



● For help completing this form please read the notes on the back.

**Date of changes**

State the date the shareholding changed

Day			Month			Year			

**Section 1 – Shareholders’ qualifying company re-election**

**Section HA 5 of the Income Tax Act 2007 (qualifying companies status)**

Ensure you read the notes before completing a shareholder’s election. If there are more than five shareholders, complete another election form and attach it to this.

**I/we elect that**

Name of company

IRD number

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**shall remain a qualifying company.**

**Contact person**

Name

Contact number

**As a shareholder of a qualifying company, I/we elect that I/we will become personally liable (and/or jointly and severally liable, as the case may be) for each income year during which the election is in effect for such percentage of the company’s income tax as set out in section HA 8 of the Income Tax Act 2007 (see notes).**

Shareholder’s name

IRD number

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Effective interest

 %

Signature

 / /  
Date

**For company and trustee shareholders only**

Signatory’s name

Signatory’s IRD number

--	--	--	--	--	--	--	--	--	--

Capacity or office

Shareholder’s name

IRD number

--	--	--	--	--	--	--	--	--	--

Effective interest

 %

Signature

 / /  
Date

**For company and trustee shareholders only**

Signatory’s name

Signatory’s IRD number

--	--	--	--	--	--	--	--	--	--

Capacity or office

Shareholder’s name

IRD number

--	--	--	--	--	--	--	--	--	--

Effective interest

 %

Signature

 / /  
Date

**For company and trustee shareholders only**

Signatory’s name

Signatory’s IRD number

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Capacity or office

Shareholder’s name

IRD number

--	--	--	--	--	--	--	--	--	--

Effective interest

 %

Signature

 / /  
Date

**For company and trustee shareholders only**

Signatory’s name

Signatory’s IRD number

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Capacity or office



Shareholder's name  Signature  / /  
 IRD number  Effective interest  % Date

**For company and trustee shareholders only**

Signatory's name  Signatory's IRD number   
 Capacity or office

**Section 2 – Qualifying company majority shareholder election**

**Section HA 5 of the Income Tax Act 2007**

To be completed by a majority shareholder(s) electing on behalf of a minority shareholder(s).

**I/we elect that**

Name of company   
 IRD number

**shall remain a qualifying company.**

**I/we elect that I/we will become personally liable (and/or jointly and severally liable, as the case may be) for each income year during which the election is in effect for such percentage of the company's income tax as set out in section HA 8 of the Income Tax Act 2007 (see notes).**

Name of majority shareholder making election  Signature  / /  
 IRD number  Effective interest  % Date

Name of minority shareholder   
 IRD number  Effective interest  %

Name of majority shareholder making election  Signature  / /  
 IRD number  Effective interest  % Date

Name of minority shareholder   
 IRD number  Effective interest  %

Name of majority shareholder making election  Signature  / /  
 IRD number  Effective interest  % Date

Name of minority shareholder   
 IRD number  Effective interest  %

Name of majority shareholder making election  Signature  / /  
 IRD number  Effective interest  % Date

Name of minority shareholder   
 IRD number  Effective interest  %

## Notes

### Becoming a qualifying company

Companies that are not already qualifying companies can't elect into the qualifying company regime. This form is for existing qualifying companies who need to re-elect in order to retain their qualifying company status.

### When a re-election is required

When a qualifying company has a shareholding change, the new shareholder(s) must complete and file the re-election. Examples of shareholding changes requiring a re-election are as follows:

- A shareholder sells part or all of their shares to a new shareholder
- The company issues shares to a new shareholder
- A shareholder dies
- Shares are transferred from an estate to another person
- A minority shareholder, who had a majority shareholder previously elect on their behalf, becomes a majority shareholder
- A majority shareholder, who previously elected on behalf of a minority shareholder(s), becomes a minority shareholder
- A trustee or beneficiary of a trust, or shareholder, who had a volunteer elector sign on their behalf due to being a minor, becomes legally able to sign the election
- A trust shareholder has new trustees

### Shareholders' qualifying company elections

Qualifying company elections must be made by all shareholders with legal capacity.

Where the shareholder is a company, enter below the signature the name and office (for example, company secretary) of the person signing on behalf of the company.

Where the shareholder is a trustee(s):

- all the trustees must elect
- at least one beneficiary with legal capacity must elect. If there are no beneficiaries with legal capacity, a natural person volunteer must elect (this may be a trustee)
- enter the shareholder's name as "Trustee in...". Below the signature enter the name, IRD number and capacity in which the person is making the election (that is, trustee, beneficiary or volunteer)
- where a majority shareholder(s) is electing on behalf of a minority shareholder, they must complete Section 1 of this form for their own shareholding and Section 2 on behalf of the minority shareholder.

### Liability of shareholder with legal capacity, trustee, beneficiary, natural person volunteer, or majority shareholder for the qualifying company's income tax

Shareholders with legal capacity are liable for a percentage of:

- the company's income tax not paid, and
- any tax the company is liable for as a shareholder in another qualifying company, in proportion to their effective interest in the company.

Trustees, beneficiaries with legal capacity and natural person volunteers are liable for a percentage of:

- the company's income tax not paid, and
- any tax the company is liable for as a shareholder in another qualifying company, in proportion to their effective interest in the company. The elector beneficiaries or natural person volunteers are jointly and severally liable with the trustee. The trustee is liable to the extent of the net assets of the trust.

Majority shareholders who have elected on behalf of minority shareholders are liable for a percentage of:

- the company's income tax not paid, and
- any tax the company is liable for as a shareholder in another qualifying company, in proportion to the minority shareholder's effective interest in the company.

### Effective interest

This is measured by the percentage of voting rights in relation to:

- dividends
- constitution
- variation of capital
- appointment of directors.

There are special rules if these vary during the year, or if they do not reflect the economic interest in a company.

### Who signs the re-election

- Any new shareholder who has not previously elected into the QC regime.
- If a shareholder ceases to hold shares, their election has lapsed. Should they acquire shares in the company again, they must complete a re-election.
- Any new trustee in a trust shareholder

### New shareholders – QC continuity requirement

Certain share transfers are ignored for the purposes of the QC continuity requirement. This requires that to maintain QC status the shareholders of a QC must maintain 50% minimum voting interests (or market value interests, if a market value circumstance exists) from 30 March 2017 until the end of the relevant income year.

If you're a new shareholder who has received shares:

- from a close relative
- as part of a property relationship settlement agreement
- because of the death of a shareholder

please attach the details of the share transfer to this form. This will help us process the re-election faster.

A close relative includes a person's spouse, civil union or de facto partner. It also includes a person who is within the second degree of relationship to the person.

### Due date for re-elections

A company is granted a 63 day period of grace to provide a re-election from any new shareholder in order to remain in the regime.

For a re-election from a new shareholder following the death of a previous shareholder, a period of grace of 12 months for a re-election is provided.

### More information

You can get copies of all our forms and guides by going to [www.ird.govt.nz](http://www.ird.govt.nz) and entering the shoulder number in the search box. You can also order copies by calling 0800 257 773.

### [www.ird.govt.nz](http://www.ird.govt.nz)

Go to our website for information and to use our services and tools.

- **Log in or register for myIR** – manage your tax and entitlements online.
- **Demonstrations** – learn about our services by watching short videos.
- **Get it done online** – complete forms and returns, make payments, give us feedback.
- **Work it out** – use our calculators, worksheets and tools, for example, to check your tax code, find filing and payment dates, calculate your student loan repayment.
- **Forms and guides** – download our forms and guides.

### Forgotten your myIR user ID or password?

Request a reminder of your user ID or reset your password online. You'll need to know your IRD number and have access to the email address we hold for you.