



**THE INCOME-TAX (CANADIAN TRADERS) EXEMPTION  
ORDER 1946**

—  
MICHAEL MYERS,  
Administrator of the Government

**ORDER IN COUNCIL**

At the Government House at Wellington, this 15th day of  
May, 1946

Present :

HIS EXCELLENCY THE ADMINISTRATOR OF THE GOVERNMENT IN  
COUNCIL

PURSUANT to section 11 of the Land and Income Tax Amendment Act, 1935, His Excellency the Administrator of the Government, 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 Canada are exempt in Canada 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 (Canadian Traders) Exemption Order 1946.

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

3. All persons being residents of Canada 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, 1943, and for every subsequent year of assessment upon taxable income, being profits or gains from the sale of goods (other than things in action and money) arising, whether directly or indirectly, through an agency in New Zealand to a person who is resident in Canada 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 for the year of assessment commencing on the 1st day of April, 1943, and for every subsequent year of assessment, profits or gains accruing to a person resident in Canada and not resident in New Zealand from sales under contracts entered into in Canada—that is to say, where the acceptance of the offer of purchase is effected in Canada—of goods stocked in a warehouse in New Zealand for convenience of delivery and not for the 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 Canada and transmitted by him to the principal for acceptance.

6. 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.

W. O. HARVEY,  
Acting Clerk of the Executive Council.

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Issued under the authority of the Regulations Act, 1936.

Date of notification in *Gazette* : 23rd day of May, 1946.

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