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Income Tax (Deemed Rate of Return on Attributing Interests in Foreign Investment Funds, 2019–20 Income Year) Order 2020

Issued: 27 July 2020

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This Order in Council sets the deemed rate of return for taxing interests in foreign investment funds to 5.05% for the 2019–20 income year, down from 5.86% for the previous income year.

START DATE

10 July 2020

Foreign investment fund deemed rate of return set for 2019–20

The deemed rate of return for taxing interests in foreign investment funds is 5.05% for the 2019–20 income year, down from 5.86% for the previous 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 based on taking an average of the five-year Government bond rate at the end of each quarter, plus a margin of four percentage points.

Application date

The new rate was set by Order in Council on 6 July 2020 and came into force on 10 July 2020.

References

Legislative references

Income Tax Act 2007: section EX 55.

About this document

New legislation articles provide an explanation of the changes made in recently enacted tax-related legislation including acts, general and remedial amendments, and Orders in Council.