

NEW LEGISLATION > ORDER IN COUNCIL > SPECIAL REPORT

Income Tax (Deemed Rate of Return on Attributing Interests in Foreign Investment Funds, 2023–24 Income Year) Order 2024

Issued: 17 July 2024

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This special report provides early information on the deemed rate of return on attributing interests in foreign investment funds for the 2023–24 income year ahead of the upcoming *Tax Information Bulletin*.¹

¹ This special report was first issued on 6 June 2024 but was reissued on 17 July 2024 with minor editorial corrections. There was no change to the rate.

Deemed rate of return on attributing interests in foreign investment funds

The deemed rate of return on attributing interests in foreign investment funds has been set at 8.63% by Order in Council for the 2023–24 income year.

Background

The deemed rate of return is set annually and is one of the methods that can be used to calculate income from foreign investment fund interests. The rate is calculated by taking an average of the five-year Government bond rate at the end of each quarter, plus a margin of four percentage points.

Key features

The deemed rate of return for taxing interests in foreign investment funds is 8.63% for the 2023–24 income year, an increase of 0.48% from the previous income year.

Effective date

The new rate was set by Order in Council on 4 June 2024 and came into force on 6 June 2024.

Further information

The new regulations can be found at:

<https://legislation.govt.nz/regulation/public/2024/0119/latest/whole.html>

About this document

Special reports are published shortly after new legislation is enacted or Orders in Council are made to help affected taxpayers and their advisors understand the consequences of the changes. These are published in advance of an article in the *Tax Information Bulletin*.