

[NEW LEGISLATION](#) > [ORDER IN COUNCIL](#) > [SPECIAL REPORT](#)

Deemed Rate of Return for Attributing Interest on Foreign Investment Funds Order 2023

Issued: 19 June 2023

SL2023/134

This special report provides early information on the Deemed Rate of Return for Attributing Interest on Foreign Investment Funds for the 2022-23 Income Tax Year ahead of the upcoming *Tax Information Bulletin*. This rate was set by an Order in Council and came into effect on the 16 June 2023.

Table of Contents

Introduction.....	3
Background	3
Key features.....	3
Effective date	3
About this document	3

Introduction

The deemed rate of return (DRR) for attributing interest on foreign investment funds has been set at 8.15% by order in council for the 2022-23 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 percent.

Key features

The deemed rate of return for taxing interests in foreign investment funds is 8.15% for the 2022–23 income year, an increase of 2.14% from the previous income year.

Effective date

The new rate was set by Order in Council on 12 June 2023 and came into force on 16 June 2023.

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*.