

MEDIA RELEASE

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NZ Private Capital supports tax change for start-ups

NZ Private Capital is pleased to have supported one of the tax-related Covid-19 measures announced by the Government this week. The changes to the tax loss continuity rules is good news for SMEs and start-up businesses.

NZ Private Capital has long advocated changes to tax loss continuity rules to make it easier for firms to raise new capital without losing the tax benefit of their existing losses. This is a useful initiative particularly for start-up companies if the new rules apply to historic losses, not just to new losses.

NZ Private Capital has been pushing for this “same business test” for a few years in collaboration with the Angel Association, BusinessNZ and the Corporate Taxpayers Group. We are grateful to Russell McVeagh who advised the group and led discussions with officials.

NZ Private Capital is a not-for-profit industry association committed to developing the venture capital and private equity industry in New Zealand. Its core objectives include the promotion of the industry and the asset class and to develop a world-leading venture capital and private equity environment for the benefit of investors and entrepreneurs in New Zealand.

New Zealand Private Capital aims to foster understanding that private equity and venture capital firms accelerate the ambition of New Zealand business owners through operational improvement and investment performance.

New Zealand is home to many examples of private capital partnering with companies to improve growth and performance, to share expertise and capital. This ultimately delivers improved productivity, creates jobs and contributes to the national economy.

Association members include venture capital and private equity investors, financial organisations, professional advisors, academic organisations and government or quasi-government agencies.

Its activities cover the spectrum of investment in New Zealand private capital including Angel investment, seed and early-stage venture capital through to expansion capital and private equity (including management buy-outs and buy-ins).

The association also helps businesses navigate and understand the Private Equity and Venture Capital world. Markets and growth require the free flow of capital and the association provides an important role in linking business owners with investors.

ENDS

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