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INCOME TAX [CAP. 1 CHAPTER INCOME TAX ACT To impose a Tax upon Incomes. Amended by: XVII. 1st January, ACT LIV of , as amended by Acts: VI of , XX of , V of ; Emergency.

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2: Corporation Tax Act,

1 edition of Income taxation in Nepal found in the catalog. Annex 2: Income Tax Act Annex 3: Income Tax Act Edition Notes. students Classifications.

Clauses 2 23 , 5, 6, 37, 1 , 2 , 5 , 15 , , , , and Summary of proposed amendments New Zealand has signalled its intentions to negotiate an inter-governmental agreement IGA with the United States to clarify the reporting obligations of New Zealand financial institutions under the United States law commonly known as the Foreign Account Tax Compliance Act FATCA. Under the terms of this IGA, New Zealand financial institutions would be required to collect information on their customers that are, or are likely to be United States taxpayers. This information must be sent to Inland Revenue, who in turn would transmit it to United States tax authorities under the existing exchange of information mechanism in the double tax agreement between the two countries. In particular, there are concerns that, in the absence of any specific change, financial institutions may be unable to provide the relevant information to Inland Revenue without breaching the Privacy Act The amendments proposed in the bill therefore seek to explicitly authorise financial institutions to obtain and provide to Inland Revenue the information that New Zealand is obliged to obtain and exchange under the IGA. The proposed amendments are generally drafted in a broad manner to accommodate the possibility of New Zealand entering into similar agreements with other jurisdictions in the future. Accordingly, this is the effective date for the new provisions. Application date The amendments will apply from 1 June Key features The first foreign account information-sharing agreement that the Government anticipates entering into is the IGA with the United States. In doing so, it is recognised that the relevant provisions and terms may be superseded by the specific terms of any IGA formally agreed between the two countries. Equally, these examples may have limited or no application to other similar agreements that may be entered into in the future. At present, this definition only includes the planned IGA, but it is anticipated that future agreements could be accommodated into the proposed set of rules by simply including them in this definition. This means that the agreements, like other double tax agreements and tax information exchange agreements, generally override the Inland Revenue Acts, the Official Information Act and the Privacy Act. This simply clarifies that Part 11B sets rules for these agreements despite their generally overriding nature. Operative provisions Proposed Part 11B of the Tax Administration Act contains the operative provisions that will govern how foreign account information-sharing agreements are brought into New Zealand law. Part 11B Part 11B contains provisions that implement foreign account information-sharing agreements. These provisions are important because, for the New Zealand Government to comply with its obligations under such an agreement, it is required to obtain and exchange certain information with a foreign government. It is necessary to have rules that require the relevant New Zealand taxpayers to acquire this information and provide it to the New Zealand Government, so this exchange can take place. This Part therefore provides the compulsion for New Zealand taxpayers to obtain this information and pass it on to Inland Revenue. It comprises the following proposed sections: Section F â€" Permitted choices The model IGA contemplates that financial institutions may have choices in the way they comply with the agreement. Equally, the agreement may allow the New Zealand Government to make choices that could have consequences for the affected financial institution. The choices a person makes will determine the way the agreement applies to them. Proposed section F 1 deals with such choices. Section F 2 explicitly authorises a person to make such a choice and anything necessarily incidental to give effect to that choice. This is important because financial institutions should not be in a position where they are required to comply with all possible scenarios that an agreement contemplates. An institution that makes a choice should be accountable for the consequences of that choice â€" but not be punished for failing to take the alternative option. However, qualification is not always automatic. Applying these policies and procedures is a choice that the financial institution is entitled to make. However, its choice will have consequences. If it chooses to set up such policies and procedures, it will have the advantage of being non-reporting, but it will need to make sure those policies and procedures continue to meet the requirements set out in the agreement. Equally, if it considers that setting up the policies and procedures

represents an unreasonable compliance burden, it can choose not to implement them, but the consequence will be that the exemption will not apply and it must report on relevant accounts in the same way as any other non-exempt institution. The financial institutions should not be in a position where a customer can claim that it could have been exempt and therefore it should have made that choice. The agreement contemplates the existence of this choice, so the proposed legislation attempts to provide the flexibility for financial institutions to make it. Example 2 In the same exemption in Annex II, a financial institution that wishes to take advantage of the exemption has a choice in respect of taking customers that are United States citizens that are not also New Zealand-resident. The financial institution can either report on such financial account or close the account. Again, this a choice contemplated by the agreement. A US person residing offshore should not have an action against a financial institution that closes their account just because the institution had an alternative course of action in this case, reporting on the account. The legislation explicitly authorises the choice to be made because it is contemplated in the agreement. The method of publication is broad to allow for the fact that the Commissioner may wish to publish a number of choices in, for example, a Tax Information Bulletin, at the time an agreement is signed. Proposed section F 5 clarifies that choices made by the Government or by an affected person are treated as part of the agreement for all aspects of Part 11B and section BH 1 of the Income Tax Act Example Part F of Annex I of the model IGA provides that New Zealand may permit reporting financial institutions to rely on third-party providers to perform due diligence obligations. When the Government makes this choice, the Commissioner of Inland Revenue will publish it so that financial institutions are aware of what is acceptable. If the Government were to allow third-party providers and published this choice in an appropriate manner , this would then afford financial institutions with a choice of their own: Again, either of these actions is explicitly sanctioned because it is a legitimate choice that the IGA contemplates financial institutions would have in these circumstances. There are some choices that the Government may not want people to make. A list of excluded choices is contained in section F 7. Like the agreements themselves, these choices are defined in accordance with specific agreements so that there is maximum clarity around what the excluded choice is. In the context of the IGA, the Government is of the view that only accounts that are actually required to be reported on should be submitted to Inland Revenue. In this regard, for example, paragraph II. A of Annex 1 of the model IGA contemplates that a person can elect to report on accounts even if they are below the reporting threshold set out in the IGA. This election can only be made when the implementing rules provide for this election. The financial institution does not have the option of reporting on all nine accounts, it must only report on the six that exceed the minimum threshold set out in the model IGA. Proposed section G brings the aspects of this registration requirement relevant to the financial institution into New Zealand law. Proposed section H therefore clarifies that a financial institution is required to apply the relevant procedures. A financial institution is only required to perform the due diligence procedures that flow from permitted choices they have made. In essence, it says that, if New Zealand is obliged to obtain and exchange information with a foreign competent authority, the person described or contemplated in the agreement as obtaining and providing the information must obtain and provide it to the New Zealand competent authority. All relevant steps in relation to obtaining and proving that information must be done in accordance with the agreement. The section also allows the provision of information if it is not required for exchange purposes, as long as obtaining and providing that information is contemplated in the agreement. As with the other operative provisions, the relevant information may be dependent on choices that the Government and financial institution have made. Example 1 If a financial institution chooses to take advantage of an exemption, this will have a direct bearing on the information that New Zealand is expected to provide in respect of accounts held by that institution. The institution is therefore only required to obtain and provide the information that is consistent with its exempt status. Example 2 Reporting on accounts below certain thresholds is contemplated by the agreement. Section J of the Tax Administration Act â€" Information for third parties Agreements may contemplate that a financial institution has to provide information to third parties. In the IGA context, these third parties could be foreign competent authorities or other financial institutions. Proposed section J authorises obtaining and proving this information, provided it is described or contemplated in the agreement. For foreign competent authorities, the request for information must be valid

under the terms of the agreement. Again, a regulatory power is included to allow obligations to be clarified if necessary. Example 1 Article 5. If a foreign competent authority were to make a request within this framework to a New Zealand financial institution, the institution must provide that information. Example 2 Article 4. One of the requirements in paragraph e is that, if the institution makes United States sourced payment to a non-participating financial institution, the financial institution must provide information to the immediate payer of that amount payment intermediary the information required for withholding and reporting to occur on that payment. A New Zealand financial institution making such a payment to another financial institution is authorised to provide the necessary information to the payment intermediary. Section K of the Tax Administration Act â€" Prescribed form Proposed section K allows the Commissioner to prescribe the form in which information is received. This is particularly important for foreign account information-sharing agreements because it may be that the form of the information is set by either a foreign competent authority or other international organisation. Some flexibility to set these forms is therefore crucial to the smooth administration of these agreements. However, in entering into foreign account information-sharing agreements, the Government is agreeing to obtain and provide certain information. The ability to unwind arrangements that avoid reporting is a requirement of the IGA. In any event, it is considered an important tool for the Government to be able to comply with the intended effect of these agreements. Section M of the Tax Administration Act â€" Timeframes Foreign account information-sharing agreements may not set a specific reporting period. They might be happy with any period, provided it is at least annual. In the New Zealand context, most businesses have systems designed to report on a tax-year basis. Proposed section 18M therefore clarifies that: When an agreement or regulation does not specify, or is discretionary as to, a reporting period, that period will be a tax year, from 1 April to 31 March. The model IGA anticipates this period being legitimate for the purposes of that agreement. When an agreement or regulation does not specify, or is discretionary about, the time in which a person must provide the information to Inland Revenue, it must be provided within two months of the end of the period. For example, assuming the reporting period ends on 31 March, the information must be provided to Inland Revenue by 31 May of that year. If the provision of this information was a tax return, various other provisions of the Act, such as the imposition of late filing penalties, would apply. It is not considered necessary to impose late filing penalties because, in many respects, timely filing will be self-policing with inbuilt sanctions for failure. If a person does not file in time, the information may not be exchanged with the foreign competent authority. In an IGA context, this means that a financial institution runs the risk of being treated as non-compliant. Non-compliant status comes with its own sanctions imposed by the United States. This makes it a statutory requirement for an affected person to collect and keep the information necessary for compliance with a foreign account information-sharing agreement. It also ensures that the records must be kept for the statutory record-keeping period set out in section Failure to keep documents required by this provision will result in a strict liability offence under section or a knowledge offence under section A, as applicable. It is considered that serious non-compliance will most likely come about in three main ways: A financial institution will fail to register. A financial institution will fail to obtain the required information from its customers. A financial institution will obtain the information but fail to provide it to Inland Revenue.

3: Direct Tax Laws - Circulars & Notifcations - Taxmann

Income Tax Act repealed, on 1 April , by section YB 3(1) of the Income Tax Act (No). Note Changes authorised by subpart 2 of Part 2 of the Legislation Act have been made in this eprint.

4: Income taxation in Nepal : retrospect and prospect / Rup Khadka. - Version details - Trove

ANNEX F. TAXATION OF CONTRACTS DESIGNATED BY ARTICLE 6(3) OF PROTOCOL V TO THE TREATY AS "ANNEX F CONTRACTS" 1 DEFINITIONS. The definitions prescribed in the Income Tax Act as published in the Lesotho Government Gazette Vol. XXXVIII, No. 33 of 11 March , shall apply unless otherwise defined in this Annex.

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5: Direct Tax Laws Circulars

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B L.N. of INCOME TAX ACT (CAP.) INCOME TAX MANAGEMENT ACT (CAP.) Cooperation with Other Jurisdictions on Tax Matters (Amendment) Regulations,

7: Income Tax Act No 65 (as at 24 February), Public Act Contents â€“ New Zealand Legislation

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8: Tax Laws & Rules > Acts > Commodities Transaction Tax

1 Guidelines for the implementation of the FATCA Agreement and the FATCA Regulations in Malta issued in terms of Article 96(2) of the Income Tax Act (Chapter.

9: Income Tax Act No 65 (as at 24 February), Public Act Contents â€“ New Zealand Legislation

Tax Exemption Guide for Public Benefit Organisations in South Africa (Issue 4) 57 Annexure D - Section 30 of the Income Tax Act, Public benefit organisations.

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