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Income Tax (Deemed Rate of Return on Attributing Interests in Foreign Investment Funds, 2024–25 Income Year) Order 2025

SL 2025/150

Issued: August 2025

This Order in Council commentary provides information on a change in the deemed rate of return for taxing interests in foreign investment funds, effective from 1 April 2025.

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Order

Section EX 55 of the Income Tax Act 2007

The Income Tax (Deemed Rate of Return on Attributing Interests in Foreign Investment Funds, 2024–25 Income Year) Order 2025 was made on 21 July 2025. The deemed rate of return on attributing interests in foreign investment funds has been set at 8.04% for the 2024–25 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 4%.

Key features

The deemed rate of return for taxing interests in foreign investment funds is 8.04% for the 2024–25 income year, a decrease of 0.59% from the previous income year.

Effective date

The new rate was set by Order in Council on 21 July 2025 and came into force on 25 July 2025.

Further information

The new Order in Council can be found at:

[Income Tax \(Deemed Rate of Return on Attributing Interests in Foreign Investment Funds, 2024–25 Income Year\) Order 2025 \(SL 2025/150\) – New Zealand Legislation](#)