

New Zealand

Transfer Pricing Country Profile¹

July 2025

		SUMMARY	REFERENCE
The Arm's Length Principle			
1	Does your domestic transfer pricing framework² make reference to the arm's length principle?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Sections YD 5, YD 5B, GB 2 and GC 6-14 of the Income Tax Act 2007
2	Does your domestic transfer pricing framework give the OECD Transfer Pricing Guidelines any role or status (e.g. legal binding effect, subsidiary application in the absence of domestic legislation, source of interpretation of domestic legislation and/or treaty provisions, other)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Section GC 6(1B) of the Income Tax Act 2007 New Zealand's domestic transfer pricing legislation explicitly refers to the OECD Transfer Pricing Guidelines 2022 and requires domestic rules apply consistently with these.
3	Does your domestic transfer pricing framework provide for a definition of related parties applicable for transfer	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

¹ Information in transfer pricing country profiles is provided directly by jurisdictions. By publishing the transfer pricing country profiles on the OECD website, the OECD does not certify the accurateness of the information provided therein. Importantly, transfer pricing country profiles published on the OECD website are made available to stakeholders for information purposes only, and are not intended to be used in substitution to a jurisdiction's legal instruments, jurisprudence, or administrative guidance or practice nor relied on as an accurate and complete description of domestic law.

² For purposes of transfer pricing country profiles, the term "domestic transfer pricing framework" refers to a jurisdiction's domestic legislation, regulations, administrative guidance or practice, jurisprudence or governing general principles in the jurisdiction.

	<p>pricing purposes? If so, please provide the definition contained under your domestic transfer pricing framework.</p>	<p>New Zealand's transfer pricing rules apply to cross-border arrangements between associated persons, based on 50% or greater common shareholding or effective control. Section GB 2 can extend the application of sections GC 7-10 to non-associated parties where there is a collateral arrangement (such as a market-sharing arrangement, an arrangement to enter into a particular market, a back-to-back supply arrangement or an income-sharing arrangement).</p>													
<h3>Transfer Pricing Methods</h3>															
4	<p>Does your domestic transfer pricing framework provide for transfer pricing methods to be used in respect of transactions between related parties?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If affirmative, please check those provided for in your legislation:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>CUP</th> <th>Resale Price</th> <th>Cost Plus</th> <th>TNMM</th> <th>Profit Split</th> <th>Other (<i>If so, please describe</i>)</th> </tr> </thead> <tbody> <tr> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>	CUP	Resale Price	Cost Plus	TNMM	Profit Split	Other (<i>If so, please describe</i>)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Section GC 13(2) of the Income Tax Act 2007</p>				
CUP	Resale Price	Cost Plus	TNMM	Profit Split	Other (<i>If so, please describe</i>)										
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>										
5	<p>Which criterion is provided for in your domestic transfer pricing framework for the application of transfer pricing methods?</p>	<p>Please check all that apply:</p> <p><input type="checkbox"/> Hierarchy of methods <input checked="" type="checkbox"/> Most appropriate method <input type="checkbox"/> Other (<i>if so, please explain</i>)</p>	<p>Sections GC 13(1) to (3) of the Income Tax Act 2007</p>												
		<p>Under section GC 13(1), the method that produces the most reliable measure of the arm's length amount of consideration must be applied. Section GC 13(3) provides criteria for the choice and application of the method. New Zealand follows the detailed guidance in Chapter III of the OECD TPG.</p>													

6	<p>Does your domestic transfer pricing framework contain specific guidance on commodity transactions?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> For controlled transactions involving commodities, the guidance contained in paragraphs 2.18-2.22 of the TPG is followed.</p> <p><input type="checkbox"/> Domestic transfer pricing framework provides for the use of a specific method for controlled transactions involving commodities (<i>if so, please explain</i>)</p> <p><input type="checkbox"/> No</p>	<p>New Zealand's domestic transfer pricing legislation explicitly refers to the OECD Transfer Pricing Guidelines 2022 and requires domestic rules apply consistently with these.</p>
Comparability Analysis			
7	<p>Does your jurisdiction follow (or largely follow) the guidance on comparability analysis outlined in Chapter III of the TPG?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	<p>Section GC 13(3) of the Income Tax Act 2007</p> <p>Under section GC 13(3), the choice and application of a transfer pricing method must be made having regard to the degree of comparability between the uncontrolled transactions used for comparison and the controlled transactions of the taxpayer.</p> <p>New Zealand's domestic transfer pricing legislation explicitly refers to the OECD Transfer Pricing Guidelines 2022 and requires domestic rules apply consistently with these.</p>
8	<p>Is there a preference in your jurisdiction for domestic comparables over foreign comparables?</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>	<p>Comparability analysis</p> <p>Appropriately selected overseas data is accepted where the source market is sufficiently comparable. Australia is generally recognised as a sufficiently comparable market.</p>
9	<p>Does your domestic transfer pricing framework permit the use of secret comparables for transfer pricing assessment purposes?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	<p>It is legally possible, the domestic legislation provides for the use of secret comparables, but in practice, secret comparables are not used.</p>

10	<p>Does your domestic transfer pricing framework allow or require the use of an arm's length range and/or statistical measure (e.g. the interquartile range or other percentiles) for determining arm's length remuneration?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Rather than requiring the use of an arm's length range and/or statistical measures, New Zealand focuses on the reliability of a comparable or comparables and allows the use of an arm's length range and/or statistical measures in appropriate circumstances. Where a range comprises results of relatively equal and highly reliable comparables, then any point in the range can be regarded as arm's length.</p>	
11	<p>Are comparability adjustments required under your domestic transfer pricing framework?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>The use of comparability adjustments is justified to the extent that comparability is improved to arrive at arm's length pricing.</p>	
Intangible Property			
12	<p>Does your domestic transfer pricing framework contain guidance specific to the pricing of controlled transactions involving intangibles?</p>	<p><input checked="" type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter VI of the TPG? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (please provide further explanations below) <input type="checkbox"/> No</p> <p>New Zealand's domestic transfer pricing legislation explicitly refers to the OECD Transfer Pricing Guidelines 2022 and requires domestic rules apply consistently with these.</p>	
13	<p>Are there any other rules outside your transfer pricing framework that are relevant for the pricing of controlled transactions involving intangibles?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	

Hard-to-Value Intangibles

14	<p>Does your domestic transfer pricing framework contain guidance specific to hard-to-value intangibles (HTVI)?³</p>	<p><input checked="" type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow the guidance on HTVI in Chapter VI of the TPG?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No (please provide further explanations below)</p> <p><input type="checkbox"/> No</p>	
15	<p>If your jurisdiction applies the HTVI approach, what are the conditions for the application of the HTVI approach?</p>	<p>The conditions for the application of the HTVI are those set out in Chapter VI of the OECD Transfer Pricing Guidelines.</p>	
16	<p>Are transactions falling within the scope of the HTVI approach subject to a transfer pricing analysis different from the one established in Chapters I and VI, or to other compliance requirements specifically applicable to transfer prices (e.g. domestic anti-abuse rules)?</p>	<p>No.</p>	
17	<p>What is the statute of limitations applicable to transactions falling within the scope of the HTVI approach in your domestic transfer pricing framework? Does this statute of limitations differ from those applicable to other transactions?</p>	<p>The statute of limitations for all transfer pricing transactions, including HTVI, is seven years after the tax year in which the relevant tax return was originally filed, if the Commissioner notifies the taxpayer that a tax audit or investigation has commenced within four years of the tax return filing. If no such notification has been provided, the statute of limitations is four years.</p>	
18	<p>Can taxpayers request a bilateral or multilateral advance pricing agreement (“APA”) for transactions</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	

³ In the case of jurisdictions that do not apply the HTVI approach (i.e. they responded “no” to question 14), it is not necessary to respond to the remaining questions in the HTVI section and these questions will not be published as part of jurisdiction’s transfer pricing country profile.

	falling within the scope of the HTVI approach under your domestic transfer pricing framework?		
19	What measures exist or approaches have been adopted to avoid the use of hindsight (e.g. training of tax administrators, internal circulars/informative notes)?	The HTVI approach has been implemented through the incorporation of the OECD Transfer Pricing Guidelines in their entirety, including the relevant safeguards, and is supported by internal training.	
20	Is it possible for your tax administration to make adjustments under the HTVI approach in open years amounts pertaining to closed years?	<input type="checkbox"/> Yes <input type="checkbox"/> No Other: Adjustments are generally made in the income year to which they relate.	
21	Does your domestic transfer pricing framework allow the tax administration to make corresponding adjustments under the HTVI approach in open years for amounts pertaining to closed years?	<input type="checkbox"/> Yes <input type="checkbox"/> No Other: Adjustments are generally made in the income year to which they relate.	
22	Is it possible for your tax administration to make several adjustments for one single HTVI transaction under the HTVI approach?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Intra-group Services

23	Does your domestic transfer pricing framework provide guidance specific to intra-group services transactions?	<input checked="" type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter VII of the TPG? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (please provide further explanations below) <input type="checkbox"/> No	New Zealand's domestic transfer pricing legislation explicitly refers to the OECD Transfer Pricing Guidelines 2022 and requires domestic rules apply consistently with these.

24	<p>Does your domestic transfer pricing framework provide for or allow the application of a simplified approach for low value-adding intra-group services?</p>	<p><input checked="" type="checkbox"/> Yes. If so, does it follow (largely follow) the low value-adding services approach in Chapter VII?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No (please provide further explanations below)</p> <p><input type="checkbox"/> No</p>	<p>Simplification measures for transfer pricing</p>
25	<p>Are there any other rules outside your transfer pricing framework for pricing intragroup services?</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>	
Financial Transactions			
26	<p>Does your domestic transfer pricing framework provide guidance specific to financial transactions?</p>	<p><input checked="" type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter X of the TPG?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No (please provide further explanations below)</p> <p><input type="checkbox"/> No</p>	
27	<p>Are there any other rules outside your transfer pricing framework that are relevant for the tax treatment of financial transactions? (e.g. whether your jurisdiction has implemented the measures in BEPS Action 4 to limit interest deductions and other financial payments or any similar rules)</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>A general summary is as follows:</p> <ol style="list-style-type: none"> 1. Interest expenditure must meet the requirements of the normal deductibility rules. 2. Interest deductions are subject to the thin capitalisation regime. 	

		3. New Zealand has implemented interest limitation rules for cross-border related borrowing.	
Cost Contribution Arrangements			
28	Does your jurisdiction allow cost contribution arrangements?	<p><input checked="" type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter VIII of the TPG?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No (please provide further explanations below)</p> <p><input type="checkbox"/> No</p>	
<p>New Zealand's domestic transfer pricing legislation explicitly refers to the OECD Transfer Pricing Guidelines 2022 and requires domestic rules to be applied consistently with these.</p>			
Transfer Pricing Documentation			
29	Does your domestic transfer pricing framework require the taxpayer to prepare transfer pricing documentation?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p><i>If affirmative, please check all that apply:</i></p> <p><input checked="" type="checkbox"/> Master file consistent with Annex I to Chapter V of the TPG</p> <p><input checked="" type="checkbox"/> Local file consistent with Annex II to Chapter V of the TPG</p> <p><input checked="" type="checkbox"/> Country-by-country report consistent with Annex III to Chapter V of the TPG</p> <p><input type="checkbox"/> Specific transfer pricing returns (separate or annexed to the tax return)</p> <p><input type="checkbox"/> Other (specify):</p> <p>There is no explicit statutory requirement to prepare a Master file or Local file. However, New Zealand's tax system operates on a self-assessment basis, where the taxpayer is required to keep sufficient records to support its tax position. This includes transfer pricing documentation for material transfer pricing risks.</p>	<p>Section 22 of the Tax Administration Act 1994 (Tax Administration Act 1994 No 166 (as at 01 April 2021), Public Act Contents – New Zealand Legislation)</p>

30	Please briefly explain the relevant requirements related to each transfer pricing documentation requirement (i.e. timing for preparation or submission, languages, etc.)	There is no explicit statutory requirement to prepare a Master file or Local file. New Zealand's tax system operates on a self-assessment basis, where the taxpayer is required to keep sufficient records to support its tax position. This includes transfer pricing documentation for material transfer pricing risks.	
31	Does your domestic transfer pricing framework provide for specific transfer pricing penalties and/or compliance incentives regarding transfer pricing documentation?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	General tax penalties may apply where an adjustment is made by Inland Revenue, normally 20% to 40% of the tax shortfall. Determination of the penalties focuses on culpability and the level of co-operation by the taxpayer.
32	Does your domestic transfer pricing framework provide for exemption from transfer pricing documentation obligations?	<input type="checkbox"/> Yes <input type="checkbox"/> No	N/A

Administrative Approaches to Avoiding and Resolving Disputes

33	Which mechanisms are available in your jurisdiction to prevent and/or resolve transfer pricing disputes?	Please check those that apply: <input checked="" type="checkbox"/> Rulings <input checked="" type="checkbox"/> Enhanced engagement or cooperative compliance programmes <input checked="" type="checkbox"/> Advance Pricing Agreements (APA) <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Unilateral APAs <input checked="" type="checkbox"/> Bilateral APAs <input checked="" type="checkbox"/> Multilateral APAs <input type="checkbox"/> International Compliance Assurance Programme (ICAP) <input checked="" type="checkbox"/> Mutual Agreement Procedures	New Zealand's MAP Profile
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	<input type="checkbox"/> Other (please specify): Further information on New Zealand's APA programme can be found at Advance pricing agreements (ird.govt.nz) . (Note, in New Zealand a Unilateral APA is a Ruling). Further information on New Zealand's MAP programme can be found at Mutual agreement procedure (MAP) (ird.govt.nz) .	
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Simplified and Streamlined Approach for Baseline Marketing and Distribution Activities

34	Does your domestic transfer pricing framework allow the application of the simplified and streamlined approach for baseline marketing and distribution activities in the relevant Annex of Chapter IV of the TPG?⁴	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Other (please elaborate)	
37	Does your jurisdiction respect the outcome of the application of the simplified and streamlined approach by a covered jurisdiction in line with the Inclusive Framework political commitment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Safe Harbours and Other Simplification Measures

39	Does your jurisdiction provide for any safe harbours or other simplification measures in respect of certain industries, types of taxpayers, or types of transactions (not listed in other sections of this questionnaire)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Simplification measures for transfer pricing (ird.govt.nz)
		Simplification measures are available for low value-adding intra-group services in accordance with OECD TPG; interest rates for small value loans where the loan principal does not exceed NZ\$10m in total per year; and small wholesale distributors with a turnover under NZ\$30m per year.	

⁴ In the case of jurisdictions that do not apply the simplified and streamlined approach (i.e. they responded "no" to question 34), it is not necessary to respond to questions 35, 36 and 38 and these questions will not be published as part of jurisdiction's transfer pricing country profile.

Other Legislative Aspects or Administrative Procedures

40	<p>Does your domestic transfer pricing framework allow downward corresponding adjustments in the absence of a mutual agreement procedure (e.g. unilateral corresponding adjustments)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>New Zealand's administrative practice is to implement downward corresponding adjustments through the mutual agreement procedure.</p>
41	<p>Does your domestic transfer pricing framework allow or require taxpayers to make year-end adjustments?</p>	<p><input type="checkbox"/> Yes. Year-end adjustments are required. <input checked="" type="checkbox"/> Yes. Year-end adjustments are allowed. <input type="checkbox"/> No</p>	<p>Year-end adjustments may be made to ensure that transfer prices and resulting taxable income are consistent with the arm's length principle.</p> <p>Sections GC 7 & 8 of the Income Tax Act 2007</p>
42	<p>Does your domestic transfer pricing framework provide for secondary adjustments?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>A primary adjustment made by Inland Revenue may give rise to a deemed dividend and the potential application of non-resident withholding tax.</p>	

Attribution of Profits to Permanent Establishments

43	<p>Which version of Article 7 of the OECD Model Tax Convention on Income and on Capital do your tax treaties contain?</p>	<p><input checked="" type="checkbox"/> Article 7 as it read before 2010.</p> <p><input type="checkbox"/> If so, please indicate in how many treaties: 41</p> <p><input type="checkbox"/> Article 7 as it reads after 2010.</p> <p><input type="checkbox"/> If so, please indicate in how many treaties:</p> <p><input type="checkbox"/> Other (please provide additional details)</p>	Branches
44	<p>For tax treaties containing Article 7 as it read before 2010, does your jurisdiction apply the authorized OECD approach (AOA)?</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No (please explain the approach used and which tax treaties are concerned)</p> <p>New Zealand applies the commentary to Article 7 as published in the 2005 version of the OECD Model Tax Convention. New Zealand has made a specific reservation to the 2010 commentary of Article 7 and an observation in the 2008 commentary to Article 7 of the Model Tax Convention.</p>	Branches
45	<p>Does your domestic transfer pricing framework contain specific guidance for the attribution of profits to permanent establishments of non-resident entities? If so, please provide a summary of the main features of this guidance.</p>	<p><input type="checkbox"/> Yes, they follow the AOA as described in the 2008 Report on the Attribution of Profits to Permanent Establishments</p> <p><input type="checkbox"/> Yes, they follow the AOA as described in the 2010 Report on the Attribution of Profits to Permanent Establishments</p> <p><input type="checkbox"/> Yes, they do not follow the AOA (please provide a summary of the main features of these rules)</p> <p><input checked="" type="checkbox"/> No</p> <p>No specific domestic guidance is provided, in practice the approach is consistent with the commentary to Article 7 as published in the 2005 version of the OECD Model Tax Convention.</p>	Branches

Other Relevant Information		
46	Other legislative aspects or administrative procedures regarding transfer pricing	N/A
47	Other relevant information (e.g. <i>whether your jurisdiction is preparing new transfer pricing regulations, or other relevant aspects not addressed in this questionnaire</i>)	N/A

For more information, please visit: <https://www.oecd.org/en/topics/sub-issues/transfer-pricing/transfer-pricing-country-profiles.html>