



## Company or limited partnership removal from the register: Request for a letter of no objection to removal

- The Commissioner will not issue a no objection letter until your company or limited partnership has completed the process of distributing its surplus assets to its shareholders or partners.
- All returns, up to the date of cessation, must be filed or resolved. All payments must be made and refunds processed. If you require a future period to be made available in myIR, please contact us.
- If your company or limited partnership is registered for PAYE and/or GST, you may also need to complete an **IR315 - Business cessation** form.

IRD number which the entity operated under (8 digit numbers start in the second box. 1 2 3 4 5 6 7 8)

Name of the company or limited partnership

Entity's address

Street address

Town or city

Entity's registered address if different from the address above

Street address

Town or city

Business cessation date

Day Month Year

The reason your company or limited partnership is ceasing

• Is the entity registered for GST  Yes  No  
If yes, please complete the **IR315 - Business cessation** form

• Final income tax return has been filed  Yes  No

Financial statements must be included with your final income tax return. You may choose to use the supplementary IR10 return, or your own attachment. A final return can be filed at any time in the business' financial year cycle. Contact us via myIR or on 0800 377 774 if the income tax period you need to file for is not available in myIR.

• Final income tax period/return date

Day Month Year

• A copy of the profit and loss account and the balance sheet up to the business cessation date has been filed with the final income tax return  Yes  No

### For completion by companies

• All loans owed by company shareholders have been repaid in full  Yes  No

• If the answer to the previous question is "no," the amount not repaid has been treated as a dividend by the company and the shareholders  Yes  No

Loans owed to the company by shareholders include an overdrawn shareholder current account. Any loan balance that has not been repaid and has not been treated as a dividend will be income of the shareholders at the time that a base price adjustment is required (Income Tax Act 2007 sections EW 28-31). At that time, the amount must be declared as 'Other income' in the shareholders' personal income tax return.

- Amount of surplus assets of the company after payment of all liabilities
- Amount of the company's available subscribed capital (ASC), as defined in section CD 43, or zero if the company does not have or is not claiming any ASC
- Amount of the company's available capital distribution amount, as detailed in section CD 44 (capital gains plus capital property distributed less cost of capital property distributed less capital losses)
- Confirmation that the difference between **A** and the sum of **B** and **C** has been reported as a dividend

**A** \$

**B** \$

**C** \$

Yes  No

I declare that the information given on this form is true and correct.

Name

Signature

/ /

Date

Designation or title

Contact phone numbers

Daytime

Mobile

## Notes

### Final income tax return

Once your business has ceased activity - including trading, employing staff, distributing or liquidating any assets, and settling any liabilities - a final income tax return will be required.

The final return must include a full balance sheet. A final income tax return is required even if the business ceased trading several years previously or has been non-active before closing down. (Any provisional tax paid over the final income tax assessment will become available once the final return is processed).

All balances should be nil when the business is ready to close down.

Any overdrawn current accounts, where drawings or loans have been taken by shareholders over the value of dividends or income allocated to them, will need to be accounted for.

If business assets have been allocated as income or dividends to the shareholders, this must be confirmed in the shareholders' accounts before a letter of no objection/approval for removal from the Companies Office Registers can be granted.

### Shareholder Loan Account

Shareholder loans may occur informally, (e.g. through drawings) or formally, where cash value is made available to the shareholder in advance of an allocation or transfer of company value (dividend). The relevant transactions are recorded in a shareholder current account.

An overdrawn shareholder current account, or shareholder loan account, occurs when the drawings or funds made available to the shareholder exceed the contributions paid or transfer of company value to the shareholder at the end of a given financial period.

A loan owed to a business is an asset of that business. Therefore, when a business is closing down and needs to ensure all accounts are balanced and nil, all shareholder loans must be repaid in full or treated as a dividend - acknowledging the transfer of value from the business to the shareholder. (Alternatively, a base price adjustment will be required and reported as 'Other income' of the shareholders).

If a loan to its shareholders is forgiven, this must be accounted for as a dividend (transfer of company value) allocated to the shareholder. Inland Revenue needs to ensure the income attributed (via the dividend) has been accounted for by the shareholders.

### Available Subscribed Capital (ASC)

Under Section CD 43 (Income Tax Act 2007) ASC is described as: total subscriptions (amounts paid for shares and value of debt converted to shares) less returns (capital that has been returned to shareholders through buybacks or redemptions).

At business cessation ASC should be reconciled (balanced to nil).