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Inland Revenue regularly produces a number of statements and rulings aimed at explaining how taxation law affects taxpayers and their agents. Because we are keen to produce items that accurately and fairly reflect taxation legislation and are useful in practical situations, your input into the process, as a user of that legislation, is highly valued.

You can find a list of the items we are currently inviting submissions on as well as a list of expired items at www.ird.govt.nz (search keywords: public consultation).

Email your submissions to us at public.consultation@ird.govt.nz or post them to:

Public Consultation
Office of the Chief Tax Counsel
Inland Revenue
PO Box 2198
Wellington 6140

You can also subscribe at www.ird.govt.nz/public-consultation to receive regular email updates when we publish new draft items for comment.

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New legislation
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Foreign Investment Fund Deemed Rate Of Return Set For 2018–19

The deemed rate of return for taxing foreign investment fund interests is 5.86% for the 2018–19 income year, down from 6.44% for the previous income year.
NEW LEGISLATION

This section of the TIB covers new legislation, changes to legislation including general and remedial amendments, and Orders in Council.

ORDER IN COUNCIL

FOREIGN INVESTMENT FUND DEEMED RATE OF RETURN SET FOR 2018–19

The deemed rate of return for taxing foreign investment fund interests is 5.86% for the 2018–19 income year, down from 6.44% for the previous income year.

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.

The new rate was set by Order in Council on 26 August 2019 and came into force on 26 September 2019.

*Income Tax (Deemed Rate of Return on Attributing Interests in Foreign Investment Funds, 2018–19 Income Year) Order 2019 (LI 2019/204)*
REGULAR CONTRIBUTORS TO THE TIB

Office of the Chief Tax Counsel
The Office of the Chief Tax Counsel (OCTC) produces a number of statements and rulings, such as interpretation statements, binding public rulings and determinations, aimed at explaining how tax law affects taxpayers and their agents. The OCTC also contributes to the “Questions we’ve been asked” and “Your opportunity to comment” sections where taxpayers and their agents can comment on proposed statements and rulings.

Legal and Technical Services
Legal and Technical Services contribute the standard practice statements which describe how the Commissioner of Inland Revenue will exercise a statutory discretion or deal with practical operational issues arising out of the administration of the Inland Revenue Acts. They also produce determinations on standard costs and amortisation or depreciation rates for fixed life property used to produce income, as well as other statements on operational practice related to topical tax matters.

Policy and Strategy
Policy advises the Government on all aspects of tax policy and on social policy measures that interact with the tax system. They contribute information about new legislation and policy issues as well as Orders in Council.

Legal Services
Legal Services manages all disputed tax litigation and associated challenges to Inland Revenue’s investigative and assessment process including declaratory judgment and judicial review litigation. They contribute the legal decisions and case notes on recent tax decisions made by the Taxation Review Authority and the courts.

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There is a TIB index at the link above which is updated annually.