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Taxi Limited

Issued | Tukuna: 31 March 2025

BR Prd 25/01

This Arrangement is the lending of amounts by Taxi Limited to its clients secured by the client transferring by way of security their entitlement to amounts deposited in the tax pooling account operated by Tax Traders Limited.

This Ruling:

- relates to the imputation credit treatment of the transfer of tax credits under the Arrangement; and
- applies to clients that are an "ICA company" (as defined in s YA 1 of the Income Tax Act 2007).

START DATE – END DATE | RĀ TĪMATA – RĀ MUTUNGA

{01/04/2025 – 31/03/2028}

(THIS TITLE PAGE DOES NOT FORM PART OF THE RULING. | KĀORE TĒNEI WHĀRANGI TAITARA I WHAI WĀHI I TE WHAKATAUNGA.)

Product Ruling | Whakataunga Whakaputanga – BR Prd 25/01

This is a product ruling made under s 91F of the Tax Administration Act 1994.

Name of person who applied for the Ruling | Ingoa o te tangata i tono i te Whakatau

This Ruling has been applied for by Taxi Limited.

Taxation Laws | Ture Tāke

All legislative references are to the Income Tax Act 2007 unless otherwise stated.

This Ruling applies in respect of ss OB 6, OB 35, OP 9 and OP 33.

The Arrangement to which this Ruling applies | Te Whakaritenga i pāngia e tēnei Whakataunga

This Arrangement is the lending of amounts (Advances) by Taxi Limited (Taxi) to its clients (Clients) secured by the client transferring by way of security their entitlement to amounts (Tax Credits) deposited in the tax pooling account operated by Tax Traders Limited (Tax Pooling Account).

Further details of the Arrangement are set out in the paragraphs below.

Parties to the Arrangement

- 1) The parties to the Arrangement are:
 - a) Taxi;
 - b) each Client;
 - c) Tax Traders Limited as tax pooling intermediary; and
 - d) Public Trust as custodial trustee of the Tax Pooling Account.

Documents relevant to the Arrangement

- 2) The Taxi Terms and Conditions (Terms) document provided to Inland Revenue on 20 March 2025 describes the Arrangement.
- 3) The final executed documentation will not be materially different from the Terms provided to Inland Revenue on 20 March 2025.

Terms of Advances

- 4) Taxi makes Advances to Clients, and Clients agree to pay interest at an agreed rate on the Advances, to pay facility fees, and to pay certain other amounts (such as enforcement costs).
- 5) As security for each Advance, the facility fees, the Client's interest payment obligations and the Client's other payment obligations under the Terms, the Client agrees to transfer Tax Credits to Taxi by way of security.
- 6) Tax Credit is defined as meaning a direct or indirect payment of a provisional tax instalment by the Client into the Tax Pooling Account in respect of the preceding 12-month period or (if the parties agree) an earlier period. Only Tax Credits held through the Tax Pooling Account can be used as security under the Arrangement.
- 7) The Tax Pooling Account is the trust account into which Tax Traders Limited pays an amount that they receive from a person in their role as an intermediary as defined in the Income Tax Act 2007. Tax Traders Limited has appointed Public Trust as an independent trustee to hold, maintain and operate the Tax Pooling Account on behalf of its clients and other persons who deposit money into the Tax Pooling Account at the request of Tax Traders Limited.
- 8) If an Advance is not repaid or prepaid in full by its due date, any facility fee is not paid when due or any interest or other amount payable under the Terms is not paid when due, the Client irrevocably authorises Taxi to retain, apply, sell or otherwise dispose of the Tax Credits.
- 9) All costs of sale will be for the account of the Client. Any residual amount after all Advances, fees, interest, enforcement and other amounts have been paid or repaid in full to Taxi, will be paid by Taxi into the Client's bank account within two business days. Any Tax Credits not retained, applied, sold or otherwise disposed of will, after the repayment of Taxi in full in accordance with the preceding sentence, be available for re-transfer to the Client.

- 10) The Client may request that Tax Credits transferred are (subject to Taxi's enforcement rights) re-transferred to it on a dollar-for-dollar basis as Advances are repaid or prepaid.
- 11) When all Advances, fees, interest, enforcement and other amounts have been paid or repaid in full, the Client may request that Taxi re-transfer any remaining Tax Credits held by Taxi to the Client.
- 12) A re-transfer of a Tax Credit on repayment or prepayment of an Advance involves a transfer of the relevant amount of a Tax Credit with the same "date stamp" as that which applied to the original deposit made by the Client.

How the Taxation Laws apply to the Arrangement | Ko te pānga o ngā Ture Tāke ki te Whakaritenga

The Taxation Laws apply to the Arrangement as follows:

- (a) The transfer by way of security of Tax Credits from a Client to Taxi under the Terms will not result in:
 - (i) the Client (or the relevant nominated company if the Client is a member of a consolidated imputation group) being required to debit its ICA under ss OB 35 or OP 33; or
 - (ii) Taxi (or the relevant nominated company if Taxi is a member of a consolidated imputation group) having a credit to its ICA under ss OB 6 or OP 9.

Period or income year for which this Ruling applies | Te wā, te tau moni whiwhi rānei i pāngia ai e tēnei Whakataunga

This Ruling will apply for the period beginning on 1 April 2025 and ending on 31 March 2028.

This Ruling is signed by me on the 31st day of March 2025.

Howard Davis

Group Leader | Rōia Kaihautū ā-ropu Taake
Tax Counsel Office | Te Tari Tohutohu Tāke

About this document | Mō tēnei tuhinga

Product Rulings are issued by the Tax Counsel Office and Customer and Compliance Services. Product Rulings set out the Commissioner’s view on how tax laws apply to a particular “product” – which is an arrangement that a specified taxpayer is likely to enter into with a number of people on identical terms. Taxpayers who enter into the arrangement described in a Product Ruling may apply the ruling but are not obliged to do so. Product Rulings are binding on the Commissioner. This means that if you are entitled to apply a Product Ruling and you have calculated your tax liability in accordance with the ruling, the Commissioner must accept that assessment. A Product Ruling applies only to the taxation laws and arrangement set out in the ruling, and only for the period specified in the ruling. It is important to note that a general similarity to an arrangement covered by a Product Ruling will not necessarily lead to the same tax result.