDWP debit for a tax year as described in table M22: FDWP debits of consolidated FDWP groups, row 7 (transfer to group's conduit tax relief account) for an amount equal to a conduit tax relief credit described in table M23: conduit tax relief credits of consolidated groups, row 6 (transfer from group's FDWP account) for the transfer of a credit balance to the group's conduit tax relief account.

Debit date

- (2) The debit date is the last day of the tax year.

Defined in this Act: amount, conduit tax relief account, conduit tax relief credit, consolidated FDWP group, FDWP account, FDWP debit, tax year

Origin: 2004 No 35 s MI 20(1)

MP 63 Consolidated FDWPA group company's debit

Debit

- (1) A consolidated FDWP group has an FDWP debit as described in table M22: FDWP debits of consolidated FDWP groups, row 8 (group company's debit) for an amount to the extent to which it would, if subsection (2) did not exist, give rise to—
- (a) an FDWP debit described in a row of table M4: FDWP debits, in the FDWP account of a group company; and
 - (b) an FDWP debit that would create or increase a debit balance in the group company's FDWP account.

No debit for group company

- (2) The amount referred to in subsection (1) does not give rise to an FDWP debit in the group company's account although otherwise eligible to be one.

Debit date

- (3) The debit date is the day that would be the debit date for the amount if subsection (2) did not exist.

Defined in this Act: amount, company, consolidated FDWP group, FDWP account, FDWP debit

Origin: 2004 No 35 ss MG 15(1)(k), (2)(i), MG 16(5)

MP 64 Consolidated FDWPA breach of FDWP ratio

Debit

- (1) A consolidated FDWP group has an FDWP debit for a tax year as described in table M22: FDWP debits of consolidated FDWP groups, row 9 (breach of FDWP ratio) for the amount of a debit described in table M4: FDWP debits, row 10 (breach of FDWP ratio) in the FDWP account of a group company, if section MP 48(3) did not exist.

Debit date

- (2) The debit date is the last day of the tax year.

Defined in this Act: amount, company, consolidated FDWP group, FDWP account, FDWP debit, FDWP ratio, tax year

Origin: 2004 No 35 s MG 15(1)(f), (2)(e)

MP 65 Consolidated FDWPA debit for loss of shareholder continuity

Debit

- (1) A consolidated FDWP group has an FDWP debit as described in table M22: FDWP debits of consolidated FDWP groups, row 10 (debit for loss of shareholder continuity) for the amount of an FDWP credit retained in the group's FDWP account and unused before the date of breach in shareholder continuity.

Debit date

- (2) The debit date is the day of loss of shareholder continuity.

Defined in this Act: amount, consolidated FDWP group, FDWP account, FDWP credit, FDWP debit, shareholder

Origin: 2004 No 35 s MG 15(1)(i), (2)(g)

MP 66 Consolidated FDWPA transfer to policyholder credit account

Debit

- (1) A consolidated FDWP group has an FDWP debit as described in table M22: FDWP debits of consolidated FDWP groups, row 11 (transfer to policyholder credit account) for the amount equal to a credit balance transferred under section NH 6(2) (Application of specific dividend withholding payment provisions to consolidated groups) to the group's policyholder credit account.

Debit date

- (2) The debit date is the day of election under section NH 6(2).

Defined in this Act: amount, consolidated FDWP group, FDWP account, FDWP debit, policyholder credit account

Origin: 2004 No 35 s MG 15(1)(b), (2)(b)

MP 67 Consolidated FDWPA breach of FDWP ratio by PCA company

Debit

- (1) A consolidated FDWP group has an FDWP debit for a tax year as described in table M22: FDWP debits of consolidated FDWP groups, row 12 (breach of FDWP ratio by PCA company) for the amount of a debit that would arise as described in table M4: FDWP debits, row 11 (breach of FDWP ratio by PCA company) in the FDWP account of a group company, if section MP 48(4)(d) did not exist.

Debit date

- (2) The debit date is the last day of the tax year.

Defined in this Act: amount, company, consolidated FDWP group, FDWP account, FDWP debit, FDWP ratio, PCA company, tax year

Origin: 2004 No 35 s MG 15(1)(g), (2)(e)

MP 68 Consolidated FDWPA tax advantage arrangement

Debit

- (1) A consolidated FDWP group has an FDWP debit as described in table M22: FDWP debits of consolidated FDWP groups, row 13 (tax advantage arrangement) for the amount of a debit for a tax advantage arrangement determined under section GC 22 (Imputation: arrangement to obtain tax advantage).

Debit date

- (2) The debit date is the last day of the tax year in which the arrangement began.

Defined in this Act: amount, arrangement, consolidated FDWP group, FDWP account, FDWP debit, tax advantage, tax year

Origin: 2004 No 35 s MG 15(1)(h), (2)(f)

MP 69 Consolidated FDWPA final balance

Debit

- (1) A consolidated FDWP group has an FDWP debit as described in table M22: FDWP debits of consolidated FDWP groups, row 14 (final balance) for a credit balance in the FDWP account when the group stops being a consolidated FDWP group.

Debit date

- (2) The debit date is the day the group stops being a consolidated FDWP group.

Defined in this Act: consolidated FDWP group, FDWP account, FDWP debit

Origin: 2004 No 35 s MG 15(1)(j), (2)(h)

Consolidated groups and conduit tax relief credits

Introductory provisions

MP 70 Conduit tax relief accounts of consolidated groups

Consolidated group accounts

- (1) A consolidated group has a group conduit tax relief account for a tax year if a group company is a conduit tax relief company at a time during the tax year.

Group company's status

- (2) Every company that is part of a consolidated group with a conduit tax relief account is a conduit tax relief company, despite the absence of an election under section MD 1(1) (General rules for conduit tax relief companies) by a group company.

Defined in this Act: company, conduit tax relief account, conduit tax relief company, consolidated group, tax year

Origin: 2004 No 35 ss MI 14, MI 16

MP 71 When credits and debits arise only in conduit tax relief group accounts

Credits only in the group accounts

- (1) A credit listed in subsection (2) arises only in the conduit tax relief account of a consolidated group and not in the conduit tax relief account of a group company.

Particular credits

- (2) The credit referred to in subsection (1) is a credit described in the following rows of table M5: conduit tax relief credits:
- (a) row 2 (rebate for conduit tax relief):
 - (b) row 4 (derivation of dividend with conduit tax relief credit):
 - (c) row 5 (reduction of FDWP).

Debits only in the group accounts

- (3) A debit listed in subsection (4) arises only in the conduit tax relief account of a consolidated group and not in the conduit tax relief account of a group company.

Particular debits

- (4) The debit referred to in subsection (3) is a debit described in following rows of table M6: conduit tax relief debits:
- (a) row 2 (payment of dividend):
 - (b) row 5 (adjustment for conduit tax relief):
 - (c) row 9 (breach of conduit tax relief ratio).

Defined in this Act: company, conduit tax relief, conduit tax relief account, conduit tax relief credit, conduit tax relief debit, conduit tax relief ratio, consolidated group, dividend, FDWP

Origin: 2004 No 35 s MI 19(1), (2)

MP 72 Provisions applying to consolidated groups with conduit tax relief accounts

Single company, tax liabilities

- (1) The provisions set out in subsection (2) apply, modified as necessary, to a consolidated group and to the conduit tax relief account of the group as if—
- (a) the group were a single company; and
 - (b) a reference to a section of this Act were to an equivalent provision applicable to a consolidated group; and
 - (c) a reference to a company's liability for further FDWP, late payment penalty, or FDWP penalty tax were a reference to a joint and several liability owed by group companies when the tax or penalty becomes payable.

Other provisions

- (2) The provisions are—
- (a) sections MD 22 and MD 23 which relate to credits attached to dividends and FDWP payable); and
 - (b) sections 103, 104, 139B, 140C, 140D, and 181 of the Tax Administration Act 1994.

Consolidation provisions

- (3) Section HB 1(2) to (5) (Returns, assessments, and liability of consolidated group) overrides subsection (1)(c).

Defined in this Act: company, conduit tax relief account, consolidated group, FDWP penalty tax, further FDWP

Origin: 2004 No 35 s MI 22(1)

Conduit tax relief credits of consolidated groups

Table M23: conduit tax relief credits of consolidated groups

Row	Conduit tax relief credit	Credit date	Further defined
1	<i>Opening credit balance</i>		
	Opening credit balance	1 April	section MA 7
2	<i>Rebate for conduit tax relief</i>		
	Income tax rebate for conduit tax relief	set out in section MP 73	section MP 73
3	<i>Reduction of FDWP</i>		
	A reduction of FDWP for a dividend derived	due date for payment of the FDWP	section MP 74
4	<i>Derivation of dividend with conduit tax relief credit</i>		
	A conduit tax relief credit attached to a dividend derived	day the dividend is paid	section MP 75

5	<i>Group company's credit</i>		
	A credit from a group company's conduit tax relief account	set out in section MP 76	section MP 76
6	<i>Transfer from group's FDWP account</i>		
	A transfer from a group's FDWP account	31 March	section MP 77
7	<i>Reversal of tax advantage arrangement</i>		
	The reversal of the debit for a tax advantage arrangement	debit date for the debit	section MP 78
<p>How to use this table</p> <p>Each row in the table describes—</p> <p>(a) the conduit tax relief credits that may arise in the conduit tax relief account of a consolidated group during a tax year; and</p> <p>(b) the credit date when the credit arises.</p> <p>A more detailed description of the conduit tax relief credits and, as necessary, credit dates is contained in the section noted in the last column.</p>			

MP 73 Consolidated CTRA rebate for conduit tax relief

Credit

- (1) A consolidated group has a conduit tax relief credit for a tax year as described in table M23: conduit tax relief credits of consolidated groups, row 2 (rebate for conduit tax relief) for the amount of a rebate of income tax allowed to the group under section KH 1 (Conduit tax relief) for an income year corresponding to the tax year. The amount of the credit is calculated under subsection (2).

Calculating amount of credit

- (2) Having determined the amount of its rebate for a tax year, a consolidated group must apportion the amount to calculate the amount of the credit using the formula—

$$\frac{\text{FDWP last day credit}}{\text{total FDWP credit}} \times \text{amount of rebate}$$

Definitions of items in formula

- (3) In the formula,—
- (a) **FDWP last day credit** is the part of the amount of the FDWP credit arising in the group's FDWP account on the last day of the tax year under section MP 36(1) (Consolidated ICA transfer for net foreign attributed income) for which the credit date is described in subsection (8)(a) of that section:

- (b) **total FDWP credit** is the total amount transferred from the imputation credit account to the FDWP account described in table M21: FDWP credits of consolidated FDWP groups, row 7 (transfer for net foreign attributed income):
- (c) **amount of rebate** is the amount of the rebate allowed under section KH 1.

Amount included in component of formula

- (4) The formula in subsection (2) takes into account an FDWP credit described in table M21: FDWP credits of consolidated FDWP groups, row 7 (transfer for net foreign attributed income) in the group's FDWP account.

Credit date

- (5) The credit date is—
 - (a) the last day of the tax year corresponding with the income year for which the rebate is allowed for the amount of the credit calculated under subsection (2); and
 - (b) the day the company files its return of income for the tax year for the balance of the credit.

Defined in this Act: amount, conduit tax relief, conduit tax relief account, conduit tax relief credit, consolidated group, FDWP account, FDWP credit, foreign attributed income, income tax, income year, return of income, tax year

Origin: 2004 No 35 s MI 17(1)(a), (2)(a)

MP 74 Consolidated CTRA reduction of FDWP

Credit

- (1) A consolidated group has a conduit tax relief credit as described in table M23: conduit tax relief credits of consolidated groups, row 3 (reduction of FDWP) for the amount of a reduction of FDWP that is allowed to a group company under section NH 7 (Reduction in liability under conduit tax relief) for a dividend derived when the company is part of the group at the time the reduction occurred.

Credit date

- (2) The credit date is the due date for payment of FDWP under section NH 7.

Defined in this Act: amount, company, conduit tax relief account, conduit tax relief credit, consolidated group, dividend, FDWP

Origin: 2004 No 35 s MI 17(1)(b), (2)(b)

MP 75 Consolidated CTRA derivation of dividend with conduit tax relief credit

Credit

- (1) A consolidated group has a conduit tax relief credit as described in table M23: conduit tax relief credits of consolidated groups, row 4 (derivation of dividend with conduit tax relief credit) for the amount of a conduit tax relief credit attached to a dividend derived by a group company that is part of the group when the dividend is derived.

Credit date

- (2) The credit date is the day the dividend is paid.

Defined in this Act: amount, company, conduit tax relief credit, consolidated group, dividend, pay

Origin: 2004 No 35 s MI 17(1)(c), (2)(c)

MP 76 Consolidated CTRA group company's credit

Credit

- (1) A consolidated group has a conduit tax relief credit as described in table M23: conduit tax relief credits of consolidated groups, row 5 (group company's credit) for an amount of a credit that arises when—
 - (a) a conduit tax relief credit described in table M5: conduit tax relief credits, arises in the conduit tax relief account of a group company; and
 - (b) a conduit tax relief debit described in table M24: conduit tax relief debits of consolidated groups, arises in the conduit tax relief account of the group; and
 - (c) the debit is not offset by a credit arising in the group account before the credit arose in the group company's account; and
 - (d) the credit is not more than the debit.

Offsetting debits

- (2) For the purposes of subsection (1)(c), to determine whether a debit has been offset by a credit in the group account,—
 - (a) a credit retains its separate character and is not treated as part of a credit under section MA 7 (Opening balances of memorandum accounts); and
 - (b) credits are treated as reducing debits in the order in which the credits arise; and
 - (c) a credit, whether some or all, is counted only once in determining whether the debit has been offset; and

- (d) credits in the accounts of more than 1 group company become a credit to the group account—
 - (i) in the order of their credit date; and
 - (ii) as chosen by the group, if the credits arise on the same credit date; and
 - (iii) on a pro rata basis, if no election is made under subparagraph (ii).

Credit date

- (3) The credit date is the day the credit is recorded as transferred to the group account.

Defined in this Act: amount, company, conduit tax relief account, conduit tax relief credit, conduit tax relief debit, consolidated group

Origin: 2004 No 35 ss MI 17(1)(e), (2)(e), MI 19(3), (4)

MP 77 Consolidated CTRA transfer from group's FDWP account

Credit

- (1) A consolidated group has a conduit tax relief credit for a tax year as described in table M23: conduit tax relief credits of consolidated groups, row 6 (transfer from group's FDWP account) for an amount of a credit balance in the group's FDWP account that is treated as transferred to the group's conduit tax relief account when—
 - (a) a credit balance exists in the group's FDWP account just before the end of the tax year; and
 - (b) a debit balance exists in the group's conduit tax relief account just before the end of the tax year.

Finding balances

- (2) For the purposes of subsection (1),—
 - (a) the debit balance in the conduit tax relief account is determined after a conduit tax relief credit arises at the end of the tax year as described in the following rows of table M23: conduit tax relief credits of consolidated groups—
 - (i) row 2 (rebate for conduit tax relief); and
 - (ii) row 5 (group company's credit); and
 - (b) the credit balance in the FDWP account is determined after an FDWP credit arises as described in table M21: FDWP credits of consolidated FDWP groups, row 7 (transfer for net foreign attributed income) before the end of the tax year.

Amount of credit and debit

- (3) The amount of the credit is equal to is the smaller of the 2 balances referred to in subsection (1), and becomes—
- (a) the conduit tax relief credit described in table M23: conduit tax relief credits of consolidated groups, row 6 (transfer from group's FDWP account); and
 - (b) the FDWP debit described in table M22: FDWP debits of consolidated groups, row 7 (transfer to group's conduit tax relief account).

Credit date

- (4) The credit date is the last day of the tax year.

Defined in this Act: amount, company, conduit tax relief account, conduit tax relief credit, consolidated group, FDWP account, FDWP debit, foreign attributed income, imputation debit, tax year

Origin: 2004 No 35 ss MI 17(1)(f), (2)(f), MI 20(1)

MP 78 Consolidated CTRA reversal of tax advantage arrangement

Credit

- (1) A consolidated group has a conduit tax relief credit as described in table M23: conduit tax relief credits of consolidated groups, row 7 (reversal of tax advantage arrangement) for an amount equal to a debit in the group's conduit tax relief account described in table M24: conduit tax relief debits of consolidated groups, row 8 (tax advantage arrangement).

Credit date

- (2) The credit date is the same as the debit date for the debit.

Defined in this Act: amount, arrangement, conduit tax relief account, conduit tax relief credit, consolidated group, tax advantage

Origin: 2004 No 35 s MI 17(1)(d), (2)(d)

Conduit tax relief debits of consolidated groups

Table M24: conduit tax relief debits of consolidated groups

Row	Conduit tax relief debit	Debit date	Further defined
1	<i>Opening debit balance</i>		
	Opening debit balance	1 April	section MA 7
2	<i>Payment of dividend</i>		
	A conduit tax relief credit attached to a dividend paid by a group company	day the dividend is paid	section MP 79
3	<i>Transfer to group's FDWP account</i>		
	A transfer of a closing credit balance to a group's FDWP account	31 March	section MP 80
4	<i>Adjustment for conduit tax relief</i>		
	An adjustment for conduit tax relief	day the return of income with the adjustment is filed	section MP 81
5	<i>Group company's debit</i>		
	A debit that would increase a debit balance for a group company	the company's debit date	section MP 82
6	<i>Increase in resident shareholding</i>		
	An increase in resident shareholding by more than 34%	day of shareholding change	section MP 83
7	<i>Breach of conduit tax relief ratio</i>		
	A debit for a breach of conduit tax relief ratio	31 March	section MP 84
8	<i>Tax advantage arrangement</i>		
	A debit for a tax advantage arrangement	last day of the tax year in which the arrangement began	section MP 85
9	<i>Final balance</i>		
	A credit balance when a group is no longer required to maintain a conduit tax relief account	day the account stops	section MP 86

How to use this table

Each row in the table describes—

- (a) the conduit tax relief debits that may arise in the conduit tax relief account of a consolidated group during a tax year; and
- (b) the debit date when the debit arises.

A more detailed description of the conduit tax relief debits is contained in the section noted in the last column.

MP 79 Consolidated CTRA payment of dividend

Debit

- (1) A consolidated group has a conduit tax relief debit as described in table M24: conduit tax relief debits of consolidated groups, row 2 (payment of dividend) for the amount of a conduit tax relief credit attached to a dividend paid by a group company that is part of the group when the dividend is paid.

Debit date

- (2) The debit date is the day the dividend is paid.

Defined in this Act: amount, company, conduit tax relief account, conduit tax relief credit, conduit tax relief debit, consolidated group, dividend, pay

Origin: 2004 No 35 s MI 18(1)(a), (2)(a)

MP 80 Consolidated CTRA transfer to group's FDWP account

Debit

- (1) A consolidated group has a conduit tax relief debit for a tax year as described in table M24: conduit tax relief debits of consolidated groups, row 3 (transfer to the group's FDWP account) for the amount of a credit balance in the conduit tax relief account that is treated as transferred to the group's FDWP account when—
 - (a) a credit balance exists in the group's conduit tax relief account just before the end of the tax year; and
 - (b) a debit balance exists in the group's FDWP account just before the end of the tax year.

Finding balances

- (2) For the purposes of subsection (1),—
 - (a) the credit balance and the debit balance are determined before the transfer is made under this section; and

- (b) the credit balance in the conduit tax relief account is found after a conduit tax relief credit arises at the end of the tax year as described in table M23: conduit tax relief credits of consolidated groups—
 - (i) row 2 (rebate for conduit tax relief):
 - (ii) row 6 (transfer from group's FDWP account).

Amount of credit and debit

- (3) The amount of the credit is equal to the smaller of the 2 balances referred to in subsection (1), and becomes—
 - (a) the conduit tax relief debit described in table M24: conduit tax relief debits of consolidated groups, row 3 (transfer to group's FDWP account); and
 - (b) the FDWP credit described in table M21: FDWP credits of consolidated FDWP groups, row 6 (transfer from group's conduit tax relief account).

Debit date

- (4) The debit date is the last day of the tax year.

Defined in this Act: amount, conduit tax relief account, conduit tax relief credit, conduit tax relief debit, consolidated group, dividend, FDWP account, FDWP credit, tax year

Origin: 2004 No 35 ss MI 18(1)(g), (2)(g), MI 20(2)

MP 81 Consolidated CTRA adjustment for conduit tax relief

Debit

- (1) A consolidated group has a conduit tax relief debit for a tax year as described in table M24: conduit tax relief debits of consolidated groups, row 4 (adjustment for conduit tax relief) for the amount of an adjustment allowed under section FH 8(5) (Rules for applying surplus group excess interest allocation amount to increase income tax and dividend withholding payment) to a group company that is part of the group on the last day of the income year corresponding to the tax year for which the adjustment is allowed.

Debit date

- (2) The debit date is the day the company files a return of income for the tax year corresponding to the income year for which the adjustment is made.

Defined in this Act: amount, company, conduit tax relief, conduit tax relief account, conduit tax relief debit, consolidated group, income year, tax year

Origin: 2004 No 35 s MI 18(1)(b), (2)(b)

MP 82 Consolidated CTRA group company's debit

Debit

- (1) A consolidated group has a conduit tax relief debit as described in table M24: conduit tax relief debits of consolidated groups, row 5 (group company's debit) for an amount to the extent to which the amount would, if section MP 71(3) did not exist, give rise to—
 - (a) a conduit tax relief debit described in table M6: conduit tax relief debits, in the conduit tax relief account of a group company; and
 - (b) a conduit tax relief debit that would create or increase a debit balance in the group company's conduit tax relief account.

Debit date

- (2) The debit date is the day that would be the debit date if the debit had arisen in the company's account.

Defined in this Act: amount, company, conduit tax relief account, conduit tax relief debit, consolidated group

Origin: 2004 No 35 s MI 19(5)

MP 83 Consolidated CTRA increase in resident shareholding

Debit

- (1) A consolidated group has a conduit tax relief debit as described in table M24: conduit tax relief debits of consolidated groups, row 6 (increase in resident shareholding) for the amount of a conduit tax relief credit in the group's conduit tax relief account if a breach in the resident shareholding requirements described in subsection (2) and section MA 8 (Shareholder continuity requirements for memorandum accounts) occurs.

Resident shareholding requirement

- (2) For the purposes of subsection (1), the resident shareholding requirement means that—
 - (a) the credit continues to exist to the extent to which it is not reduced by a later conduit tax relief debit; and
 - (b) since the credit date for the credit, the percentage of the group's shareholders who are resident in New Zealand does not increase by 34% or more; and
 - (c) an amount that is the conduit tax relief debit under subsection (1) arises for the amount of the credit that still exists when paragraph (b) is breached.

Supporting rules

- (3) The following rules apply for the purposes of subsection (2):
- (a) the percentage of shareholders resident in New Zealand at any time is found by taking—
 - (i) the highest percentage of direct voting interests held in the group by residents; and
 - (ii) the highest percentage of direct market value interests held in the group, if a direct market value circumstance exists, by residents; and
 - (iii) if not all shares held by the group's shareholders are shares of the same class, the highest percentage of total dividends that would be derived by residents if the group were liquidated:
 - (b) a credit retains its separate character and is not treated as part of a credit described in section MA 7 (Opening balances of memorandum accounts) in a later tax year; and
 - (c) the amount by which a credit is reduced by an earlier or later debit is found by—
 - (i) treating debits as reducing credits in the order in which the credits arise; and
 - (ii) counting a debit, whether some or all, only once in the reduction of a credit; and
 - (d) the credit date for a credit described in table M23: conduit tax relief credits of consolidated groups, row 5 (group company's credits) is the credit date when the credit arose in the conduit tax relief account of the group company; and
 - (e) the debit still arises despite an arrangement affecting the company's shares that has a purpose or effect of defeating the intent and application of the resident shareholding requirements.

Debit date

- (4) The debit date is the day on which the shareholding threshold is first reached or passed.

Defined in this Act: amount, arrangement, company, conduit tax relief account, conduit tax relief credit, conduit tax relief debit, consolidated group, dividend, liquidation, market value circumstance, market value interest, resident, resident in New Zealand, shareholder, shares of the same class, tax year, voting interest

Origin: 2004 No 35 s MI 18(1)(e), (2)(e), (3), (4)

MP 84 Consolidated CTRA breach of conduit tax relief ratio

Debit

- (1) A consolidated group has a conduit tax relief debit for a tax year as described in table M24: conduit tax relief debits of consolidated groups, row 7 (breach of conduit tax relief ratio) for the amount of a debit described in table M6: conduit tax relief debits, row 9 (breach of conduit tax relief ratio) in the conduit tax relief account of a group company, if section MP 71 did not exist.

Debit date

- (2) The debit date is the last day of the tax year.

Defined in this Act: amount, company, conduit tax relief account, conduit tax relief debit, conduit tax relief ratio, consolidated group, tax year

Origin: 2004 No 35 s MI 18(1)(c), (2)(c)

MP 85 Consolidated CTRA tax advantage arrangement

Debit

- (1) A consolidated group has a conduit tax relief debit as described in table M24: conduit tax relief debits of consolidated groups, row 8 (tax advantage arrangement) for the amount of a debit for a tax advantage arrangement determined under section GC 22 (Imputation: arrangement to obtain tax advantage).

Debit date

- (2) The debit date is the last day of the tax year in which the arrangement began.

Defined in this Act: amount, arrangement, conduit tax relief account, conduit tax relief debit, consolidated group, tax advantage, tax year

Origin: 2004 No 35 s MI 18(1)(d), (2)(d)

MP 86 Consolidated CTRA final balance

Debit

- (1) A consolidated group has a conduit tax relief debit as described in table M24: conduit tax relief debits of consolidated groups, row 9 (final balance) for a credit balance in the conduit tax relief account when the group is no longer required to maintain the account.

Debit date

- (2) The debit date is the day just before the group is no longer required to maintain a conduit tax relief account.

Defined in this Act: conduit tax relief account, conduit tax relief debit, consolidated group

Origin: 2004 No 35 s MI 18(1)(f), (2)(f)

Consolidated groups' FDWP payments and refunds

MP 87 FDWP payable for credits and debits in group's conduit tax relief account

Liability for FDWP

- (1) A consolidated FDWP group is liable to pay FDWP for a tax year for the amount of—
 - (a) a conduit tax relief credit described in table M23: conduit tax relief credits of consolidated groups, row 6 (transfer from group's FDWP account) at the end of the tax year; and
 - (b) a conduit tax relief debit described in subsection (2) arising in the group's conduit tax relief account during the tax year.

Particular debits

- (2) The debit referred to in subsection (1)(b) is a debit described in the following rows of table M24: conduit tax relief debits of consolidated groups:
 - (a) row 6 (increase in resident shareholding):
 - (b) row 7 (breach of conduit tax relief ratio):
 - (c) row 8 (tax advantage arrangement):
 - (d) row 9 (final balance).

No FDWP credit

- (3) No FDWP credit arises for an amount of FDWP paid for a debit described in subsection (2)(a) to (c).

Payment dates

- (4) The due date for payment to the Commissioner of the FDWP is—
 - (a) 20th June following the end of the tax year for an FDWP liability arising under subsection (1)(a); or
 - (b) the 20th of the month following the end of the quarter in which the debit arises for an FDWP liability arising under subsection (1)(b).

Application of other provisions

- (5) When it is appropriate for the purposes of this section, the other sections of this Act and the Tax Administration Act 1994—
- (a) apply as if they addressed further FDWP and not income tax; and
 - (b) apply, modified as necessary, to ensure their application to FDWP rather than income tax; and
 - (c) do not override the FDWP rules and section 103A of the Tax Administration Act 1994.

Defined in this Act: amount, arrangement, Commissioner, conduit tax relief account, conduit tax relief credit, conduit tax relief debit, conduit tax relief ratio, consolidated FDWP group, FDWP, FDWP account, FDWP credit, FDWP rules, further FDWP, income tax, pay, resident, shareholder, tax advantage, tax year

Origin: 2004 No 35 s MI 21

MP 88 Refund on transfer from group's FDWP account

Refund

- (1) A consolidated FDWP group is entitled to a refund for the amount described in table M23: conduit tax relief credits of consolidated groups, row 6 (transfer from group's FDWP account) for a transfer from the group's conduit tax relief account.

Application of refund

- (2) The Commissioner may apply the amount of the refund to satisfy an amount owing under the Inland Revenue Acts by the group.

Defined in this Act: amount, Commissioner, conduit tax relief account, conduit tax relief credit, consolidated FDWP group

Origin: 2004 No 35 s MI 22(4)

Consolidated groups and branch equivalent tax accounts

Introductory provisions

MP 89 Branch equivalent tax accounts of consolidated BETA groups

Consolidated group accounts

- (1) A consolidated group is a branch equivalent tax account group (**consolidated BETA group**) for a tax year if—
 - (a) a group company is a BETA company at a time during the tax year; or
 - (b) the group chooses to maintain a branch equivalent tax account.

Notifying Commissioner

- (2) The nominated company of a consolidated BETA group must notify the Commissioner of an election under subsection (1)(b)—
 - (a) no later than 21 days after the day of election; or
 - (b) by a later time if the Commissioner allows.

Defined in this Act: BETA company, branch equivalent tax account, Commissioner, consolidated BETA group, nominated company, notify, tax year

Origin: 2004 No 35 s MF 7(1), (2)

MP 90 Choosing to stop being consolidated BETA group

Election

- (1) The nominated company of a consolidated BETA group may choose that the group's status as a consolidated BETA group is to stop.

No election

- (2) An election under subsection (1) may be made during a tax year that is later than the tax year in which the group chooses under section MP 89 to become a consolidated BETA group.

When group ends status

- (3) The election takes effect from the start of the later tax year referred to in subsection (2) but only if—
- (a) the group files an annual imputation return for the year of election in the time allowed by section 69 of the Tax Administration Act 1994; and
 - (b) no group company is a BETA company in the tax year after the year of the election.

Defined in this Act: annual imputation return, BETA company, branch equivalent tax account, company, consolidated BETA group, nominated company, tax year

Origin: 2004 No 35 s MF 7(3), (4)

MP 91 When credits and debits arise only in branch equivalent tax group accounts

Credits only in group accounts

- (1) A credit listed in subsection (2) arises only in the branch equivalent tax account of a consolidated BETA group and not in the branch equivalent tax account of a group company.

Particular credits

- (2) The credit referred to in subsection (1) is a credit described the following rows of table M25: branch equivalent tax credits of consolidated BETA groups:
- (a) row 2 (payment of income tax on foreign income); and
 - (b) row 4 (refund of FDWP).

Debits only in group accounts

- (3) A debit listed in subsection (4) arises only in the branch equivalent tax account of a consolidated BETA group and not in the branch equivalent tax account of a group company.

Particular debits

- (4) The debit referred to in subsection (3) is a debit described in the following rows of table M26: branch equivalent tax debits of consolidated BETA groups:
- (a) row 2 (payment of FDWP); and
 - (b) row 4 (refund of income tax).

Defined in this Act: branch equivalent tax account, branch equivalent tax credit, branch equivalent tax debit, company, consolidated BETA group, dividend, FDWP, income tax, pay

Origin: 2004 No 35 s MF 9

Branch equivalent tax credits of consolidated BETA groups

Table M25: branch equivalent tax credits of consolidated BETA groups

Row	Branch equivalent tax credit	Credit date	Further defined
1	<i>Opening credit balance</i>		
	Opening credit balance	1 April	section MA 7
2	<i>Payment of income tax on foreign income</i>		
	Income tax paid on foreign income derived in an income year	day the return of income for the income year is filed	section MP 92
3	<i>Payment of income tax</i>		
	A debit balance applied to satisfy an income tax liability	day of election	section MP 93
4	<i>Refund of FDWP</i>		
	A refund of FDWP	day of refund	section MP 95
5	<i>Credit for loss of shareholder continuity</i>		
	A credit for loss of shareholder continuity	day of loss of continuity	section MP 96
<p>How to use this table</p> <p>Each row in the table describes—</p> <p>(a) the branch equivalent tax credits that may arise in the branch equivalent tax account of a consolidated group during a tax year; and</p> <p>(b) the credit date when the credit arises.</p> <p>A more detailed description of the branch equivalent tax credits is contained in the section noted in the last column.</p>			

MP 92 Consolidated BETA payment of income tax on foreign income

Credit

- (1) A consolidated BETA group has a branch equivalent tax credit as described in table M25: branch equivalent tax credits of consolidated BETA groups, row 2 (payment of income tax on foreign income) for an amount calculated using the formula—

$$((\text{group CFC income} - \text{group deductions}) \times \text{tax rate}) - \text{foreign tax} - \text{debit balances.}$$

Definition of items in formula

- (2) In the formula,—
- (a) **group CFC income** is the amount of attributed foreign income derived by the group during the income year:
 - (b) **group deductions** is the total amount for the group for an income year of—
 - (i) attributed CFC loss; and
 - (ii) attributed CFC net loss; and
 - (iii) FIF loss; and
 - (iv) FIF net loss:
 - (c) **tax rate** is the decimal fraction that is the basic rate of income tax set out in, as applicable,—
 - (i) schedule 1, part A, clause 5 (Basic rates of income tax and specified superannuation contribution withholding tax) if the company is not a Maori authority; or
 - (ii) schedule 1, part A, clause 2 if the company is a Maori authority:
 - (d) **foreign tax** is the amount of foreign tax credits allowed under section LC 4 or LC 5 (which relate to foreign tax credits of CFCs) relating to the group's income tax liability for the income year:
 - (e) **debit balances** is the amount of all debit balances in a branch equivalent tax account applied to satisfy the group's income tax liability for the income year.

Credit date

- (3) The credit date is the day the nominated company files the return of income for the tax year corresponding to the income year for which the calculation is made.

Defined in this Act: amount, attributed CFC loss, attributed CFC net loss, attributed foreign income, basic rate, branch equivalent tax account, branch equivalent tax credit, consolidated BETA group, FDWP, FIF loss, FIF net loss, foreign tax, income tax, income tax liability, income year, Maori authority, nominated company, return of income, tax year

Origin: 2004 No 35 s MF 8(2)(a), (3)(a)

MP 93 Consolidated BETA payment of income tax

When this section applies

- (1) This section applies when a consolidated BETA group has a debit balance in its branch equivalent tax account or in the branch equivalent tax account of a group company arising as follows:

- (a) the income of the group for an income year includes attributed CFC income is derived by—
 - (i) the group; or
 - (ii) a company (**group company B**) that would be in the same group of companies as the group if the group were a single company; and
- (b) an amount of FDWP that gives rise to a debit included in the debit balance has been paid—
 - (i) directly; or
 - (ii) by reducing a net loss; or
 - (iii) to reduce an FDWP liability under section NH 7 (Reduction in liability under conduit tax relief).

Election

- (2) The nominated company of the consolidated BETA group may choose to apply some or all of the debit balance to satisfy an income tax liability of the group or of group company B for a tax year that corresponds to the income year referred to in subsection (1).

Credit

- (3) The amount that is applied to satisfy the income tax liability referred to in subsection (2) is a branch equivalent tax credit described in table M25: branch equivalent tax credits of consolidated BETA groups, row 3 (payment of income tax) in the group's branch equivalent tax account.

Income tax paid

- (4) For the purposes of this section, the income tax liability—
 - (a) is calculated by applying the formula in section MP 92 on the basis that the item “debit balances” is zero; and
 - (b) is satisfied to the extent to which the liability is not more than the income tax payable in relation to the amount of attributed CFC income.

Who makes the election

- (5) The consolidated BETA group makes the election referred to in subsection (2) as follows:
 - (a) if the group's income tax liability is to be satisfied, the election may be made by—
 - (i) the nominated company; or
 - (ii) another group company; or
 - (iii) a company that would be in the same group of companies as the group if the group were a single company; and
 - (b) if group company B's income tax liability is to be satisfied, the election must be made by the nominated company.

How election made

- (6) An election is made under subsection (5) by recording the credit in the branch equivalent tax account of the group or group company B.

Credit date

- (7) The credit date is the day of election.

Defined in this Act: amount, attributed CFC income, branch equivalent tax account, branch equivalent tax credit, company, consolidated BETA group, dividend, FDWP, income, income tax, income tax liability, income year, Maori authority, net loss, nominated company, pay

Origin: 2004 No 35 ss MF 8(2)(c), (3)(b), MF 10(4), (5), (6)

MP 94 Consolidated BETA remaining debit balances

When this section applies

- (1) This section applies for the purposes of section MP 93 when an income tax liability of a consolidated BETA group or group company is satisfied by applying some of a debit balance in the group's branch equivalent tax account, or in the account of another company in the same consolidated BETA group, and a debit balance remains after the credit is recorded in the account.

Net loss

- (2) The residue of the debit balance is converted into a net loss for the purposes of subparts IE, IF, and IG (which relate to the treatment of net losses). The amount of the net loss is calculated using the formula—

$$\frac{\text{balance}}{\text{tax rate.}}$$

Definition of items in formula

- (3) In the formula,—
- (a) **balance** is the amount of the debit balance remaining in the branch equivalent tax account:
- (b) **tax rate** is the decimal fraction that is the basic rate of income tax set out in, as applicable,—
- (i) schedule 1, part A, clause 5 (Basic rates of income tax and specified superannuation contribution withholding tax) if the company is not a Maori authority; or
- (ii) schedule 1, part A, clause 2 if the company is a Maori authority.

Group's net loss

- (4) The net loss belongs to the consolidated group.

Defined in this Act: amount, attributed CFC income, basic rate, branch equivalent tax account, branch equivalent tax credit, company, consolidated BETA group, dividend, income tax, Maori authority, net loss

Origin: 2004 No 35 ss MF 8(2)(c), (3)(b), MF 10(4), (5), (6)

MP 95 Consolidated BETA refund of FDWP

Credit

- (1) A consolidated BETA group has a branch equivalent tax credit for a tax year as described in table M25: branch equivalent tax credits of consolidated BETA groups, row 4 (refund of FDWP) for the amount of a refund of FDWP. Subsections (2) and (3) override this subsection.

Refund giving rise to debit

- (2) A refund under subsection (1) must be a refund of a payment of FDWP that gave rise to a debit described in table M26: branch equivalent tax debits of consolidated BETA groups, row 2 (payment of FDWP).

Reduction

- (3) The amount of the credit under subsection (1) is reduced to the extent to which—
- (a) the payment of FDWP is made before a branch equivalent tax credit arises as described in table M25: branch equivalent tax credits of consolidated BETA groups, row 5 (credit for loss of shareholder continuity) in the group's branch equivalent tax account; and
 - (b) the amount of the refund is not more than the amount of the credit for the loss of shareholder continuity.

Credit date

- (4) The credit date is the day the refund is made.

Defined in this Act: amount, branch equivalent tax account, branch equivalent tax credit, consolidated BETA group, consolidated group, FDWP, payment, shareholder, tax year

Origin: 2004 No 35 s MF 8(1)(d), (3)(c)

MP 96 Consolidated BETA credit for loss of shareholder continuity

Credit

- (1) A consolidated BETA group has a branch equivalent tax credit as described in table M25: branch equivalent tax credits of consolidated BETA groups, row 5 (credit for loss of shareholder continuity) for the amount of a branch equivalent tax debit

retained in the branch equivalent tax account and unused before the date of breach in shareholder continuity.

Credit date

- (2) The credit date is the day of loss of continuity.

Defined in this Act: amount, branch equivalent tax account, branch equivalent tax credit, branch equivalent tax debit, consolidated BETA group, shareholder

Origin: 2004 No 35 s MF 8(2)(e), (3)(d)

Branch equivalent tax debits of consolidated BETA groups

Table M26: branch equivalent tax debits of consolidated BETA groups

Row	Branch equivalent debit	Debit date	Further defined
1	<i>Opening debit balance</i>		
	Opening debit balance	1 April	section MA 7
2	<i>Payment of FDWP</i>		
	FDWP paid on a dividend derived from a CFC	day of payment	section MP 97
3	<i>Reduction of FDWP</i>		
	A credit balance applied to satisfy an FDWP liability	due date for payment of the FDWP	section MP 98
4	<i>Refund of income tax</i>		
	A refund of income tax for attributed CFC income	day of refund	section MP 99
5	<i>Debit for loss of shareholder continuity</i>		
	A debit for loss of shareholder continuity	day of loss of continuity	section MP 100
<p>How to use this table</p> <p>Each row in the table describes—</p> <p>(a) the branch equivalent tax debits that may arise in the branch equivalent tax account of a consolidated group during a tax year; and</p> <p>(b) the debit date when the debit arises.</p> <p>A more detailed description of the branch equivalent tax debits is contained in the section noted in the last column.</p>			

MP 97 Consolidated BETA payment of FDWP

Debit

- (1) A consolidated BETA group has a branch equivalent tax debit as described in table M26: branch equivalent tax debits of consolidated BETA groups, row 2 (payment of FDWP) for a payment of FDWP that—
 - (a) is calculated before a reduction of liability under section NH 7 (Reduction in liability under conduit tax relief); and
 - (b) must have been payable in relation to a dividend derived by a group company from an income interest in a CFC; and
 - (c) may have been paid to reduce a net loss.

Debit date

- (2) The debit date is the day the FDWP is paid.

Defined in this Act: branch equivalent tax account, branch equivalent tax debit, CFC, consolidated BETA group, dividend, FDWP, pay, net loss

Origin: 2004 No 35 s MF 8(4)(a), (5)(a)

MP 98 Consolidated BETA reduction of FDWP

Election

- (1) The nominated company of a consolidated BETA group may choose to use some or all of a credit balance in the group's branch equivalent tax account to reduce an FDWP liability of—
 - (a) a group company; or
 - (b) a company that would be in the same group of companies as the group if the group were a single company.

Debit

- (2) The amount of the reduction is a debit arising in the group's branch equivalent tax account as described in table M26: branch equivalent tax debits of consolidated BETA groups, row 3 (reduction of FDWP).

Manner of election

- (3) The nominated company makes the election by recording the amount of the credit balance used as a debit in the group's branch equivalent tax account.

Debit date

- (4) The debit date is the due date for the payment of FDWP.

Defined in this Act: amount, branch equivalent tax account, branch equivalent tax debit, company, consolidated BETA group, dividend, FDWP, nominated company

Origin: 2004 No 35 ss MF 8(4)(b), (5)(b), MF 10(1)

MP 99 Consolidated BETA refund of income tax

Debit

- (1) A consolidated BETA group has a branch equivalent tax debit as described in table M26: branch equivalent tax debits of consolidated BETA groups, row 4 (refund of income tax) for the amount of a refund of income tax attributable to income tax paid for a tax year on attributed CFC income as if it were the only income derived by the group.

Reduction

- (2) The amount of the debit is reduced to the extent to which—
 - (a) a debit arises in the group's branch equivalent tax account as described in table M26: branch equivalent tax debits of consolidated BETA groups, row 5 (debit for loss of shareholder continuity); and
 - (b) the income tax was paid before the debit date for the debit for loss of shareholder continuity.

Debit date

- (3) The debit date is the day the refund is made.

Defined in this Act: amount, attributed CFC income, branch equivalent tax account, branch equivalent tax debit, consolidated BETA group, income tax, income year, pay, shareholder, tax year

Origin: 2004 No 35 s MF 8(4)(c), (5)(c)

MP 100 Consolidated BETA debit for loss of shareholder continuity

Debit

- (1) A consolidated BETA group has a branch equivalent tax debit as described in table M26: branch equivalent tax debits of consolidated BETA groups, row 5 (debit for loss of shareholder continuity) for the amount of a branch equivalent tax account credit retained in the branch equivalent tax account and unused before the date of breach in shareholder continuity.

Debit date

- (2) The debit date is the day of loss of continuity.

Defined in this Act: amount, branch equivalent tax account, branch equivalent tax credit, branch equivalent tax debit, consolidated BETA group, shareholder

Origin: 2004 No 35 s MF 8(4)(d), (5)(d)

Consolidated groups and policyholder credit accounts

Introductory provision

MP 101 Policyholder credit accounts of consolidated groups

A consolidated group has a policyholder credit account if a group company is a PCA company.

Defined in this Act: consolidated group, PCA company, policyholder credit account

Origin: 2004 No 35 s ME 25

Policyholder credits of consolidated groups

Table M27: policyholder credits of consolidated groups

Row	Policyholder credit	Credit date	Further defined
1	<i>Opening credit balance</i>		
	Opening credit balance	1 April	section MA 7
2	<i>Transfer from imputation credit account</i>		
	A transfer of a credit balance from an imputation credit account	debit date in the imputation credit account for the transfer	section MP 102
3	<i>Transfer from FDWP account</i>		
	A transfer of a credit balance from an FDWP account	day of election under section MP 66	section MP 103

4	<i>Group company's credit</i>		
	A credit transferred from a group company's policyholder credit account	debit date in the group company's account for the transfer	section MP 104
5	<i>Credit for FDWP account maximum deficit</i>		
	A debit for an FDWP account maximum deficit that arises during a tax year	31 March	section MP 105
6	<i>Credit for FDWP account reduced deficit</i>		
	A transfer of a credit balance from an FDWP account for a reduced deficit debit that arises during a tax year	31 March	section MP 106
<p>How to use this table</p> <p>Each row of the table describes—</p> <p>(a) the policyholder credits that may arise in the policyholder credit account of a consolidated group during a tax year; and</p> <p>(b) the credit date when the credit arises.</p> <p>A more detailed description of the policyholder credits is contained in the section noted in the last column.</p>			

MP 102 Consolidated PCA transfer from imputation credit account

Credit

- (1) A consolidated group has a policyholder credit as described in table M27: policyholder credits of consolidated groups, row 2 (transfer from imputation credit account) for an amount equal to the imputation debit described in table M20: imputation debits of consolidated imputation groups, row 15 (transfer to policyholder credit account).

Credit date

- (2) The credit date is the same as the debit date recorded for the transfer in the imputation credit account.

Defined in this Act: amount, consolidated group, consolidated imputation group, imputation credit account, imputation debit, policyholder credit, policyholder credit account

Origin: 2004 No 35 s ME 26(2)(a), (3)(a)

MP 103 Consolidated PCA transfer from FDWP account

Credit

- (1) A consolidated group has a policyholder credit as described in table M27: policyholder credits of consolidated groups, row 3 (transfer from FDWP account) for an amount equal to the amount of the FDWP debit described in table M22: FDWP debits of consolidated FDWP groups, row 11 (transfer to policyholder credit account).

Credit date

- (2) The credit date is the day of election referred to in section MP 66.

Defined in this Act: amount, consolidated group, FDWP debit, policyholder credit, policyholder credit account

Origin: 2004 No 35 s ME 26(2)(b), (3)(b)

MP 104 Consolidated PCA group company's credit

Credit

- (1) A consolidated group has a policyholder credit as described in table M27: policyholder credits of consolidated groups, row 4 (group company's credit) for the amount of a credit arising as follows:
 - (a) a policyholder credit described in a row of table M13: policyholder credits, arises in the policyholder credit account of a group company; and
 - (b) a policyholder debit described in a row of table M28: policyholder debits of consolidated groups, arises in the policyholder credit account of the group; and
 - (c) the debit is not offset by a credit arising in the group account before the credit arose in the group company's account.

Offsetting debits

- (2) For the purposes of subsection (1)(c), to determine whether a debit has been offset by a credit in the group account—
 - (a) credits are treated as reducing debits in the order in which the credits arise; and
 - (b) a credit, whether some or all, is counted only once in determining whether the debit has been offset; and
 - (c) credits in the accounts of more than 1 group company become a credit to the group account—
 - (i) in the order of their credit date; and
 - (ii) as chosen by the group, if the credits arise on the same credit date; and

- (iii) on a pro rata basis, if no election is made under subparagraph (ii).

Credit date

- (3) The credit date is the day the debit is recorded as transferred to the group account.

Defined in this Act: amount, company, consolidated group, policyholder credit, policyholder credit account, policyholder debit

Origin: 2004 No 35 ss ME 26(2)(c), (3)(c), ME 27(1), (3)

MP 105 Consolidated PCA maximum deficit debit in FDWP account

Credit

- (1) A consolidated group has a policyholder credit for a tax year as described in table M27: policyholder credits of consolidated groups, row 5 (credit for FDWP account maximum deficit) for an amount equal to the amount of the FDWP debit—
- (a) that arises during the tax year in the group's FDWP account as described in table M22: FDWP debits of consolidated FDWP groups, row 12 (breach of FDWP ratio by PCA company); and
- (b) whose amount is calculated under sections MC 20 and MC 33 (which relate to the maximum deficit debit).

Credit date

- (2) The credit date is the last day of the tax year.

Defined in this Act: amount, consolidated group, FDWP account, FDWP debit, FDWP ratio, maximum deficit debit, PCA company, policyholder credit, policyholder credit account, tax year

Origin: 2004 No 35 s ME 26(2)(d), (3)(d)

MP 106 Consolidated PCA reduced deficit debit in FDWP account

Credit

- (1) A consolidated group has a policyholder credit for a tax year as described in table M27: policyholder credits of consolidated groups, row 6 (credit for FDWP account reduced deficit) for an amount equal to the amount of the FDWP debit—
- (a) that arises during the tax year in the group's FDWP account as described in table M22: FDWP debits of consolidated FDWP groups, row 12 (breach of FDWP ratio by PCA company); and
- (b) whose amount is calculated under sections MC 20 and MC 35 (which relate to the reduced deficit debit).

Credit date

- (2) The credit date is the last day of the tax year.

Defined in this Act: amount, consolidated group, FDWP account, FDWP debit, FDWP ratio, PCA company, policyholder credit, policyholder credit account, tax year

Origin: 2004 No 35 s ME 26(2)(e), (3)(d)

Policyholder debits of consolidated groups

Table M28: policyholder debits of consolidated groups

Row	Policyholder debit	Debit date	Further defined
1	<i>Opening debit balance</i>		
	Opening debit balance	1 April	section MA 6
2	<i>Payment of tax relating to policyholder base</i>		
	A credit balance applied to satisfy a policyholder base income tax or provisional tax liability for an income year	last day of the income year	section MP 107
3	<i>Transfer to imputation credit account</i>		
	A credit balance transferred to an imputation credit account	day of election	section MP 108
<p>How to use this table</p> <p>Each row of the table describes—</p> <p>(a) the policyholder debits that may arise in the policyholder credit account of a consolidated group during a tax year; and</p> <p>(b) the debit date when the debit arises.</p> <p>A more detailed description of the policyholder debits is contained in the section noted in the last column.</p>			

MP 107 Consolidated PCA payment of tax relating to policyholder base

Election

- (1) The nominated company of a consolidated group may choose for a tax year to apply some or all of a credit balance in the group's policyholder credit account to satisfy—
- (a) a policyholder base income tax liability of the group; or

- (b) a provisional tax liability of the group for its policyholder base.

Manner of election

- (2) The company makes an election under subsection (1) by recording as a debit in the group account the amount of the credit balance applied to satisfy the policyholder base income tax liability.

Effect of election

- (3) As a result of the election—
 - (a) a policyholder debit described in table M28: policyholder debits of consolidated groups, row 2 (payment of tax relating to policyholder base) arises in the account; and
 - (b) the group's liability for the income tax or provisional tax is satisfied.

Debit date

- (4) The debit date is the last day of the income year corresponding to the tax year.

Defined in this Act: amount, consolidated group, income tax, income year, nominated company, pay, PCA company, policyholder base, policyholder base income tax liability, policyholder credit account, policyholder debit, provisional tax, tax year

Origin: 2004 No 35 ss ME 26(4)(a), (5)(a), ME 28(1), (2)

MP 108 Consolidated PCA transfer to imputation credit account

Election

- (1) The nominated company of a consolidated group may choose for a tax year to transfer some or all of a credit balance in the group's policyholder credit account to the imputation credit account of—
 - (a) the consolidated imputation group that the company is part of; or
 - (b) the imputation group that includes the companies in the consolidated group.

Exclusion

- (2) Despite subsection (1), the election must exclude an amount of the credit balance that arises in the following circumstances:
 - (a) the group has adopted a non-standard accounting year; and
 - (b) during the accounting year that includes the last day of the tax year, an election has been made that means that the credit balance includes a credit described in the following rows of table M27: policyholder credits of consolidated groups:
 - (i) row 2 (transfer from imputation credit account);
 - (ii) row 3 (transfer from FDWP account); and

- (c) an election under this section would result in a debit to the policyholder credit account during the tax year.

Debit and credit

- (3) The amount of the credit balance transferred under subsection (1) is—
 - (a) a debit described in table M28: policyholder debits of consolidated groups, row 3 (transfer to imputation credit account) in the group’s policyholder credit account; and
 - (b) a credit described in table M19: imputation credits of consolidated imputation groups, row 14 (transfer from group’s policyholder credit account) in the imputation credit account of the relevant group.

Credit balance reduced

- (4) Despite subsection (2)(b) the credit balance includes a credit that is cancelled by a later debit to the account.

Cancellation

- (5) Whether a debit cancels a credit for the purposes of subsection (3) is found by treating debits as offsetting credits in the order in which the credits arise in the account.

Manner of election

- (6) The company makes the election by recording the amount of the credit balance transferred as—
 - (a) a debit in the group’s policyholder credit account; and
 - (b) a credit in the imputation credit account of—
 - (i) the consolidated imputation group; or
 - (ii) the imputation group.

Debit date

- (7) The debit date is the day of election.

Defined in this Act: accounting year, amount, company, consolidated group, consolidated imputation group, imputation credit account, imputation group, nominated company, non-standard accounting year, PCA company, policyholder credit, policyholder credit account, policyholder debit, tax year

Origin: 2004 No 35 ss ME 26(4)(b), (5)(b), ME 28(3), (4)