

TAX INFORMATION

Bulletin

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YOUR OPPORTUNITY TO COMMENT

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 taxtechnical.ird.govt.nz (search keywords: public consultation).

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

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

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

Ref	Draft type	Title	Comment deadline
IRRUIP18	Issue Report	Income tax – wrapping, bridging, lending, borrowing and staking cryptoassets	12 March 2026
PUB00522	Interpretation statement	GST financial services – Services supplied in relation to retirement schemes	13 March 2026
ED0267	Operational statement	Returns of capital: Off-market share cancellations – bright line tests and the Commissioner's notice requirements and other matters	23 March 2026

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IN SUMMARY

Determinations

PROV28: Provisional depreciation rate for battery energy storage systems (modular)

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This determination sets a provisional depreciation rate for a new asset class of battery energy storage systems (modular).

DET 26/01: Declaration that the January 2026 severe weather event is an emergency event for the purposes of family scheme income

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Determination DET 26/01 declares the January 2026 severe weather event is an emergency event for the purposes of family scheme income.

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NSC 2026: National Standard Costs for Specified Livestock Determination 2026

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National Standard Costs for Specified Livestock Determination 2026

Product ruling

BR Prd 25/07: New Zealand Bloodstock Finance and Leasing Limited

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This product ruling applies to the customers who have entered into the Bloodstock Lease to Purchase Agreement with New Zealand Bloodstock Finance and Leasing Limited to lease a thoroughbred breed of horse for use in the customers' business of breeding bloodstock and selling the leased bloodstock's progeny.

BR Prd 25/08: Northride New Zealand Limited

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The Arrangement is the provision by Northride New Zealand Limited (trading as Northride) to its employer customers (Employers) of a product or service package, being the lease of self-powered or low-powered commuting vehicles (the Equipment).

Technical decision summary

TDS 26/01: Opening value of FIF income calculation

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This item summarises a private ruling that considered the opening value for the fair dividend method of calculating the foreign investment fund income of a taxpayer whose transitional residence period has ended.

LEGISLATION AND DETERMINATIONS

This section of the *TIB* covers items such as recent tax legislation and depreciation determinations, livestock values and changes in FBT and GST interest rates.

PROV28: Provisional depreciation rate for battery energy storage systems (modular)

This determination sets a provisional depreciation rate for a new asset class of battery energy storage systems (modular).

Note to Determination PROV28

The Commissioner sets a depreciation rate for Battery Energy Storage Systems (modular) as a new asset class. These are used to store energy generated during off-peak periods for use during peak-demand periods, or available as an energy backup system when power generation is unable to meet energy demand or is out of service.

Scope of Determination

As power generation companies increase power generation, they have included renewable energy from sources such as wind and sun to assist when generation from other, conventional sources, cannot be guaranteed. The use of modular battery energy storage systems provides somewhere to store energy for use when demand is high and smoothes out fluctuations in energy supply, to provide a more secure, stable, efficient, and resilient electricity grid.

Battery Energy Storage Systems come in different forms and capacity, and some can be used in home and business storage systems. However, this provisional depreciation determination will only apply to Battery Energy Storage Systems that are modular units used by the power generation industry and in the national grid distribution networks.

Determination

PROV28: Tax Depreciation Rates Provisional Determination Number 28

This determination may be cited as “Determination PROV28 Tax Depreciation Rates Provisional Determination Number 28: Battery Energy Storage Systems (modular)”.

Application

This determination applies to taxpayers who own items of depreciable property of the kind listed in the table below.

This determination applies to the 2025 income year and subsequent income years.

Determination

Pursuant to section 91AAF of the Tax Administration Act 1994, the general determination will apply to the kind of items of depreciable property listed in the table below by adding to the “Power Generation and Electrical Reticulation Systems” industry category and the “Reticulation Systems, including Power Generation (excluding electrical communication and gas reticulation)” asset category, in the General Depreciation Rates, the estimated useful life, and general diminishing value and straight-line depreciation rates, for the asset class listed below:

Asset class	Estimated useful life (years)	DV rate (%)	SL rate (%)
“Battery Energy Storage Systems (modular)”	15.5	13	8.5

Interpretation

In this determination, unless the context otherwise requires, words and terms have the same meaning as in the Income Tax Act 2007 and the Tax Administration Act 1994, as applicable.

This determination is signed by me on the 4th day of February 2026.

Stephen Donaldson

Technical Lead, Legal Services

Inland Revenue

DET 26/01: Declaration that the January 2026 severe weather event is an emergency event for the purposes of family scheme income.

Issued: 03 February 2026

Determination DET 26/01 declares the January 2026 severe weather event is an emergency event for the purposes of family scheme income.

This determination may be cited as Determination DET 26/01: *Declaration that the January 2026 severe weather event is an emergency event for the purposes of family scheme income.*

Application

This Determination applies to the January 2026 severe weather event (severe weather event).

The severe weather event delivered extremely heavy rain, high winds, landslides and widespread flooding in the following regions and districts:

- Northland and Tairāwhiti regions.
- Thames-Coromandel, Hauraki and Western Bay of Plenty districts.

Determination

This determination is made under section 91AAS of the Tax Administration Act 1994.

Emergency Events

The severe weather event is declared to be an emergency event for the purposes of section MB 13(2)(r)(i) of the Income Tax Act 2007.

Time period

For the purposes of section MB 13(2)(r)(ii) of the Income Tax Act 2007, the period relating to the event is set from 15 January 2026 to 31 July 2026.

Interpretation

In this determination, unless the context otherwise requires, words and terms have the same meaning as in the Income Tax Act 2007 and the Tax Administration Act 1994.

This determination was signed by me on 03 February 2026

Stephen Donaldson

Technical Lead, Technical Standards, Legal Services

Inland Revenue

Commentary on determination

All legislative references in this commentary are to the Income Tax Act 2007 unless otherwise stated.

This commentary does not form part of this Determination. It is intended to aid in the understanding and application of the Determination.

Section 91AAS of the Tax Administration Act 1994 provides the Commissioner the power to issue a determination declaring an event to be an emergency event for the purposes of s MB 13(2)(r)(i). In setting this determination, the Commissioner must set a period relating to the event for the purposes of s MB 13(2)(r)(ii).

Section MB 13(1)(b) includes in the family scheme income of a person (which is used in the calculation of a person's Working for Families Tax Credit entitlement) the value of payments paid to the person used to replace lost or diminished income or used to meet usual living expenses. Section MB 13(1)(c) excludes certain payments from being included in family scheme income if it is listed in s MB 13(2).

Section MB 13(2)(r)(i) excludes from family scheme income a payment made to relieve the adverse effects of an event declared an emergency event by the Commissioner. This declaration must be made by way of determination under s 91AAS of the Tax Administration Act 1994. The payment must also be made within the time-period set by the Commissioner in the determination.

This determination declares the severe weather event to be such an emergency event and sets a time-period for the purposes of s MB 13(2)(r)(ii) to apply to payments received for the period during 15 January 2026 to 31 July 2026.

Beginning on 15 January 2026, this severe weather event delivered extremely heavy rain, high winds, landslides and widespread flooding to the following regions and districts:

- Northland and Tairāwhiti regions
- Thames-Coromandel, Hauraki and Western Bay of Plenty districts

Because the Commissioner has made the required declaration that this severe weather event is an emergency event, a payment made between 15 January 2026 to 31 July 2026 (inclusive of both dates) to relieve the adverse effects of this severe weather event will not be included in a person's family scheme income.

DET 26/02: Declaration that the February 2026 severe weather event is an emergency event for the purposes of family scheme income

Issued: 19 February 2026

Determination DET 26/02 declares the February 2026 severe weather event is an emergency event for the purposes of family scheme income.

This determination may be cited as Determination DET 26/02: *Declaration that the February 2026 severe weather event is an emergency event for the purposes of family scheme income.*

Application

This Determination applies to the February 2026 severe weather event (severe weather event).

The severe weather event delivered extremely heavy rain, high winds, landslides and widespread flooding in the following districts and areas:

- Otorohanga, Waipa, Manawatu, and Rangitikei districts.
- Banks Peninsula

Determination

This determination is made under section 91AAS of the Tax Administration Act 1994.

Emergency Events

The severe weather event is declared to be an emergency event for the purposes of section MB 13(2)(r)(i) of the Income Tax Act 2007.

Time period

For the purposes of section MB 13(2)(r)(ii) of the Income Tax Act 2007, the period relating to the event is set from 14 February 2026 to 31 August 2026.

Interpretation

In this determination, unless the context otherwise requires, words and terms have the same meaning as in the Income Tax Act 2007 and the Tax Administration Act 1994.

This determination was signed by me on 19 February 2026

Katalin Bota

Technical Lead, Technical Standards, Legal Services

Inland Revenue

Commentary on determination

All legislative references in this commentary are to the Income Tax Act 2007 unless otherwise stated.

This commentary does not form part of this Determination. It is intended to aid in the understanding and application of the Determination.

Section 91AAS of the Tax Administration Act 1994 provides the Commissioner the power to issue a determination declaring an event to be an emergency event for the purposes of s MB 13(2)(r)(i). In setting this determination, the Commissioner must set a period relating to the event for the purposes of s MB 13(2)(r)(ii).

Section MB 13(1)(b) includes in the family scheme income of a person (which is used in the calculation of a person's Working for Families Tax Credit entitlement) the value of payments paid to the person used to replace lost or diminished income or used to meet usual living expenses. Section MB 13(1)(c) excludes certain payments from being included in family scheme income if it is listed in s MB 13(2).

Section MB 13(2)(r)(i) excludes from family scheme income a payment made to relieve the adverse effects of an event declared an emergency event by the Commissioner. This declaration must be made by way of determination under s 91AAS of the Tax Administration Act 1994. The payment must also be made within the time-period set by the Commissioner in the determination.

This determination declares the severe weather event to be such an emergency event and sets a time-period for the purposes of s MB 13(2)(r)(ii) to apply to payments received for the period during 14 February 2026 to 31 August 2026.

Beginning on 14 February 2026, this severe weather event delivered extremely heavy rain, high winds, landslides and widespread flooding to the following districts and areas:

- Otorohanga, Waipa, Manawatu, and Rangitikei districts.
- Banks Peninsula.

Because the Commissioner has made the required declaration that this severe weather event is an emergency event, a payment made to a person between 14 February 2026 to 31 August 2026 (inclusive of both dates) and used to replace their lost or diminished income or used to meet their usual living expenses, will not be included in a person's family scheme income.

NSC 2026: National Standard Costs for Specified Livestock Determination 2026

Issued: 23 February 2026

This determination may be cited as “The National Standard Costs for Specified Livestock Determination 2026”.

This determination is made in terms of section EC 23 *Determining national standard costs* of the Income Tax Act 2007. It shall apply to any specified livestock on hand at the end of the 2025-2026 income year where the taxpayer has elected to value that livestock under the national standard cost scheme for that income year.

For the purposes of section EC 23 of the Income Tax Act 2007 the national standard costs for specified livestock for the 2025-2026 income year are as set out in the following table.

Table

Kind of Livestock	Category of Livestock	National Standard Cost
		\$
Sheep	Rising 1 year	41.40
	Rising 2 year	29.80
Dairy Cattle	Purchased bobby calves	282.50
	Rising 1 year	788.90
	Rising 2 year	535.50
Beef Cattle	Rising 1 year	443.40
	Rising 2 year	251.00
	Rising 3-year male non-breeding cattle (all breeds)	251.00
Deer	Rising 1 year	108.80
	Rising 2 year	54.70
Goats (Meat and Fibre)	Rising 1 year	34.20
	Rising 2 year	23.90
Goats (Dairy)	Rising 1 year	263.60
	Rising 2 year	53.60
Pigs	Weaners to 10 weeks of age	129.60
	Growing pigs 10 to 17 weeks of age	104.90

This determination is signed by me on the 23rd day of February 2026.

Katalin Bota

Technical Lead, Technical Standards
Legal Services, Inland Revenue

Explanation Note to the Determination

This explanatory note does not form part of the National Standard Costs for Specified Livestock Determination 2026.

The Commissioner of Inland Revenue has released the National Standard Costs for Specified Livestock Determination 2026, reproduced above, setting the national standard costs for specified livestock for the 2025–2026 income year.

These costs are used by farmers as part of the calculation of the value of livestock on hand at the end of the income year, where they have adopted the national standard cost (NSC) scheme to value any class of specified livestock.

Farmers using the scheme apply the rising one-year NSC to stock bred on the farm each year and add the rising two-year NSC to the value of the opening young stock available to come through into the mature inventory group at year-end. The cost of livestock purchased are also factored into the valuation of the immature and mature groupings at year-end, to arrive at a valuation reflecting the enterprise's own balance of farm bred and externally purchased animals.

NSCs are developed from independent survey data of national average costs of production for each type of livestock. Only direct costs of breeding and rearing rising one-year and two-year livestock are used. Excluded from the calculation of NSC values are all costs of owning (leasing) and operating the farm business, overheads, costs of operating non-livestock enterprises (such as cropping) and costs associated with producing and harvesting dual products (wool, fibre, milk and velvet).

For bobby calves, information from spring 2025 is used while other dairy NSCs are based on the 2024-2025 income and expenditure from a DairyBase sample of owner-operated dairy farms. For sheep, beef cattle, deer and goats, NSCs are based on survey data from the 2023-2024 *Sheep and Beef Farm Survey* conducted by the Beef + Lamb New Zealand Economic Service. This is the most recent information available for those livestock types at the time the NSCs are calculated in January 2026.

The NSCs calculated each year only apply to that year's immature and maturing livestock. Mature livestock valued under this scheme retain their historic NSCs until they are sold or otherwise disposed of, albeit through a FIFO or inventory averaging system as opposed to individual livestock tracing. It should be noted that the NSCs reflect the national average costs of breeding and raising immature livestock and will not necessarily bear a direct relationship to either the market values (at balance date) of these livestock classes or the costs of production of any individual farmer. In particular, some livestock types such as dairy cattle, may not obtain a market value in excess of the NSC until they reach the mature age grouping.

One-off movements in expenditure items are effectively smoothed within the mature inventory grouping, by the averaging of that year's intake value with the carried forward values of the surviving livestock in that grouping. For the farm-bred component of the immature inventory group, the NSC values will appropriately reflect changes in the costs of production of those livestock in that particular year.

The NSC scheme is only one option under the current livestock valuation regime. The other options are market value, replacement value, the herd scheme, and the self-assessed cost scheme (SAC) option. SAC is calculated on the same basis as NSC but uses a farmer's own costs rather than the national average costs. There are restrictions in changing from one scheme to another and before considering such a change, farmers may wish to discuss the issue with their accountant or other adviser.

BINDING RULING

This section of the *TIB* contains binding rulings that the Commissioner of Inland Revenue has issued recently. The Commissioner can issue binding rulings in certain situations. Inland Revenue is bound to follow such a ruling if a taxpayer to whom the ruling applies calculates their tax liability based on it.

For full details of how binding rulings work, see *Binding rulings: How to get certainty on the tax position of your transaction (IR715)*. You can download this publication free from our website at www.ird.govt.nz

BR Prd 25/07: New Zealand Bloodstock Finance and Leasing Limited

Issued | Tukuna: 24 October 2025

This product ruling applies to the customers who have entered into the Bloodstock Lease to Purchase Agreement with New Zealand Bloodstock Finance and Leasing Limited to lease a thoroughbred breed of horse for use in the customers' business of breeding bloodstock and selling the leased bloodstock's progeny.

This product ruling does not provide certainty on whether the particular customer is carrying on a breeding business. If a customer wishes to seek certainty from the Commissioner of Inland Revenue as to whether their breeding activities constitute a bloodstock breeding business, they can apply for a private ruling or a short-process ruling (subject to certain criteria).

For general guidance on carrying on a bloodstock breeding business, please refer to QB 22/07: Income Tax and Goods and Services Tax – Treatment of bloodstock breeding.

START DATE – END DATE | RĀ TĪMATA – RĀ MUTUNGA

24/10/2025 – 31/03/2031

Product Ruling | Whakataunga Whakaputanga – BR Prd 25/07

This is a product ruling made under s 91F of the Tax Administration Act 1994.

Name of person who applied for the Ruling | Ingoa o te tangata i tono i te Whakatau

This Ruling has been applied for by New Zealand Bloodstock Finance & Leasing Limited (NZBFL).

Taxation Laws | Ture Tāke

All legislative references are to the Income Tax Act 2007 (the Act) unless otherwise stated.

This Ruling applies in respect of ss BG 1, DA 1, DA 2, EA 3, EC 38 to EC 48, EJ 10, FA 6 to FA 11B, FA 12 and subpart EW.

The Arrangement to which this Ruling applies | Te Whakaritenga i pāngia e tēnei Whakataunga

The Arrangement is the leasing of a thoroughbred breed of horse (bloodstock) on the terms set out in the Bloodstock Lease to Purchase Agreement (Bloodstock Agreement) entered by New Zealand Bloodstock Finance and Leasing Limited (NZBFL) and its customers (as lessees), for use in the customers' business of breeding bloodstock and selling the leased bloodstock's progeny. Customers have the option, but not obligation, to purchase the bloodstock at the expiry of the leases on the payment of the agreed residual value amount (Residual Value) for the bloodstock. On the exercise of the option and payment of the Residual Value, ownership of the bloodstock passes from NZBFL to the customers.

Further details of the Arrangement are set out in the paragraphs below.

Purpose of the Arrangement

1. NZBFL and New Zealand Bloodstock Limited (NZB) are wholly owned subsidiaries of New Zealand Bloodstock Holding Limited (NZB Holdings). Together they are referred to in this ruling as the NZB Group.
2. NZB Holdings established NZBFL to expand its business and increase sales of bloodstock in New Zealand by making investment in the bloodstock industry more attractive. The availability of leasing reduces the initial level of cash required to acquire bloodstock. The leasing arrangement gives the customers the opportunity to participate in the business of breeding bloodstock by leasing the bloodstock. The benefit for the NZB Group from the leasing arrangement is that NZB gets the commissions from selling the bloodstock and the commissions from any sale of progeny from the bloodstock (if the customers decide to sell the progeny using the services of the NZB Group), in addition to NZBFL's right to receive the lease payments.
3. NZBFL does not carry on the business of bloodstock breeding.

Sourcing of the bloodstock

4. NZBFL acquires new bloodstock from third-party owners and then leases this bloodstock to the customer. Alternatively, the customer purchases the new bloodstock from the third-party owner, sells it to NZBFL, and then leases the bloodstock from NZBFL. This helps to protect NZBFL from involvement in any subsequent contractual claims regarding the purchase of the bloodstock from the third-party owner. In both cases, the parties contemplate the transaction as a whole at the outset. In either case, the customer sources the bloodstock, drawing on bloodstock consulting, freight, and insurance services provided by NZB.
5. NZBFL may also acquire bloodstock that is already owned by the customer, either through an earlier purchase or because it is homebred (the already owned bloodstock). The proceeds of sale of the already owned bloodstock are only used for further investment in the customer's bloodstock breeding business.
6. The Bloodstock Agreement describes the Arrangement:

BACKGROUND

- A. At the request of the Lessee and the Guarantor (if any), the Owner [NZBFL] has purchased the Bloodstock in order to lease the Bloodstock to the Lessee and the Lessee has agreed to take on the lease of the Bloodstock with the right to purchase the Bloodstock at the expiration of the Lease and otherwise upon the terms and conditions in this Lease.
- B. The Lessee has entered into this Lease for the purpose of obtaining breeding stock to use in the Lessee's business of breeding bloodstock for sale.
- C. This Lease creates a security interest in the Bloodstock under the Personal Property Securities Act 1999.

AGREEMENT

1. The Owner leases to the Lessee and the Lessee takes on the lease of the Bloodstock for the term and in consideration of the payments set out in the Schedule and on the terms and conditions set out in this Lease.
2. The Lessee confirms and declares that the Lessee is leasing the Bloodstock for use in the Lessee's business of breeding bloodstock for sale.
3. If the Lessee has met all payments and obligations under this Lease the Owner grants to the Lessee the right to purchase the Bloodstock at the expiration of the lease on payment of the residual value.
4. The Lessee and the Owner acknowledge that this Lease creates a security interest in the Bloodstock under the Personal Property Securities Act 1999 which may be registered by the Owner as set out in this Lease.
5. The Lessee and the Owner mutually agree as set out in this Lease including the Schedule and the terms and conditions.

Lease particulars

7. The terms and duration of leases are based on individual requirements, credit risk, and potential breeding expectations. Lease periods may vary, but a typical lease term is three years for fillies or mares, and two years for colts or stallions.
8. The customer will make payments (Lease Payments) for the lease of the bloodstock, in the amount(s) set out in the Bloodstock Agreement.

Residual value

9. The bloodstock has a defined Residual Value under the Bloodstock Agreement. The Residual Value is an estimate (at the time of signing the lease) of the value the bloodstock will have at the end of the lease. "Residual Value" is defined in the Bloodstock Agreement as:

"Residual Value" means the amount specified in the Schedule being a pre-estimate of the value of the Bloodstock upon the expiry of this Lease.

Lease termination date

10. The "Lease Termination Date" is the date on which the lease ends. The customer may purchase the bloodstock on the Lease Termination Date for the Residual Value. If the customer does exercise their option to purchase the bloodstock, NZBFL will transfer title to the customer in return for payment of the Residual Value.

Conditions stipulated by the Commissioner | Here i āta whakaritea e te Kaikōmihana

This Ruling is made subject to the following conditions:

- (a) The customer must carry on a business of breeding bloodstock for sale.
- (b) The entry into the Arrangement will not, in and of itself, constitute the customer carrying on a breeding business.
- (c) The leased bloodstock is mature for use in breeding and is capable of being used for breeding at all times during the period to which each Lease Payment relates.
- (d) Any racing undertaken by the leased bloodstock is only incidental to the actual use of the bloodstock for breeding during the lease term.
- (e) The Lease Payments are genuine, arm's-length amounts for the possession and use of the bloodstock.
- (f) No consideration is paid for the option to purchase the bloodstock.
- (g) The customer is not an associated person (as defined in the Act) of NZBFL.

How the Taxation Laws apply to the Arrangement | Ko te pānga o ngā Ture Tāke ki te Whakaritenga

Subject in all respects to any condition stated above, the Taxation Laws apply to the Arrangement as follows:

- (a) The bloodstock lease payments are deductible under s DA 1(1) and none of the general limitations in s DA 2 apply, provided that:
 - (i) no provision in subparts DB to DZ applies to prevent a deduction in s DA 1(1), and
 - (ii) the customer is a "New Zealand resident" (as defined in s YA 1).
- (b) At the end of an income year, unless excused from this requirement pursuant to a determination issued by the Commissioner, s EA 3 applies to require the unexpired portion of any lease payments paid in advance to be included in the customer's income in the current income year and to be an amount for which the customer is allowed a deduction in the following income year.
- (c) The valuation and specified write-down provisions in ss EC 38 to EC 48 apply to the customer when the bloodstock is purchased by payment of the Residual Value after the Lease Termination Date.
- (d) The "cost price" of the bloodstock for the purposes of ss EC 38 to EC 48 is the Residual Value stated in the Bloodstock Agreement.
- (e) The financial arrangements rules in subpart EW do not apply to the Arrangement.
- (f) Section EJ 10 does not apply to the Arrangement.
- (g) Section FA 6 to FA 11B do not apply to the Arrangement.
- (h) Section FA 12 does not apply to the Arrangement.
- (i) Section BG 1 does not apply to the Arrangement.

Period or income year for which this Ruling applies | Te wā, te tau moni whiwhi rānei i pāngia ai e tēnei Whakataunga

This Ruling will apply for the period beginning on 24 October 2025 and ending on 31 March 2031.

This Ruling is signed by me on the 24th day of October 2025.

Jonathan Rodgers

Group Leader | Rōia Kaihautū ā-ropu Taake

Tax Counsel Office | Te Tari Tohutohu Tāke

BR Prd 25/08: Northride New Zealand Limited

Issued | Tukuna: 23 December 2025

The Arrangement is the provision by Northride New Zealand Limited (trading as Northride) to its employer customers (Employers) of a product or service package, being the lease of self-powered or low-powered commuting vehicles (the Equipment). The package includes the necessary digital tools and intellectual property to allow the Employer to implement an employee bike scheme for its employees (Employees) using a valid salary sacrifice arrangement, or at the Employer's discretion, fully funded by the Employer.

The Arrangement enables Employers to provide the Equipment to their Employees, where the Employees may agree to a reduction in salary in return for the provision of the Equipment, or where the Employer could, at its discretion, fully fund the provision of the Equipment. Examples of Equipment are bicycles, electric bicycles, scooters and electric scooters.

START DATE – END DATE | RĀ TĪMATA – RĀ MUTUNGA

23/12/2025 – 23/12/2028

Product Ruling | Whakataunga Whakaputanga – BR Prd 25/08

This is a product ruling made under s 91F of the Tax Administration Act 1994.

Name of person who applied for the Ruling | Ingoa o te tangata i tono i te Whakatau

This Ruling has been applied for by Northride New Zealand Limited (trading as Northride).

Taxation Laws | Ture Tāke

This Ruling applies in respect of ss BG 1, CX 2, CX 19D, and RD 3 of the Income Tax Act 2007 (ITA) and ss 2(1), 3A(1), s 8(1), 10(2), 20 and 76 of the Goods and Services Tax Act 1985 (GSTA).

The Arrangement to which this Ruling applies | Te Whakaritenga i pāngia e tēnei Whakataunga

The Arrangement is the provision by Northride New Zealand Limited (trading as Northride) to its employer customers (Employers) of a product or service package, being the lease of self-powered or low-powered commuting vehicles (the Equipment). The package includes the necessary digital tools and intellectual property to allow the Employer to implement an employee bike scheme for its employees (Employees) using a valid salary sacrifice arrangement or, at the Employer's discretion, fully funded by the Employer.

The Arrangement enables Employers to provide the Equipment to their Employees, where the Employees may agree to a reduction in salary in return for the provision of the Equipment, or where the Employer, at its discretion, could fully fund the provision of the Equipment. Examples of Equipment are bicycles, electric bicycles, scooters and electric scooters.

Further details of the Arrangement are set out in the paragraphs below.

The parties to the Arrangement

1. The parties to the Arrangement are as follows:
 - Northride is a New Zealand company that facilitates the provision of the use of the Equipment from the Employer to the Employee. Northride is a wholly owned subsidiary of Vapaus Bikes Finland Oy, a company registered in Finland.
 - The Employer is a New Zealand resident employer that has contracted with a Financier (which may be Northride or an unrelated third party) to lease the Equipment for use by Employees.
 - The Employee is a New Zealand resident employee of the Employer.
2. Other parties involved in the wider arrangement as follows:
 - The Dealer is a third-party retail supplier or store that has entered into a supplier agreement with Northride. The Dealer sells the Equipment to Northride. The Dealer is not associated with Northride, the Employer or Employee.
 - The Maintenance Provider is a third-party bike service provider that has entered into a services agreement with Northride to carry out servicing of the Equipment as part of this Arrangement. The Maintenance Provider may also be the Dealer.

- The Financier may be Northride or a leasing or finance company who has entered into an agreement with Northride to assist with the financing of the Equipment. In cases where Northride is not the Financier, the Financier purchases the Equipment from Northride and is the Equipment's legal owner during its lease to the Employer. Northride is not a party to the lease where a third party Financier is involved (Northride acts in an agent capacity to ensure lease payments the Employer makes, are transferred to the Financier). At the end of the lease between the Financier and Employer, Northride purchases the Equipment from the Financier.
 - The Insurer is an insurer that has entered into an agreement with Northride for the insuring of the Equipment. The Insurer charges insurance premiums on an arm's length basis. The insurance covers the Equipment while it is used in connection with private or business-related purposes in New Zealand.
3. The platform refers to the online platform developed and owned by Vapaus Bikes Finland Oy to manage the parties and their processes around the product or service package. These processes may include Northride selling the Equipment into the open market at the end of the lease period or repurposing the Equipment into another lease if the Employee chooses not to purchase the Equipment at market value. The intention is that the platform market the Equipment for sale to the public, as well as facilitate the scheme's payments and pricing calculations for Employers, Employees and Dealers.

Arrangement steps

The Arrangement steps are set out below.

4. The Employer enters into a Master Service Agreement with Northride (the Service Agreement). The Service Agreement involves the Employer leasing the Equipment, facilitated by Northride, in return for monthly lease payments made by the Employer and offering the Equipment to its Employees. Each Equipment lease to the Employer runs for a period of at least 12 months (with the standard Equipment lease being 24 months). The Service Agreement is between the Employer and Northride and covers all Equipment the Employer signs up to, whether through an Employee salary sacrifice or direct contribution by the Employer.
5. The Employer makes the Equipment available to an eligible Employee under their internal policy. The Employee may sign up to a salary sacrifice agreement (SSA) with the Employer to make a salary sacrifice for the duration of the Employer lease period as part of its participation in the Employee Bike Scheme. Alternatively, at the Employer's discretion, the Employer may fully fund the cost of providing the Equipment to the Employee. The Employee Bike Scheme includes insurance and maintenance services.
6. Northride provides administration, management and payment services to the Employer for its Employee Bike Scheme. Employees register with Northride and once approved, use the platform to order the Equipment, which is leased to the Employer for at least a 12 month period. The Employee is required to agree to the Employer's Employee Bike Scheme terms and conditions which include:
- setting out who is responsible for different types of maintenance;
 - any fees payable by the Employee personally (for extra services);
 - the requirement for the Employee to mainly use the Equipment for commuting between home and the place of work;
 - the terms of insurance coverage provided; and
 - processes relating to the return of the Equipment at the end of the Employer's lease term.
7. The Employee receives the bike from the Dealer. To the extent the Employee acquires add-ons to the bike (such as additional equipment that is not part of the bike), this amount does not form part of the Arrangement, and the Employee pays these fees directly to the Dealer.
8. Northride receives an invoice from the Dealer for the cost of the Equipment.
9. Northride provides administration, management and payment services (for the Financier (if applicable), Insurer and other service providers) for the Employee Bike Scheme. During the lease period Northride charges the Employer a monthly fee (Scheme Payment) comprising:
- a) the fire, theft and accident insurance premium;
 - b) bike safety maintenance costs, which can include but not restricted to; battery safety checks and servicing, brake pads and rotor checks services, general safety checks (such as electrical connections, cables and hydraulic connections) and routine servicing including replacement of worn consumable parts; and
 - c) Northride's administration fee.

10. The total cost of the Equipment to the Employer includes the total:
 - a) lease cost for the lease period;
 - b) fire, theft and accident insurance premium for the lease period;
 - c) bike safety maintenance costs for the lease period; and
 - d) Northride administration fees for the lease period.
11. At the end of the Employer lease period the Employee is required to return the Equipment. Practically, Northride takes possession of the Equipment at this point.
12. Northride offers the Equipment to the Employee or Employer (depending on whether a salary sacrifice was agreed as part of the Arrangement) who has the option to purchase it at market value (that is, the Employee or Employer has the first right of refusal to purchase the Equipment).
13. If the Employee or Employer opts out of purchasing the Equipment, Northride refurbishes the Equipment and sells it on the open market at market value or makes it available to be used in a future arrangement with another Employer and Employee.
14. The Employee may choose to enter into another Arrangement for new Equipment at the conclusion of the lease period.

Employee benefit scheme (salary sacrifice option)

15. The Employer enters into the Service Agreement with Northride.
16. Northride supplies the Employer with the necessary intellectual property and documentation for the Employer to provide and help facilitate Equipment being supplied to Employees through one or more local Dealers.
17. Employees choose the Equipment to be purchased for the purposes of the Employer's lease (facilitated by Northride), and Northride arranges to purchase the Equipment.
18. As discussed at [9]] Northride is providing administration, management and payment services for the Employer's Employee Bike Scheme. In that capacity, Northride invoices the Employer over the agreed lease period for its fee, which includes financing costs, a service package, insurance and administration costs.
19. Once the Employer lease has concluded, the Employee may purchase the Equipment from Northride (at a market price specified by Northride).
20. To participate in the Arrangement the Employer and Employee may agree to reduce the Employee's annualised gross salary or wages for a period of at least 12 (but typically 24 months) under a SSA. The amount of the salary sacrificed will not exceed the amount at [10]].
21. The SSA forms part of the Employee's employment agreement and is entered into before the Equipment is provided and the income to be sacrificed is earned. Under the SSA:
 - a) The Employer and Employee agree on the amount of the reduction in the Employee's annualised gross salary and wages, which will not exceed the amount at [10]]. The salary sacrifice supports, at a general corporate level, the Employer providing the bike perk scheme for Employees. However, it is not a payment by the Employee to the Employer that flows directly through to pay the Scheme Payment and lease cost.
 - b) The Employee acknowledges that the reduction in salary or wages may affect their KiwiSaver contributions, student loan deductions and other employment benefits, as well as entitlements under the Holidays Act 2003.
 - c) The Employee agrees that the Equipment will be used for more than 50% of its total usage for the purpose of commuting between home and their place of work.
22. The salary sacrifice will be renegotiated or suspended should an Employee's salary or wages fall below the minimum wage.
23. The salary sacrifice will be suspended if the Employee is absent from work on unpaid leave for an agreed period, such as for parental leave or a career break.
24. The Employee agrees that the Equipment will be used mainly for commuting between their home and place of work.
25. The Employer will execute the SSA and implement any required payroll arrangements in respect of the Employee to give effect to the SSA.

26. The Employee can benefit from the Arrangement on more than one occasion (that is, the Employee could enter into another SSA at the end of the original arrangement to obtain new and more modern Equipment to use under the Arrangement). If an Employee purchases the Equipment, they cannot participate in the Employee Bike Scheme for a period of 5 years from the beginning of their previous Employee Bike Scheme participation period, except in exceptional circumstances (for example, their bike is stolen).

Employee benefit scheme (non-salary sacrifice option)

27. The Employer enters into the Service Agreement with Northride.
28. Northride supplies the Employer with the necessary intellectual property and documentation for the Employer to provide and help facilitate Equipment being supplied to Employees through one or more local Dealers.
29. Employees choose the Equipment to be purchased for the purposes of the Employer's lease (facilitated by Northride), and Northride arranges to purchase the Equipment.
30. As discussed at [9]] Northride provides administration, management and payment services for the Employer's Employee Bike Scheme. In that capacity, Northride invoices the Employer over the agreed lease period for its fee, which includes financing costs, a service package, insurance and administration costs.
31. Once the Employer lease has concluded, the Employee or Employer has the option to purchase the Equipment from Northride (at a market price specified by Northride).

Conditions stipulated by the Commissioner | Here i āta whakaritea e te Kaikōmihana

This Ruling is made subject to the following conditions:

- (a) Any Master Service Agreement and Service Agreement Regarding Bikes (including Appendix 1 Service Description and Terms and Conditions of Northride, Appendix 3 Employer Provided Bike Perk Policy and Appendix 4 Salary Sacrifice Agreement Template (including the Tax Compliance Agreement)) the parties enter into will be materially the same as the versions provided to the Tax Counsel Office on 17 December 2025.
- (b) The cost of the Equipment will not exceed the maximum allowable cost specified in any regulations the Governor-General makes under s CX 19D(3) of the ITA.
- (c) The Equipment will meet any requirements for vehicles specified in any regulations the Governor-General makes under s CX 19D(3) of the ITA.

How the Taxation Laws apply to the Arrangement | Ko te pānga o ngā Ture Tāke ki te Whakaritenga

Subject in all respects to any conditions stated above, the Taxation Laws apply to the Arrangement as follows:

ITA

- (a) The provision of the Equipment by the Employer to an Employee under the Employee Bike Scheme is an excluded fringe benefit under s CX 19D and is therefore not a fringe benefit under s CX 2.
- (b) There are no on-going requirements for the Employer to monitor use of the Equipment for the purposes of s CX 19D.
- (c) There is a valid salary sacrifice under the Salary Sacrifice Agreement, so the amount of salary that is sacrificed is not a PAYE income payment under s RD 3.
- (d) The Arrangement is not a tax avoidance arrangement under s BG 1.

GSTA

- (e) If the Employer is registered for GST, the Employer can claim the GST charged by Northride on the Scheme Payments under the Service Agreement as input tax (as defined under s 3A(1)) under ss 20(3) and 20(3C) to the extent to which the Services are used for making taxable supplies.
- (f) If the Employer is registered for GST, the sacrifice of salary under a Salary Sacrifice Agreement is consideration for a taxable supply by the Employer to the Employee under s 8(1) of the provision of the use of the Equipment to the Employee. The value of the supply for the purposes of s 10(2) is the amount of the salary sacrificed.

- (g) If the Employer is registered for GST and fully funds the Employee's participation in the Employee Bike Scheme, the Employer does not receive consideration under s 8(1) for the provision of use of the Equipment to the Employee and there is no output tax as defined in s 2(1) on the provision of the use of the Equipment to the Employee. Provided:
- neither the Employee nor any other person otherwise provides consideration procuring the provision of the Equipment to the Employee.
- (h) The Arrangement is not a tax avoidance arrangement under s 76.

Period or income year for which this Ruling applies | Te wā, te tau moni whiwhi rānei i pāngia ai e tēnei Whakataunga

This Ruling will apply for the period beginning on 23 December 2025 and ending on 23 December 2028.

This Ruling is signed by me on the 23rd day of December 2025.

Howard Davis

Group Leader | Rōia Kaihautū ā-ropu Taake
Tax Counsel Office | Te Tari Tohutohu Tāke

TECHNICAL DECISION SUMMARY

Technical decision summaries (TDS) are summaries of technical decisions made by the Tax Counsel Office. As this is a summary of the original technical decision, it may not contain all the facts or assumptions relevant to that decision. A TDS is made available for information only and is not advice, guidance or a “Commissioner’s official opinion” (as defined in s 3(1) of the Tax Administration Act 1994). **You cannot rely on this document as setting out the Commissioner’s position more generally or in relation to your own circumstances or tax affairs.** It is not binding and provides you with no protection (including from underpaid tax, penalty or interest).

TDS 26/01: Opening value of FIF income calculation

Decision date | Rā o te Whakatau: 31 October 2025

Issue date | Rā Tuku: 18 February 2026

Subjects | Kaupapa

This item summarises a private ruling that considered the opening value for the fair dividend method of calculating the foreign investment fund income of a taxpayer whose transitional residence period has ended.

Taxation laws | Ture tāke

All legislative references are to the Income Tax Act 2007 unless otherwise stated.

Summary of facts | Whakarāpopoto o Meka

1. The Applicant owned foreign investment fund (FIF) interests at the end of 31 December 2024.
2. A non-standard balance date of 31 December has been approved by the Commissioner for the Applicant due to high compliance costs of having to return income to 31 March.
3. The Applicant met the criteria of being a New Zealand tax resident in December 2020 and continues to be a New Zealand resident. The Applicant had not previously been a New Zealand tax resident.
4. The last day of the Applicant’s transitional residence period was 31 December 2024.
5. The Applicant will apply the fair dividend rate annual method under s EX 52 to calculate their FIF income for the income year ending 31 December 2025.

Issues | Take

6. The main issues considered in this ruling were whether:
 - the opening value of each FIF interest under ss EX 52 and EX 64 for the Applicant’s income year ending 31 December 2025 is nil; and
 - s BG 1 applies to the Arrangement.

Decisions | Whakatau

7. The Tax Counsel Office (TCO) concluded that:
 - the opening value of each FIF interest under ss EX 52 and EX 64 is nil for the Applicant’s income year ending 31 December 2025; and
 - s BG 1 does not apply to the Arrangement.

Reasons for decisions | Pūnga o ngā whakatau

Issue 1 | Take tuatahi: Opening value under s EX 52

8. A person has FIF income in an income year if they have rights in a FIF and the rights are an attributing interest in a FIF (s CQ 5). However, a person's rights in a FIF are not an attributing interest if they are a transitional resident (s EX 41). This means that while the Applicant was a transitional resident, they did not have any FIF income under s CQ 5.
9. Once the Applicant is no longer a transitional resident, they need to calculate their FIF income. The Arrangement provides that the Applicant will use the fair dividend rate (FDR) annual method set out in s EX 52 to calculate their FIF income.
10. The FDR formula is set out in s EX 52(3) as:

$$(0.05 \times \text{opening value}) + \text{quick sale adjustment}$$
11. The "opening value" in the formula is relevantly defined in s EX 52(5) as the total of the market values of the FDR interests that the person holds at the start of the income year.
12. As the Applicant has an income year ending 31 December, "at the start of the income year" refers to 1 January 2025. Therefore, whether the Applicant has an opening value exceeding nil for the year ending 31 December 2025 will depend on whether the Applicant had rights in an attributing FIF interest "at the start of the income year".
13. Section EX 64(4) provides that a person is deemed to acquire the FIF interest "immediately after the change of residence or status". Further the person is treated as not holding the FIF interest when they are a transitional resident unless they had previously ceased being resident.
14. The deemed acquisition occurs "immediately after the change of residence or status". Based on item 2 of s 54 of the Legislation Act 2019, if the legislation states a period starting from or after a specified day or event (change of residence/status), the period does not include that day or event.
15. However, the Legislation Act 2019 can be overridden if the context of the specific provision suggests otherwise. The use of the qualifier "immediately" suggests that a different interpretation is appropriate in the context of s EX 64(4) and that there is no intervening day between the change of residence or status and the deemed acquisition of the FIF interests.
16. Section HR 8(3) provides that the period of transitional residence "ends on the earliest of" three dates. The relevant date for the Applicant is the end of the 48th month after the month in which the person acquired a permanent place of abode in New Zealand, which was 31 December 2024.
17. Item 4 of s 54 of the Legislation Act 2019 provides that if a period is described as "ending by, on, at, or with a specified day, act, or event", then the period "includes that day or the day of the act or event".
18. On the basis that the Applicant's period of transitional residence ended on 31 December 2024, the change of status (ie, from a transitional resident to a resident) occurred on 1 January 2025. It follows that the deemed acquisition of the FIF interests occurred on 1 January 2025.
19. The ordinary meaning of the words suggests that the deemed acquisition occurs **after** the start of the income year. This means the FIF interest at the start of the income year for the Applicant is nil. This interpretation is consistent with the policy intent of the provisions and the intent that a taxpayer will not have an opening value in the year that they acquired the FIF interests.

Issue 2 | Take tuarua: Tax avoidance

20. Section BG 1(1) provides that a "tax avoidance arrangement" is void as against the Commissioner. Section GA 1 enables the Commissioner to make an adjustment to counteract a tax advantage obtained from or under a tax avoidance arrangement.
21. The Supreme Court in *Ben Nevis Forestry Ventures Ltd v CIR* [2008] NZSC 115, [2009] 2 NZLR 289 considered it desirable to settle the approach to applying s BG 1. This approach is referred to as the Parliamentary contemplation test, which is an intensely fact-based inquiry. *Ben Nevis* has been followed in subsequent judicial decisions.

22. TCO's approach in making this decision is consistent with Interpretation Statement: IS 23/01 Tax avoidance and the interpretation of the general anti-avoidance provisions sections BG 1 and GA 1 of the Income Tax Act 2007 (3 February 2023) (IS 23/01). IS 23/01 will not be replicated in this TDS but in summary the steps are as follows:
- Understanding the legal form of the arrangement. This involves identifying and understanding the steps and transactions that make up the arrangement, the commercial or private purposes of the arrangement and the arrangement's tax effects.
 - Determining whether the arrangement has a tax avoidance purpose or effect. This involves:
 - Identifying and understanding Parliament's purpose for the specific provisions that are used or circumvented by the arrangement.
 - Understanding the commercial and economic reality of the arrangement as a whole by using the factors identified by the courts. Artificiality and contrivance are significant factors.
 - Considering the implications of the preceding steps and answering the ultimate question under the Parliamentary contemplation test: Does the arrangement, when viewed in a commercially and economically realistic way, make use of or circumvent the specific provisions in a manner consistent with Parliament's purpose?
 - If the arrangement has a tax avoidance purpose or effect that is not the sole purpose or effect of the arrangement, consider the merely incidental test. The merely incidental test considers many of the same matters that are considered under the Parliamentary contemplation test.
23. Taking into account all of the relevant facts and circumstances (noting that as this is a summary it may not contain all the facts or assumptions relevant to the decision and, therefore, cannot be relied on) TCO concluded as follows.

The Arrangement and its tax effects

24. The legal form of the Arrangement is the holding of FIF interests at the end of 31 December 2024.
25. The Arrangement gives rise to the following tax effects:
- The Applicant returns their income using a 31 December non-standard balance date.
 - The Applicant has no FIF income under the transitional resident rule in the income year ended 31 December 2024.
 - The Applicant's opening value for the FDR annual method will be nil in the year ending 31 December 2025.
 - The Applicant will only have FIF income under the FDR annual method in the year ending 31 December 2025 from quick sales.

Parliament's purpose

26. The transitional residence rules provide that new migrants or returning New Zealanders who satisfy the criteria are entitled to tax exemptions for a period, even though they are tax resident in New Zealand. FIF income does not arise if a taxpayer holding an interest in a FIF is a transitional resident. The purpose of the transitional residence rules is to remove the tax barriers that inhibit international recruitment to New Zealand.
27. The FIF calculation methods are specific methods Parliament has devised to impose a reasonable level of tax on foreign share investments. The FDR annual calculation method uses the start of the income year as a measurement date. This can lead to what appear to be distortions in who has FIF income in an income year. These outcomes are the result of Parliament prescribing a standard measurement date and are not inconsistent with Parliament's purpose.
28. The Commissioner has the discretion to approve a taxpayer's request for a non-standard balance date for filing income tax returns (s 38 of the Tax Administration Act 1994). The Commissioner will not approve a change in balance date when (among other circumstances) a reason for the change is to defer the payment of tax or to take earlier advantage of a tax incentive or concession or if the taxpayer has investment income and no direct involvement in a business activity.¹

¹ SPS 24/01: Requests to change a balance date *Tax Information Bulletin* Vol 36, No 8 (September 2024).

Commercial and economic reality of the Arrangement

29. TCO determined the commercial and economic reality of the Arrangement as follows:

- The Applicant owned the FIF interests at the end of 31 December 2024.
- Nothing in the Arrangement suggests artificiality or contrivance. The Applicant's change of balance date was approved by the Commissioner because the Applicant had a complex portfolio of business interests and investments and would suffer high compliance costs in adjusting for a 31 March balance date. The transitional residence period ended as prescribed by law and there is no suggestion that the Applicant planned the timing of their New Zealand tax residency to ensure that the transitional residence ended at the end of the income year.
- From a commercial perspective, the Applicant has not dealt with their FIF interests in any way that is unusual or contrived.
- The key events (change of status, the deemed acquisition and the measurement date for the FIF interests) are prescribed by legislation. The only variables are the Applicant's balance date and when they became a New Zealand tax resident under the permanent place of abode test. The Commissioner approved the 31 December balance date, determining tax residency under the permanent place of abode test is factual and there is no indication this date has been contrived to achieve a nil opening value under the FIF rules.

Does the arrangement make use of or circumvent the specific provisions in a manner consistent with Parliament's purpose?

30. TCO considered that the Arrangement is consistent with Parliament's purpose.
31. The transitional residence rules provide a specific exemption from the FIF rules and that the Applicant did not have a FIF interest while they were a transitional resident. Further, the FDR annual calculation method provides that there is no FIF income in the year that a taxpayer acquires a FIF interest (except quick sale income).
32. The use of the start of the income year as the measurement date is a tax concept that creates a boundary line. This can cause outcomes that appear somewhat arbitrary. For example, if the transitional residence ended on 30 November 2024, the Applicant would have FIF income in the year ending 31 December 2025. However, if the transitional residence ended on 31 January 2025, the Applicant would not have FIF income (except from quick sales) in the year ending 31 December 2025. This is consistent with Parliament's purpose in legislating a specific tax exemption and calculation method.
33. It is likely Parliament would consider that the Arrangement makes use of the relevant provisions in a manner consistent with Parliament's purpose for those provisions. Therefore, TCO concluded that the Arrangement does not have a tax avoidance purpose or effect.

Conclusion

34. As TCO concluded that there is no tax avoidance purpose or effect of this Arrangement, it was not necessary to consider whether the Arrangement is a "tax avoidance arrangement". Therefore, it was also not necessary to consider the merely incidental test.
35. Accordingly, TCO concluded that s BG 1 does not apply to the Arrangement.

REGULAR CONTRIBUTORS TO THE TIB

Tax Counsel Office

The Tax Counsel Office (TCO) 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 TCO 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 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.

Technical Standards

Technical Standards sits within Legal Services and contributes 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. Technical Standards also contributes to the "Your opportunity to comment" section.

Policy

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.