



Sale or disposal of financial arrangements (including government stock or local authority stock)

- You need to complete a separate form for each financial arrangement that is sold or has matured. If your financial arrangement was government or local authority stock you need to complete a separate form for each parcel of stock that you held.
- If the price that you sold or transferred the financial arrangement for is less than market value or influenced by the debtor's financial difficulties, see the notes over the page.

Now that you have either sold your financial arrangement or it has matured, we need to calculate your loss or gain on investment income.

Important note

This is a simplified calculation for use by a cash basis holder or a cash basis person under the accrual rules. If you are not a cash basis holder or a cash basis person or you need help working out the loss or gain on your investment, call us on **0800 377 774**.

If you **sold your stock**, print the sum you received from the sale after deducting any broker's fees in Box 1.
If you **held your stock to maturity**, print the redemption payment you received in Box 1.

| | | | | |
|----------|----|----------------------|---|----------------------|
| 1 | \$ | <input type="text"/> | . | <input type="text"/> |
|----------|----|----------------------|---|----------------------|

Print the total amount of interest you received during the time you held this investment in Box 2. Include any interest received in the year of sale or maturity.

| | | | | |
|----------|----|----------------------|---|----------------------|
| 2 | \$ | <input type="text"/> | . | <input type="text"/> |
|----------|----|----------------------|---|----------------------|

Add Boxes 1 and 2 and print the total in Box 3.

| | | | | |
|----------|----|----------------------|---|----------------------|
| 3 | \$ | <input type="text"/> | . | <input type="text"/> |
|----------|----|----------------------|---|----------------------|

Print the total sum you paid for the stock including any broker's fees in Box 4.

| | | | | |
|----------|----|----------------------|---|----------------------|
| 4 | \$ | <input type="text"/> | . | <input type="text"/> |
|----------|----|----------------------|---|----------------------|

Print the total amount of interest you have included in previous tax returns in Box 5.

| | | | | |
|----------|----|----------------------|---|----------------------|
| 5 | \$ | <input type="text"/> | . | <input type="text"/> |
|----------|----|----------------------|---|----------------------|

Add Boxes 4 and 5 and print the total in Box 6.

| | | | | |
|----------|----|----------------------|---|----------------------|
| 6 | \$ | <input type="text"/> | . | <input type="text"/> |
|----------|----|----------------------|---|----------------------|

Subtract Box 6 from Box 3 and print the total in Box 7.
This will be either a profit or a loss. Include this figure in the Other Income box of your IR 3 tax return (if figure is a loss, put a minus sign in the box).

| | | | | |
|----------|----|----------------------|---|----------------------|
| 7 | \$ | <input type="text"/> | . | <input type="text"/> |
|----------|----|----------------------|---|----------------------|

Include the resident withholding tax withheld in the year of sale or maturity in Box 13A of your tax return.

Notes

If you sell for no consideration or for consideration at less than market value

The financial arrangement is to be treated as having actually been sold or transferred at market value on the date of the sale or transfer.

If you sell or transfer a financial arrangement for a consideration influenced by:

- the decline of the other person's creditworthiness
- an increase in the possibility that the other person may default
- an event that occurred which reduced or cancelled the other person's obligations under the financial arrangement

treat the financial arrangement as having received all amounts that would be payable if the consideration were not influenced by these factors. This does not apply if your business includes the holding or dealing in financial arrangements of that class and you were not associated to the other party to the arrangement.