

**-HATCH**

Investing for Kiwis

# SAMPLE Foreign Investment Fund (FIF) Tax Report



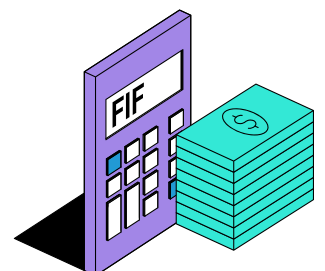
1 April 2024–31 March 2025



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SAMPLE



## Hi Sample Report Viewer

We're delighted to send your Foreign Investment Fund (FIF) Tax Report for 1 April 2024 to 31 March 2025 covering your investments with Hatch. Tax can be tricky and there's not a one-size-fits-all approach. So please take a moment to read our notes below before diving into your report.

Hitting the FIF threshold means you invested more than \$50K, which is no mean feat. So congrats! That's a huge milestone.

### Using your report

To calculate your FIF income, we've used two methods: Fair Dividend Rate (FDR) and Comparative Value (CV). This report provides both a **summary** and **per-investment** breakdown of each calculation. A spreadsheet version with more detail is available to download from Hatch. To help you use the report and its results, we've also included a **How to File** guide and links to other handy FIF resources.

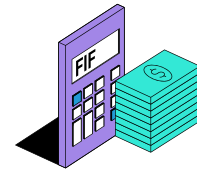
### You may need more information to file your tax

Your report only covers your investments with Hatch. You may need to provide more information to calculate your total FIF income if you've had:

- **More than one broker or platform:** If you hold more foreign investments (excluding most ASX-listed companies) and/or hold the same companies or ETFs on Hatch and with another broker or platform, you'll need to merge this report with the report from your non-Hatch investments.
- **Share transfers during tax year:** If you've transferred shares into or out of your account during the tax year then the related holdings will be excluded from this report.

### You may choose to seek professional advice

We've taken great care to ensure your report and calculations are as accurate as possible, but we understand FIF tax can be complicated. Because we're not tax advisors, if you have questions about your situation, you may wish to consult with a tax professional.



### Your FIF income

Your FDR income

**\$1,571.11**

Your CV income

**\$2,456.97**

**Find the breakdown on page 4**

# Your FIF Calculation Overview

When you submit your tax return you'll need to provide one number for FIF income (more on that in the **Filing Guide**). We've calculated your Hatch FIF Income using two methods: Fair Dividend Rate (FDR) and Comparative Value (CV). Pick the method that matches your situation. Individuals and family trusts are generally able to choose the method that gives the lowest taxable income. If you have foreign investments outside of Hatch, note that generally you must use the same method for all your investments to which FIF rules apply.

## Fair Dividend Rate (FDR)—The Default Method

Opening Market Value (all FIF holdings)	\$31,082.90	
Opening Market Value (all FIF holdings) multiplied by 5%		\$1,554.15
A) Peak Holding Adjustments	\$31.42	
B) Quick Sale Gains (losses limited to zero)	\$16.96	
Quick Sale Adjustment (lesser of (A) and (B))		\$16.96
<b>Total Fair Dividend Rate—FIF Income</b>		<b>\$1,571.11</b>

### When to use the FDR method?

This method is typically best used if your portfolio value increased by 5% or more during the tax year. FDR is considered the 'default' method by the IRD.

## Comparative Value (CV)—The Optional Method

Closing Market Value (all FIF holdings)	\$33,520.22	
Add Total Sale Proceeds	\$3,887.04	
Add Dividends Received	\$998.76	
<b>Closing Value Plus Gains</b>		<b>\$38,406.02</b>
Less Opening Market Value (all FIF holdings)	\$31,082.90	
Less Total Cost of Purchases	\$4,866.15	
<b>Opening Value Plus Costs</b>		<b>\$35,949.05</b>
<b>Total Comparative Value—FIF Income (if you've made a loss, it falls to zero)</b>		<b>\$2,456.97</b>

### When to use the CV method?

This method is typically best used if your portfolio value increased by less than 5% during the tax year. In most circumstances, losses can't be claimed under FIF so if your CV FIF income is calculated to be negative it will be reported as zero.

### What next?

- For more info on the FDR Method and our calculation, go to **Calculations Per Holding—FDR Method**.
- For more info on the CV Method and our calculation, go to **Calculations Per Holding—CV Method**.
- Once you've chosen a FIF Calculation method, you should go to **How to File**.

# Calculation Per Holding—FDR Method

Date Report Produced: 16 April 2025

Under the FDR method, your FIF income is calculated as 5% of the market value of your investments as held at the beginning of the tax year with an adjustment for any holding that you both bought and sold some of within the year.

To see working for this calculation, including related transactions, you can download a detailed spreadsheet file from your tax reports (no sample available)

**Fair Dividend Rate:** 5.00%

**Fair Dividend Rate (FDR) Method:** 5.00% × Opening Market Value + Quick Sale Adjustment

**Quick Sale Adjustment:** The lower of the 'Peak Holding Adjustment' and the 'Quick Sale Gains'

**Peak Holding Adjustment:** 5.00% × (Quick Sale (Units) × Average Cost)

**Quick Sale Gains:** Sale Proceeds + Pro Rata Share of Dividends - Average Cost of Quick Sale Shares (losses fall to zero on a portfolio basis)

All prices and values are in NZD. Brokerage costs are accounted for in sales proceeds and share costs. Please note that for display purposes the values below have been rounded to two decimal places. See spreadsheet file for unrounded data.

## Calculation per holding overview—FDR

Your Holdings	Ticker	Opening Market Value Total	5.00% x Opening Market Value	Peak Holding Adjustment	Quick Sale Gains	Quick Sale Adjustment	Total
Apple	AAPL	\$4,363.83	\$218.19	\$0.00	\$0.00	\$0.00	\$218.19
AIRNET TECHNOLOGY INC.	ANTE	\$58.74	\$2.94	\$0.00	\$0.00	\$0.00	\$2.94
Dreyfus Government Cash Management	DAGXX	\$19,233.54	\$961.68	\$31.42	\$16.96	\$16.96	\$978.64
Exponent Inc	EXPO	\$5,927.58	\$296.38	\$0.00	\$0.00	\$0.00	\$296.38
	MSPRW	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0-5 Year TIPS Bond iShares	STIP	\$168.06	\$8.40	\$0.00	\$0.00	\$0.00	\$8.40
Tesla, Inc.	TSLA	\$1,331.15	\$66.56	\$0.00	\$0.00	\$0.00	\$66.56
<b>Totals for FDR Method</b>		<b>\$31,082.90</b>	<b>\$1,554.15</b>	<b>\$31.42</b>	<b>\$16.96</b>	<b>\$16.96</b>	<b>\$1,571.11</b>

**What next?**

- If you hold more foreign investments (excluding most ASX-listed companies) and/or hold the same companies or ETFs on Hatch and with another broker or platform, you'll need to merge this report with the report from your non-Hatch investments.
- If you've chosen a FIF Calculation method, you can go straight to **How to File**.

**What's DARXX/DAGXX and why is it in my FIF report?**

When you invest with Hatch, your available balance is stored in a Money Market Fund with Dreyfus BNY Mellon (symbol: DARXX/DAGXX\*). These funds are considered an investment under the FIF rules so they are included in our calculations. See our help centre for [more info](#).

\* In March 2024 our broker switched funds from DARXX to DAGXX so you may see both listed in this report.

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# Calculation Per Holding—CV Method

Date Report Produced: 16 April 2025

The CV method uses the difference in value of your investments at the beginning and end of the tax year, along with any costs (e.g. purchases) and actual gains (e.g. sales and dividends), to sum your realised and unrealised gains.

To see working for this calculation, including related transactions, you can download a detailed spreadsheet file from your tax reports (no sample available)

**Comparative Value** = (Closing Market Value + Total Share Sales Proceeds + Dividends Received) - (Opening Market Value + Total Cost of Shares Purchased)

All prices and values are in NZD. Brokerage costs are accounted for in sales proceeds and share costs. Please note that for display purposes the values below have been rounded to two decimal places. See spreadsheet file for unrounded data.

## Calculation per holding overview—CV

Your Holdings	Ticker	Closing Market Value Total	Sales Proceeds Total	Dividends (includes return of Capital)	Opening Market Value Total	Total Cost of Purchases	Comparative Value Total
Apple	AAPL	\$7,934.51	\$0.00	\$28.90	\$4,363.83	\$2,318.94	\$1,280.65
AIRNET TECHNOLOGY INC.	ANTE	\$16.83	\$0.00	\$0.00	\$58.74	\$0.00	(\$41.92)
Dreyfus Government Cash Management	DAGXX	\$17,003.76	\$3,887.04	\$906.51	\$19,233.54	\$982.02	\$1,581.76
Exponent Inc	EXPO	\$6,332.30	\$0.00	\$60.06	\$5,927.58	\$0.00	\$464.79
	MSPRW	\$0.00	\$0.00	\$0.00	\$0.00	\$1,565.19	(\$1,565.19)
0-5 Year TIPS Bond iShares	STIP	\$178.75	\$0.00	\$3.28	\$168.06	\$0.00	\$13.97
Tesla, Inc.	TSLA	\$2,054.06	\$0.00	\$0.00	\$1,331.15	\$0.00	\$722.90
<b>Totals for CV Method</b>		<b>\$33,520.22</b>	<b>\$3,887.04</b>	<b>\$998.76</b>	<b>\$31,082.90</b>	<b>\$4,866.15</b>	<b>\$2,456.97</b>

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# How to file a tax return with FIF income

We've put together this guide to help you use this FIF Tax Report when filling out the overseas tax and income sections of your individual tax return (IR3) with Inland Revenue (IRD). Hatch doesn't currently file any annual tax info with the IRD on your behalf so you need to take care of any filing requirements yourself.

## Before you file, a reminder:

- This report only covers the investments you held with Hatch during the tax year.
- If you have other overseas investments outside of Hatch you'll need to consider income and tax on these too before you file your return.
- You should review the contents of the report and make sure you're happy it's complete and accurate before you file your return.
- You should consult a tax professional if you need further advice. Hatch does not provide personalised tax advice.

## Filing online

Usually, the easiest way to file your return is to complete it online using [myIR](#):

- When specifying the income types that apply on the *Build your return* step ensure that *Overseas income* is selected. You will then be prompted to provide details of your overseas income later in the process (screenshot below).
- You must split up your overseas income by type (*FIF income* in this case) and *jurisdiction*. The jurisdiction will usually be USA for investments on Hatch, however there are exceptions - e.g. if you hold any [ADR or Foreign Private Issue](#) shares.
- You can check the jurisdiction of your investments using the [SEC search tool](#) - expanding the *company information* at the top of the results page will show information on the location and incorporation of the underlying company.
- Enter the FIF income you received and the [tax credit claimable](#) summed across all investments in each jurisdiction applicable. The form will check the *allowable overseas tax credit* based on your effective tax rate (your combined tax rate across all income).
- Reminder: If you have overseas investments outside of Hatch you must also include income from these in your tax return.

Read the [IRD's individual income tax return guide](#) for more information and details on how to file a return on paper.

### Income tax return 2023



#### Overseas income

**i** The allowable overseas tax credit is calculated automatically based on your total income.

Note:

- The gross income or tax credit amounts must be completed for each line.
- You can not enter multiple rows with the same Jurisdiction and income type.
- If you add or remove income on this step and the previous step, the amount may change.

	Income type *	Jurisdiction *	Gross amount *	Tax credit *	Allowable overseas tax credit
X	Required	Required	Required	Required	\$0.00

+ Add a record

Total overseas income

\$0.00

Total overseas tax paid

\$0.00

## Resources

- For your tax information in Hatch go to [app.hatchinvest.nz/tax\\_reports](https://app.hatchinvest.nz/tax_reports)
- If you want more information about tax explore our learn articles:
  - [FIF rules](#)
  - [I invested more than \\$50,000 NZD](#)
  - [I earned more than \\$200 NZD in untaxed income](#)
  - [Tax time made simple](#)
- If you want to understand more on how we've calculated your FIF income and the data we use visit our help centre:
  - [Understanding FIF transaction types](#)
  - [Understanding your Hatch tax reports: where we get the data from](#)
- If you want to talk to a real person, our team is devoted to helping you with all things investing.  
[Tell us a time that works for you and we'll call.](#)
- Don't just take our word for it. Learn from IRD about FIF on their website [ird.govt.nz/fif](https://ird.govt.nz/fif)

*Thank you*

Thanks for being part of our epic community.  
Here's to hatching your best tomorrow!

**From the Hatch Team**

