



**THE INCOME-TAX (UNITED KINGDOM TRADERS)
EXEMPTION ORDER 1942**

C. L. N. NEWALL, Governor-General.
ORDER IN COUNCIL.

At the Government House at Wellington, this 1st day of
July, 1942.

Present :

HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL.

PURSUANT to section 11 of the Land and Income Tax Amendment Act, 1935, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, and being satisfied that residents of New Zealand who are carrying on business as non-resident traders in the United Kingdom of Great Britain and Northern Ireland are exempt in the said United Kingdom from income-tax on profits derived from their business as non-resident traders to the same extent as the persons exempted by this Order are hereby exempted from their liability to pay income-tax in New Zealand as non-resident traders, doth hereby order as follows :—

1. This Order may be cited as the Income-tax (United Kingdom Traders) Exemption Order 1942.

2. For the purposes of this Order a body corporate shall be regarded as resident in the said United Kingdom and not resident in New Zealand if its business is managed and controlled in the said United Kingdom.

3. All persons being residents of the United Kingdom of Great Britain and Northern Ireland are hereby exempted to the extent hereinafter specified from their liability to pay income-tax in New Zealand as non-resident traders.

4. The liability referred to in clause 3 hereof shall extend to income-tax chargeable for the year of assessment commencing on the 1st day of April, 1937, and for every subsequent year of assessment upon taxable income, being profits or gains arising whether directly or indirectly, through an agency in New Zealand to a person who is resident in the said United Kingdom and is not resident in New Zealand, unless the profits or gains either—

- (a) Arise from the sale of goods from a stock in New Zealand ; or
- (b) Accrue directly or indirectly through any branch or management in New Zealand or through an agency in New Zealand where the agent has and habitually exercises a general authority to negotiate and conclude contracts.

5. The exemption hereby created shall extend so that any agent in New Zealand through whom sales or transactions are carried out on behalf of a person resident in the said United Kingdom and not resident in New Zealand shall not be chargeable on behalf of that person to income-tax for the year of assessment commencing on the 1st day of April, 1937, or for any subsequent year of assessment in respect of profits or gains arising to that person from those sales or transactions if such agent—

- (a) Is not an authorized person carrying on the regular agency of that non-resident person ; or
- (b) Is a broker or general commission agent who, notwithstanding that he acts regularly for that non-resident person as broker or general commission agent, is a person who carries on *bona fide* the business of a broker or general commission agent in New Zealand and carries out the said sales or transactions on behalf of that non-resident person in the ordinary course of his business as broker or general commission agent for remuneration at a rate not less than that customary in the class of business in question.

6. The exemption hereby created shall extend so that for the year of assessment commencing on the 1st day of April, 1937, and for every subsequent year of assessment, profits or gains accruing to a person resident in the said United Kingdom and not resident in New Zealand from sales under contracts entered into in the said United Kingdom—that is to say, where the acceptance of the offer of purchase is effected in the said United Kingdom—of goods stocked in a warehouse in New Zealand for convenience of delivery and not for purposes of display shall be exempted from income-tax even though the offers of purchase have been obtained by an agent in New Zealand of the principal in the United Kingdom and transmitted by him to the principal for acceptance.

7. The provisions of sections 4 and 5 of the Finance Act (No. 2), 1937, shall apply to any year of assessment to which the provisions of this Order relate.

C. A. JEFFERY,
Clerk of the Executive Council.

Issued under the authority of the Regulations Act, 1936.

Date of notification in *Gazette* : 2nd day of July, 1942.

These regulations are administered in the Land and Income Tax Department.