Tax Alert

A focus on topical tax issues – March 2016

In this issue

Inland Revenue audits are fun and friendly! Or so Inland Revenue's latest video suggests

Peering into tax: bad debts and P2P lending

Engaged in R&D? The R&D loss tax credit regime is a go!

What information should you file with your tax return?

Comical Australian employee deduction case highlights New Zealand's pragmatic rule

Inland Revenue audits are fun and friendly! Or so Inland Revenue's latest video suggests

By Kylie Saunders

Continued on page 2...

Kylie Saunders
Manager, Tax & Private
+64 (3) 3633783
ksaunders@deloitte.co.nz

Inland Revenue ('IR') has just released an informative video explaining how IR audits operate for small and medium enterprises. If the high-vis vest worn by the video's key actor doesn't spark your attention, the British accent combined with the fun and friendly delivery definitely will.

The **video** entitled "All about Inland Revenue Audits" outlines what IR perceives a business needs to know about the risk review and audit process. It intends to allay fears and answer taxpayer concerns about how investigations occur in practice. It is part of IR's new suite of YouTube videos helping to make tax easier, which all feature (surprisingly) actual IR employees.

The video is clear and summarised and it recognises and respects how nervous people can be about receiving a risk review or audit letter from IR. In trying to put taxpayers at ease, it states "We've found that most businesses are doing the right thing", and that "the purpose of an audit is to ensure you pay the right amount of tax". Sounds fine so far, right?

What the video does not explain is that investigators have certain audit performance targets to achieve and that there is an objective of obtaining a tax adjustment against the taxpayer in almost all investigations. The rate of return required on an investigation is over $600/hour to meet Treasury's expected return on the Government's investment in IR audit resources. It is important to note in this respect that, in the year ended 30 June 2015, IR's audit division achieved 100% of its performance targets for the year.

Having moved to Deloitte after eight years as an IR investigator only six months ago, I can tell you that the commercial and professional side of life is very different from being part of IR as the investigator. There is a considerable difference in terms of how investigations are viewed and experienced from the taxpayer/client perspective. What the video portrays is a very positive and helpful audit experience. It even goes so far as to suggest that a refund might be assessed if a business has paid too much tax.

When a business receives a risk review or audit letter, this can create a lot of stress, even in businesses whose tax affairs are well managed. The best way to get through an audit is to know what to expect and how to go about making the experience easier for you and your business.

If you receive a risk review or audit letter, I definitely recommend watching the video to at least give you an understanding of the audit procedure, and maybe something to laugh about.

I do however offer the following reality checks, so you can go into the process with eyes wide open:

- The video mentions the interview that will be conducted and depicts a nice casual meeting with the investigator. I have been part of meetings that were just like this, but certainly not all meetings will be like this. Also be aware that for the last couple of years all investigators have each been undergoing at least three days' worth of police investigative interviewing training, which can include recording of interviews. In light of this fact, it's likely that you'll feel far more comfortable having an experienced tax advisor attend the meeting with you. Two sets of eyes and ears in these situations are always better than one.

- One of the most frustrating questions arising for businesses undergoing an audit is "How long will the audit take?" The video states that every audit is different and that when the investigation starts, the investigator will provide an estimate of the time the audit will take. This is a fairly vague statement, but the reality is that the timeline will align with the investigator's timeliness performance targets; they will generally be unable to notify any timeline exceeding 12 months in the initial audit letter. This is despite knowing that they will likely be in the lives of some businesses for years. Whilst Deloitte have had great success in reducing the length of audits, sometimes it is just easier to understand and accept they could be around for a long time. The potential for disruption of your business, if an audit is not carefully and strategically managed with expert assistance, should not be underestimated.

I also warn, to not think for a second, that when delay in an audit is caused by the investigator, that they will not bring out the thumb screws when they want a time bar waiver signed to hold open their ability to reassess a tax return that is over four years old. Again, decisions around whether to sign a time bar waiver should be fully informed; that harmless looking form can have significant consequences.

One of the most frustrating questions arising for businesses undergoing an audit is "How long will the audit take?"

My favourite statement in the entire video is that "We do everything we can to minimise the demands on your time". In dealing with some of the risk review and audit request lists received for clients, I have found incidences where different investigators on the same audit will have their own separate request lists and timeframes, with the extremely frustrating result of having to repeat the same information over and over to different people. Often these requests come with response dates set for the first week of January, or anytime in March: neither of which is helpful for businesses and their tax advisors.

If you are faced with these issues, please don't be afraid to discuss with investigators straight away any unreasonable timeframes or delivery targets, and if dealing with the investigator does not work out, try their team leader and manager. Their phone numbers are in the initial audit letter for good reason, and due to workloads and their management focus they do generally get more pragmatic the further they sit up the chain.

We suggest the following important actions in order to seek to reduce the length, breadth and potentially the cost of any audit:

Continued on page 4...

- Involve your Deloitte tax advisor early on in any audit interaction. Sometimes just a sense check over what the investigator is asking for, and the timeframes involved, can be modified to save time, reduce stress in busy periods and reduce energy spent in compiling answers. There are also definite "do's" and "don'ts" to be aware of when investigators are on your premises in terms of managing access to staff and records.

- Have Deloitte review all responses before providing to IR. If an error has occurred, we can voluntarily disclose this to the investigator which can reduce penalties. This also signals to the investigator that you want your taxes to be correct.

- Evidence of internal tax reviews, such as tax governance reviews, fringe benefit tax and goods and services tax reviews can be another signal to an investigator of an intention to comply with all taxes. Whilst the full output report of the review would generally not be provided to an investigator, sometimes a redacted version can assist in speeding up an audit.

- Just generally have a chat with us. There are often workarounds, allowances and remissions provided for in the tax system as well as published standard practice that IR staff should be complying with, which are not necessarily common knowledge that could save you money when it comes to finalising an audit. Sometimes IR can also deliver a technically incorrect assessment proposal – so tapping into the breadth of knowledge and depth of experience of the national Deloitte tax group could eliminate any assessment at all.

Despite my cynicism, overall this is an informative video which may allay some IR audit fears and eliminate some sleepless nights. However, our message is to watch the video with a grain of salt and not be lulled into a false sense of security. Audits can easily turn into long drawn-out, stressful affairs if not handled correctly from the outset. Best practice is to be forewarned and invest time in managing your tax affairs well in advance of any audit.

For more information about IR audits, please contact the author or your usual Deloitte tax advisor.

Overall this is an informative video which may allay some IR audit fears and eliminate some sleepless nights

Troy Andrews
Director, Tax & Private
+64 (9) 3030729
tandrews@deloitte.co.nz

Peering into tax: bad debts and P2P lending

By Troy Andrews

The Financial Markets Authority (FMA) has been world leading in establishing a regulatory framework for Peer to Peer lenders to operate in New Zealand. The FMA designed a specific regime for the disruptive new industry, rather than scratching their head with 'square peg round hole' syndrome, like other jurisdictions. On the other hand, the New Zealand Inland Revenue has not yet looked to modernise its policy settings to support the FMA, around the taxation of Peer to Peer loans in New Zealand.

The taxation of investors goes to the heart of the fractionalised peer to peer lending model that some providers offer, like Harmoney. To recap on this model, investors are encouraged to take small amounts of risk on a large number of borrowers by investing in small loan notes, lending directly through an online platform. The blended return (i.e. income and losses) on these notes provides an overall yield that is meant to outperform a bank deposit or another instrument that is issued through an intermediary. The model is supposed to be win-win – as there is no intermediary, the borrower can borrow at lower rates and the investor should receive a better blended return as the saving of having no intermediary is shared. In an ideal world, there should be no tax bias for the investor. The overall "yield" should be subject to income tax, just like any other loan or bank deposit product would be. Unfortunately, New Zealand is not an ideal world.

The starting point of taxation in New Zealand is not to look at the overall yield from an investor's portfolio, but to break it up into income and losses and test whether the income or loss on a particular loan is taxable or deductible. For gains and income (interest), the answer is easy as it is always taxable. However, for losses it is not straight forward. A loss for borrower default is only allowed where a bad debt deduction can be claimed. In order to claim a bad debt deduction for the principal on a loan, the investor needs to establish that they

Continued on page 6...

are in the business of holding or dealing in financial arrangements (loans) (among other criteria). This is not a new test as the rule has been around for a long time. The rule applied to prevent relief for a lot of investors in failed finance companies last decade. Inland Revenue also published some uncompromising guidance on how these rules applied at that time. Investors in other asset classes, like equities, have also had to be conscious of a similar test as to whether their activities might give rise to a "business" (and question whether shares are held on revenue account and are taxable).

Peer to peer lending is a disruptive business model

There is case law and guidance that helps determine whether a taxpayer's activities will constitute being in business, but it is not a simple exercise. There is limited case law that applies the test in the context of bad debts (see Z 21 TRA No. 22/2008 and H27 (1986) 8 NZTC 264). In both cases the court held that the test was satisfied. In Z 21, the court set out a number of factors that are relevant to apply, being:

- The nature of the activity
- Period of activity
- Scale of operations
- Volume of transactions
- Pattern of activity
- Commitment of money
- Commitment of time and effort
- Financial results.

In Z21, there were only three loan transactions but this was held to be for a material amount of loan capital. There was little in the way of 'business infrastructure' but there was a lot of due diligence and care that was put into each loan (and recovery/collections). The court found that this was 'only just' enough to satisfy the bad debt test and allowed a bad debt deduction.

Peer to peer lending is a disruptive business model. This means that the traditional factors that might be relevant (e.g. in testing whether you have sufficient activity to constitute a business) may not be appropriate. In that context, applying these factors to peer to peer lending investors is difficult and brings uncertainty. If the peer to peer platform takes care of all of these functions, can an investor ever be confident that they meet the test of being in business (unless they also have other lending activities)? One view might be that the platform is undertaking some activities "on behalf" of the investors. Another view might be that you still need to consider each investor's own actions and the amount of activity they have on the platform (and otherwise). In any case taking a tax position is not clear and will depend on each investor's own analysis of whether they are "in business" or not. Investors may also be wary of taking a tax position where a similar amount of activity is undertaken in relation to their equity investments and whether this constitutes a business (where your broker / share registry and share market undertake a lot of the business functions) – bearing in mind that the focus of the test may be different.

If the above tests do not give rise to a bad debt deduction, the outcome is out of kilter with the fractionalised peer to peer model, which relies on a blended return. In a bank scenario where an investor has money on deposit with a bank, the 'risk managing fractionalisation' (i.e. spreading risk) is undertaken by the bank. The bank is the taxpayer that needs to satisfy the bad debt threshold, rather than the investor into the bank (they would only need to satisfy this where the bank was in default). An easy example that demonstrates this tax bias is a scenario where Investor A holds 500 loan notes at $10 each (and let's say they have a 15% interest rate). Ten of the loan notes go bad and are written off with nothing collected. The remaining 490 loan notes return interest income of $735. The blended return (taking into account the loss of $100) is $635 (or 12.7% on the original $5,000 invested). From a tax perspective, the interest income of $735 is taxable (at say, 33% being the top marginal tax rate) whereas the loss of $100 may not be available if the bad debt deduction criteria is not met. In that case, the effective tax rate could be 38%. This is a sign that the policy settings need to be tested.

Inland Revenue generally encourages taxpayers to approach them and utilise the rulings system to get certainty. However, a private binding ruling is an expensive exercise for investors (where both Inland Revenue and advisors would charge a fee). A product ruling is often used where the impact is across a number of taxpayers. However, this doesn't work where each taxpayer will have slightly different facts and wouldn't be appropriate in the context of measuring whether an investor is in business or not. The other ruling types (like public rulings) and informal publications from Inland Revenue can be useful to understand how they will approach a situation. However, these are at the discretion of Inland Revenue. This means that the issue is in competition with a huge amount of other issues. With a number of resource intensive programmes currently underway at Inland Revenue, most requests are "added to the list".

There are other peer to peer lending business models that are evolving. In each case, the above tests need to be considered. This highlights that Inland Revenue need to modernise their framework for peer to peer lending – of all types – so that there is no tax bias for different models. This will ensure that the FMA's good work in putting New Zealand at the forefront of this booming global industry is not undone, but instead supported by a sensible and modern tax policy that investors can rely on with certainty.

Aaron Thorn
Partner, Tax & Private
+64 (3) 3633813
athorn@deloitte.co.nz

Engaged in R&D? The R&D loss tax credit regime is a go

By Aaron Thorn

On 24 February 2016, the Taxation (Annual Rates for 2015–16, Research and Development, and Remedial Matters) Bill ("the R&D Bill") finally received royal assent. The R&D Bill was originally introduced into Parliament over a year ago.

As the title suggests, a major feature of this bill are the new rules providing a tax credit for research and development (R&D) tax losses. Start-up companies engaged in R&D face high upfront costs and as a result are likely to have losses in the early years. Recognising that lack of cash flow is a real problem, New Zealand resident start-up companies engaged in intensive R&D will be able to "cash-out" losses by claiming 28% as a refundable tax credit starting from the 2015–16 income year. The amount a company can claim as a tax credit will be the lesser of the company's:

- net tax loss for the year x 28%, or
- total R&D expenditure for the tax year x 28%, or
- total R&D labour expenditure for the year x 1.5 x 28%

The amount of credit is capped. For the 2016 income year the amount is $140,000 (representing an R&D spend of $500,000). This will rise progressively to $560,000 by the year 2020–2021 (representing an R&D spend of $2,000,000). Cashed out R&D losses are forfeited meaning that the benefit of the losses is available immediately rather than only becoming usable once the start-ups achieve trading profits.

The R&D loss tax credits are repayable (as a clawback) in certain circumstances to the extent that the company has yet to pay tax in excess of the R&D credits received. Clawback events include where less than 10% of the shareholders remain from when the credit was received, the company disposes of or transfers the intangible property down the track, or the company is put into liquidation. Losses are reinstated in such instances.

To qualify for the regime, companies must meet corporate eligibility and "wage intensity" criteria, have a net loss for the corresponding tax year and incur R&D expenditure. Further, the intellectual property and know-how that results from the R&D must vest in the company, solely or jointly.

The practicalities

Now that the rules are a reality and in force, eligible companies should be turning their attention to the practicalities. This includes ensuring there is appropriate project documentation, keeping suitable records to demonstrate they have carried out eligible R&D activities and have eligible expenditure in relation to those activities. It would be advisable for companies to set processes up correctly at the start of the income year to ensure this. Although given the rules have only just come into force now and the 2016 income year is almost complete, it may be a more difficult exercise to pull this information together for this first year.

Now that the rules are a reality and in force, eligible companies should be turning their attention to the practicalities

Inland Revenue will be using the Ministry of Business, Innovation and Employment (MBIE) Investment Management System (IMS) client portal for the R&D loss tax credit application process. To apply for the R&D loss tax credit taxpayer will first need to check they meet eligibility criteria and then register for IMS access to complete the application. If the taxpayer's registration satisfies the regime's requirements, they will receive an email with access to their IMS account.

Once registered, taxpayers claiming the tax credit are required (in addition to their normal income tax return) to file two other forms: a R&D activity statement and a R&D supplementary form. Both forms will be completed electronically within the MBIE's IMS.

If you would like to discuss how this new regime could benefit your business please don't hesitate to contact the author or your usual Deloitte advisor.

What information should you file with your tax return?

By Iain Bradley

Iain Bradley
Partner, Tax & Private
+64 (9) 3030905
ibradley@deloitte.co.nz

When filing a tax return disclosing business income, taxpayers have the option of providing a full set of financial statements or completing Inland Revenue's financial statement summary form, known as the IR 10.

It is Inland Revenue's preference for most taxpayers to provide financial information using the IR 10 form. Significant and large enterprises are an exception to this rule as Inland Revenue requires large taxpayers to provide a package of information, including financial statements, which are part of Inland Revenue's risk assessment process.

The Inland Revenue's preference for other taxpayers to use the IR 10 arises because receiving information via an IR 10 significantly reduces Inland Revenue's administrative costs in processing the data. Inland Revenue also suggest that completing the IR 10 saves businesses in compliance costs because it saves 45,000 additional businesses from having to complete Statistics New Zealand surveys. That may be so, but given the prescribed nature of the IR 10, there has been a longstanding concern amongst many tax advisors as to whether taxpayers have the same time bar (or "statute bar") protection provided by section 108 of the Tax Administration Act 1994 ("the time bar") when only the prescribed information is provided instead of a full set of financial statements.

Essentially, the time bar forces Inland Revenue to conduct and close out investigations on a timely basis

To address this concern, Inland Revenue has released a **draft operational statement**, *Filing an IR 10 and section 108 of the Tax Administration Act 1994*. This draft operational statement sets out how Inland Revenue will apply the time bar to IR 10s.

Background

The time bar prevents Inland Revenue from amending an assessment to increase the amount of tax payable if four years have passed since the end of the tax year in which the taxpayer provides its tax return. The time bar operates to draw a line in the sand by providing certainty and closure for taxpayers as, after the expiry of the time bar period, the return cannot be reopened and the assessment increased. Essentially, the time bar forces Inland Revenue to conduct and close out investigations on a timely basis. However, the time bar will **not** apply where the tax return provided is fraudulent, wilfully misleading or "does not mention income which is of a particular nature or was derived from a particular source, and in respect of which a tax return is required to be provided". The disclosure of income to Inland Revenue is therefore critically important to ensure time bar protection.

Historically, the early form of the IR 10 contained a random bunch of numbers which didn't necessarily reconcile to the financial statements and was actually quite cumbersome to complete. With the added concern that taxpayers were potentially not making adequate mention of all types and sources of income when completing the IR 10, many tax advisors advised clients to submit full financial statements as a protection.

As a general rule, the financial information given to Inland Revenue should amount to the "disclosure" of income where there is sufficient factual information relating to the item to draw Inland Revenue's attention to the possibility that the item may be assessable income. That is, it is not necessary for the taxpayer to treat the item as income; but merely that the item has been mentioned in the tax return, financial statements, IR 10 or drawn to Inland Revenue's attention in some way (such as submitting a IR 282 statement to support a tax interpretation taken).

Continued on page 12...

IR 10s and the draft operational statement

Importantly, the IR 10 form was redesigned in 2012. The changes gave taxpayers a greater ability to disclose income, gains and receipts that may or may not be necessarily classed as taxable income. Where taxpayers complete an IR 10, they are now specifically asked to mention (at box 53) all untaxed realised gains and receipts. The changes to the IR 10 also limit the potential discrepancies between amounts recorded on the IR 10 and what would be contained in a taxpayer's financial statements.

Inland Revenue has now released draft guidance regarding when the time bar will apply to taxpayers in certain scenarios:

- Where the IR 10 is completed and discloses the income, gain or receipt, the time bar will apply; and
- Where the IR 10 is fully completed and consistent with the financial statements but it does not disclose the income, gain or receipt due to limitations with the IR 10 form, the approach will be:
  - » If the financial statements disclose the income, gain or receipt (regardless of whether the financial statements have been provided to Inland Revenue at the time of filing the return), the time bar will apply; and
  - » If neither the IR 10 nor the financial statements disclose the income, gain or receipt, the time bar will not apply (when supported by a senior Inland Revenue manager).

The IR 10 form was redesigned in 2012

The need to prepare financial statements that meet minimum requirements

With recent changes to financial reporting rules, many companies are no longer required to prepare financial statements that comply with generally accepted accounting practice ("GAAP"). However companies that do not prepare GAAP financial statements will be required to prepare financial statements in accordance with Inland Revenue's **minimum requirements**. Furthermore, subsidiaries of New Zealand companies that prepare consolidated financial statements in accordance with GAAP are now also expected to prepare their own financial statements and will need to apply the new minimum financial reporting requirements to each subsidiary individually. The key point to note is that companies do not need to attach and file these minimum requirement financial statements with the income tax return, but they do at least need to prepare them and have them on hand in the event of an Inland Revenue information request or audit. If a company chooses not to attach and file these financial statements with the tax return, they should then prepare an IR 10 and file this instead.

To complete the IR10 or not, that is the question?

While Inland Revenue states that completing the IR 10 may save a business from completing statistics surveys, there still is a compliance cost of having your accountant complete the summary in addition to preparing financial statements. We'd say it is therefore, at best, neutral on the compliance cost issue.

If the IR 10 is completed, there is now a box for taxpayers to disclose all receipts which may not be taxable income. Some taxpayers may feel they are perhaps asking for audit attention if they complete the IR 10 including what they have self-assessed to be a non-taxable amount in box 53.

It is a timely reminder for taxpayers and their advisors to reflect on what information taxpayers are providing

The key takeaway point is that taxpayers and their advisors must carefully consider how income, gains and receipts are disclosed in the underlying financial statements and IR 10 where one is prepared. If the IR 10 is used, it should be fully completed and fully consistent with the underlying financial statements.

The risk arises where a taxpayer self-assesses that a particular receipt is not taxable and does not include or mention it in the financial statements or IR 10. If Inland Revenue were to successfully challenge that the amount received was income, then the time bar rule would not apply to that tax return.

While the statement is in draft, it is a timely reminder for taxpayers and their advisors to reflect on what information taxpayers are providing with tax returns.

The deadline for comments is 24 March 2016. For further information, please don't hesitate to contact your usual Deloitte advisor.

Brad Bowman
Senior Consultant,
Tax & Private
+64 (9) 303 0885
bbowman@deloitte.co.nz

John Lohrentz
Consultant
+64 (3) 303 0736
jlohrentz@deloitte.co.nz

Comical Australian employee deduction case highlights New Zealand's pragmatic rule

By Brad Bowman and John Lohrentz

New Zealand's Income Tax Act 2007 provides for an employment limitation, which denies a deduction for expenses incurred in deriving employment income. This means salary and wage earners are generally prevented from claiming deductions for expenditure incurred in deriving their salary and wages (i.e. employment income).

In contrast, Australia's tax rules do not have an equivalent employment expense limitation rule and the recent, highly amusing, Australian case of **Ogden v Commissioner of Taxation** highlights the issues that can arise as a result and a stark difference between New Zealand and Australia's tax rules.

The Ogden case

Mr Ogden was employed by IBM as a professional sales commission agent. He was paid a base salary which was supplemented by sales commissions and incentives. Largely working from home, he would spend much of his time travelling to clients. If he had to go into IBM's premises to work, he would make do with a hot desking arrangement. Over a period of two years Mr Ogden claimed a wide range of work-related and home office expenditure as deductible, including:

- Secretarial services of AU$5,388 provided by Mr Ogden's seven year old son. The Court held that these services amounted to no more than his son running up the stairs when the phone was ringing;

- Costs for overtime meals which included popping down to the local St George leagues Club which it turned out was a five-minute drive from his home; food acquired at a BP service station on the way to a family vacation to the snow which Mr Ogden felt justified in claiming because he had worked over 10 hours that day;

- Rubber soled shoes to prevent static electricity from destroying his laptop;

- Stationery, including a "Dora the Explorer" pencil case, heart and star shaped stickers, crayons and art brushes;

- AU$1,000 of batteries for his small office calculator;

- The family groceries acquired on the day his tax agent visited (which were claimed as a cost of preparing the tax return); and

- Claims for sunscreen and sunglasses because he was in the sun for six hours a day when travelling in his car on business.

New Zealand phased out the ability to claim tax deductions relating to employment income in the mid 1990s

The dialogue is very entertaining as the Court explores Mr Odgen's reasons for claiming the expenditure. However, the Administrative Appeals Tribunal of Australia ("AATA"), unsurprisingly upheld the Commissioner's denial of these deductions claimed by Mr Ogden as they were "private expenditure, pure and simple". The AATA also referred back to the Commissioner, the issue of whether a shortfall penalty should be assessed on the basis that Mr Ogden failed to take reasonable care when complying with tax law.

Continued on page 16...

New Zealand's pragmatic rule

As highlighted by the *Ogden* case, the Australian approach of allowing deductions to be offset against employment income, while beneficial for taxpayers, does result in increased compliance costs for taxpayers, increased resource and policing requirements by tax authorities and the Courts. By way of contrast, New Zealand phased out the ability to claim tax deductions relating to employment income in the mid 1990s. One exception to the rule is that taxpayers are permitted to claim tax return preparation fees against employment income, but most taxpayers earning only salary and wages are not required to file tax returns in any event. The inability to claim deductions against employment income has certainly resulted in a much simpler tax system and the reason why equivalent cases do not come to court in NZ. Prior to the change, our case history is littered with many Taxation Review Authority decisions arguing deductions for employment related expenditure.

Recent press reports in Australia hint at the possibility that the Australian Government may be looking at options to simplify tax returns and the work-related tax deduction system. It remains to be seen whether Australia will look to follow New Zealand's lead on this issue.

While this case is at the extreme end of offending, it also serves as a reminder for small business owners to ensure deductions are supportable and reasonable.

For further information, please don't hesitate to contact your usual Deloitte advisor.

Follow us on Twitter
@DeloitteNZTax

Queries or comments regarding Alert can be directed to the editor, Veronica Harley, ph +64 (9) 303 0968, email address: vharley@deloitte.co.nz.

This publication is intended for the use of clients and personnel of Deloitte. It is also made available to other selected recipients. Those wishing to receive this publication regularly are asked to communicate with:

The Editor, Private Bag 115033, Shortland Street, Auckland, 1140.
Ph +64 (0) 9 303 0700.
Fax +64 (0) 9 303 0701.

New Zealand Directory

Auckland Private Bag 115033, Shortland Street, Ph +64 (0) 9 303 0700, Fax +64 (0) 9 303 0701
Hamilton PO Box 17, Ph +64 (0) 7 838 4800, Fax +64 (0) 7 838 4810
Rotorua PO Box 12003, Rotorua, 3045, Ph +64 (0) 7 343 1050, Fax +64 (0) 7 343 1051
Wellington PO Box 1990, Ph +64 (0) 4 472 1677, Fax +64 (0) 4 472 8023
Christchurch PO Box 248, Ph +64 (0) 3 379 7010, Fax +64 (0) 3 366 6539
Dunedin PO Box 1245, Ph +64 (0) 3 474 8630, Fax +64 (0) 3 474 8650
Internet address http://www.deloitte.co.nz

This publication is of a general nature, intended as a background briefing only. It is not intended to be relied upon as, nor to be a substitute for, specific professional advice. Although this document is based on information from sources which are considered reliable, Deloitte, its directors, employees and consultants, do not represent, warrant or guarantee that the information contained in this document is complete or accurate.

No liability will be accepted for any loss occasioned to any party acting upon or refraining from acting in reliance on information contained in this publication, nor does Deloitte accept any responsibility to inform you of any matter that subsequently comes to its notice, which may affect any of the information contained in this document. This publication is intended for the use of clients and personnel of Deloitte. It is also made available to other selected recipients. Material from Tax Alert may be reproduced with acknowledgement to Deloitte. As this document is prepared without consideration of any specific objectives, financial situation or needs, deals with aspects of the industry in question rather than its entirety and is time sensitive, a Deloitte partner should be consulted before any business decisions are made.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/nz/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

© 2015. For information, contact Deloitte Touche Tohmatsu Limited.