

SUPPLEMENTARY QUESTIONNAIRE

Investments in Australian Unit Trusts

Do you have any investments in Australian unit trusts? YES/NO

If YES, your investment will be not subject to the FDR assessment provided:

1. The unit trust was resident in Australia all year.
2. You have elected all year to have tax deducted using the RWT proxy method

TIP – RWT will normally be deducted by a New Zealand agent, IRD expects this organisation should be able to tell you whether the unit trust complies with section 33D (1) (e) – our next question.

3. The disposal proceeds from sales must comply with section 33D (1) (e) IRD comments on this section as follows:

For the exemption to apply the Australian unit trust is required to turn over a minimum of 25 percent of its profit-making assets each year. This requirement would encourage distributions to be made to New Zealand – resident unit holders. The minimum turnover requirement does not take into account investments in loss because otherwise there could be an incentive to dispose only loss-making investments to meet the minimum turnover requirement. Only profit-making assets are taken into account for the purpose of the formula.

If your Australian unit trust investments comply with these three conditions, supply details of income only.

For those which do not comply, supply details in Form D. IRD expects most unit trust investments will **not** comply.

Other foreign investments which are exempt

Some foreign equities are exempt. If your interest is in any foreign investment meeting these criteria, make a note below of which ones and we will check to see if the exemption applies. Some of the exemptions are:

- GPG.
- An overseas company having total assets of which 90% is investment in Australasian shares e.g. New Zealand Investment Trust plc.
- The company was a New Zealand company but migrated off shore.
- You acquired shares in a foreign company through your employment
- A country having overseas exchange controls preventing you from accessing your money.
- Some superannuation funds.
- Shares in certain foreign companies (in countries known as grey list) acquired when a company was unlisted but owns shares in an NZ company.