

New Zealand optional convertible note tax avoidance case settled out of court

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On 18 February 2014, DuluxGroup, the Australian parent company of Alesco New Zealand Limited, announced that it had made an out-of-court settlement with Inland Revenue to end its optional convertible note financing tax avoidance test case. The High Court and Court of Appeal had found in favour of Inland Revenue, but Alesco had appealed to the Supreme Court. For prior coverage, see [New Zealand Supreme Court to hear Alesco tax avoidance appeal](#). That appeal will not now proceed.

Other companies still have tax in dispute (estimated to amount to NZD 300 million) arising from the use of optional convertible notes or mandatory convertible notes to finance the acquisition of New Zealand companies.

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