

NEW ZEALAND LIMITED COMPANY

The New Zealand limited company is a straightforward and flexible corporate vehicle commonly used by domestic businesses and investors, as well as international investors seeking to undertake business, investment and asset-holding activities in New Zealand.

A New Zealand limited company has a separate legal identity from its shareholders and provides the benefit of limited liability. It operates within New Zealand's established common-law legal system and well-regulated corporate environment.

The New Zealand limited company is suitable for a broad range of domestic commercial and investment activities and, for international clients, is generally most relevant where there is a New Zealand business, investment or asset-holding purpose.

Advantages

- Separate legal personality
- Limited liability for shareholders
- Flexible ownership and shareholding arrangements
- Corporate shareholders permitted
- No New Zealand resident shareholder requirement
- Established and well-regulated corporate environment
- Access to New Zealand's network of double tax agreements, subject to applicable requirements
- Suitable for a broad range of New Zealand business, investment and asset-holding activities

Criteria and key features

- A minimum of one shareholder and one share is required.
- A minimum of one director is required.
- At least one director must live in New Zealand or live in Australia and also be a director of a company incorporated in Australia.
- Corporate directors are not permitted.
- There is no requirement for a shareholder to be resident in New Zealand.
- A company must maintain a registered office and address for service in New Zealand.
- A company may adopt a constitution, although this is not mandatory.
- Details of the company, its directors and shareholders are recorded on the New Zealand Companies Register and are publicly accessible.
- An annual return must be filed with the New Zealand Companies Office.
- Accounting records must be maintained and financial statements prepared where required. Certain companies are also subject to statutory audit and financial statement filing requirements.

Taxation

A company incorporated in New Zealand is generally resident in New Zealand for tax purposes and is subject to New Zealand income tax on its worldwide taxable income.

The standard New Zealand corporate income tax rate is 28%.

New Zealand does not have a general capital gains tax. However, gains arising from certain transactions may be subject to income tax under New Zealand's ordinary income tax rules.

New Zealand has an extensive network of double tax agreements with other jurisdictions, which may provide relief from double taxation and reduced rates of withholding tax, subject to the circumstances of the company and the applicable treaty.

As a New Zealand tax-resident company is generally subject to tax on its worldwide income, a New Zealand limited company is commonly used by international clients for investment, business and asset-holding activities in New Zealand rather than as a general offshore holding vehicle.

Common uses

New Zealand limited companies may be used for a broad range of commercial and investment purposes, including:

- Acquisition and holding of New Zealand investments
- Ownership of New Zealand property and other assets
- Trading and operating businesses
- New Zealand subsidiaries of international businesses
- Joint ventures
- Investment holding
- Family-owned and closely held businesses
- Corporate and private wealth structures

Kensington Services

JTC Kensington can assist with the establishment and ongoing administration of New Zealand limited companies, including:

- Company incorporation
- Provision of a New Zealand registered office and address for service
- Provision of professional resident directors, where appropriate
- Corporate secretarial and company administration services
- Preparation of directors' and shareholders' resolutions
- Maintenance of statutory records and registers
- Annual Companies Office compliance
- Bookkeeping and accounting
- Preparation of financial statements
- New Zealand tax compliance and annual income tax returns
- Banking and general administrative support

Conclusion

The New Zealand limited company is a straightforward and flexible corporate vehicle for domestic businesses and investors, as well as international investors seeking to undertake business, investment or asset-holding activities in New Zealand. It combines separate corporate identity and limited liability with the advantages of operating from a stable, well-regulated and well-respected jurisdiction.

KEY CONTACTS



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JTC Kensington is the brand name of Kensington Trust Group, a part-owned associate of JTC, offering trust, fiduciary and corporate services and fund administration.

JTC is a leading global professional services business with deep expertise in fund, corporate, private client and employer solutions services.

Every JTC person is an owner of the business and this fundamental part of our culture aligns us with the best interests of all of our stakeholders.

Our purpose is to maximise potential and our success is built on service excellence, long-term relationships and technology capabilities that drive efficiency and add value.

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