



# NEW ZEALAND

New Zealand - Common law

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## Incorporating a company in New Zealand

# New Zealand taxes

If you want to incorporate in New Zealand, reading this will help you becoming knowledgeable on the specific tax laws and rates for a LLC which is the most common legal entity in New Zealand.

New Zealand taxes entities on their worldwide income. The predominant standard rate for offshore income remitted back, from our research, but seek professional advice, is 28%. The country may have exemptions to remit income made internationally. Corporate income tax standard rate is 28%. This ranks New Zealand as 130th overall with regards to corp. taxation rate internationally.

The value added tax (VAT) rate in New Zealand is 15.00%, that ranks New Zealand as 128th overall in terms of value added tax rate worldwide. In terms of other taxation, an employer will contribute 3% to the equivalent of a social security fund and an employee will contribute 3%. The overall complexity of the tax system is medium. This is measured by average time to comply with a country's labor tax requirements is as it is 59 hours. Contributing to this is the number of yearly labor tax payments, which is 2 in NZ.

Thin cap standards are officially enacted. Thin capitalisation refers to any type of laws on companies' debt-to-asset ratios. Dividends received from resident entities may be exempted, provided that profits were already taxed. Dividends from foreign entities are usually exempted from taxation, unless dividends are on a fixed rate share or dividends for which the foreign company has received a tax deduction in its home jurisdiction, or a certain dividend from a portfolio foreign investment fund. Dividends are payments of earnings of the legal entity, passed by the board of directors, to shareholders. Dividends can be either stock, cash, or property.

There is no Capital Gains Tax. However, certain gains may be subject to corporate income tax, such as those from the sale of real estate in certain cases. A capital gains tax is levied on the profits that a corporation or natural person realizes when they sell a capital asset for a price that is higher than the purchase price.

Dividends paid to non-residents are subject to withholding tax. Rates may vary depending if profits are taxed already in the corporate level. If profits are not taxed, dividends are subject to a withholding rate of 30%. If profits are already taxed, an exemption of withholding tax applies, as long as non-resident has 10% or more voting interest in the company. If not, dividends withholding tax may be 15%. Payments on interests and royalties to non-resident are subject to a withholding tax of 15%. Withholding tax rates may be reduced under a tax treaty.

There is no known tax on wealth in New Zealand. There are no known inheritance and transfer taxes. There is a real property tax. There are well known credits for innovation spend that include tax incentives in New Zealand.

The above is not tax or legal advice for your particular tax obligations. We can help you to find to a tax advisor in New Zealand who advise you. Ready to get started? Click incorporate now if you are in a hurry, or press the free consultation button above.

The vat rate in New Zealand is 15% which ranks 78 in the world.

- ✗ Patent box
- ✓ RND credit
- ✗ Wealth tax
- ✗ Estate tax
- ✗ Transfer taxes
- ✗ Asset taxes

- 58 Tax treaties
- 28% Offshore Tax
- 28% Corp rate
- Loss carryback years
- 34 Corporate time
- 15% VAT rate

# New Zealand Legalese

For starters, the law in NEW ZEALAND is common law law. Common law jurisdictions are generally regarded as easier to structure. One is permitted to electronically sign documents.

The letters NZ is for NEW ZEALAND and the most common legal entity type in NEW ZEALAND is a LLC.

The amount you'll have to wait is about 1 Day to put together the paperwork and file a LLC in NZ. The minimum share cap is 0, This means you don't have any minimum share capital. The types of cash you can use to capitalize your legal entity is most commonly any legal tender.

Yes, one is allowed to re-domicile a LLC from NZ. You are usually allowed to change the jurisdiction of the company, pending certain procedures.

There must be at least 1 shareholder. This makes it possible for you to own a LLC in NZ by yourself. Corporate Shareholders are allowed, meaning you could have a company as a shareholder. Foreign ownership is permitted, up to 100% of the ownership of the LLC.

A legal entity is only required to have one director. Additionally, corporate directors are not permitted. Directors should not expect to be private, as they are disclosed. There is a requirement to have annual meetings of shareholders.

A registered office is a requirement, whom the company will pay yearly, for an address which can receive litigation or other legal process on behalf of the registered legal entity. A related requirement, a corporate secretary is not required in NZ, which can save the company money if you can perform basic corporate governance internally.

There is a legal obligation to file accounts on a yearly basis. However, there is oftentimes a requirement to have these accounts audited.

Overall we think New Zealand is a good option and have given it a score of 81 as an IO score, using the Incorporations.IO proprietary formula.

- ✗ **Directors not disclosed in a public registry**
- ✗ **Shareholders not disclosed in a public registry**
- ✓ **Redomiciliation permitted**
- ✓ **Registered office required**
- ✗ **Corporate director permitted**
- ✗ **Local Secretary not required**
- ✗ **Local Director not required**
- ✓ **Electronic signature**

- 1 Shareholders required**
- 1 Directors required**
- 1 Day to form**



# NEW ZEALAND

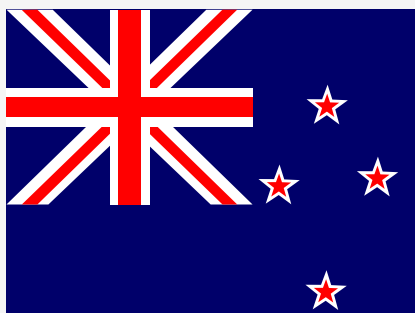
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☎ Consultation

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## Country Info



🚩 National Flag of

**New Zealand (eng)**

**Aotearoa (mri)**

**New Zealand (nzs)**

\$ Currency

**NZD**

☎ Area Code

**+64**

🏛 Capital

**Wellington**

✈ Region

**Australia and New Zealand**

🗣 Native Languages

**English**

**Māori**

**New Zealand Sign Language**