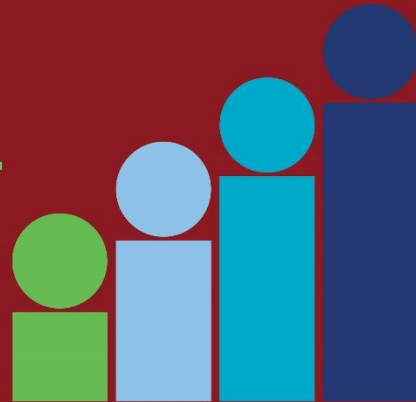


UHY HAINES NORTON NEWSLETTER

DECEMBER 2019



Merry Christmas
and
Happy New Year
from
UHY Haines Norton!

- 2019 Study Scholarship Winner
- GST on Overseas Supplies
- The Future of IRD Investigations

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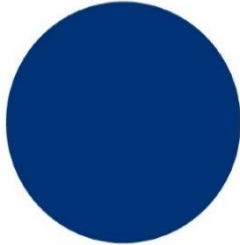
People you know, advice you can trust

Contents

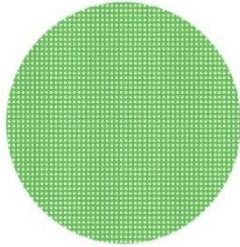
Welcome to our final newsletter for 2019! This issue contains articles on:



Holiday Office Hours

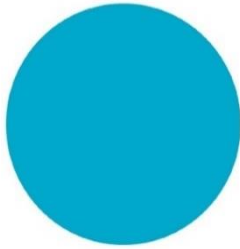


Winner Of The UHY Haines Norton Study Scholarship 2019



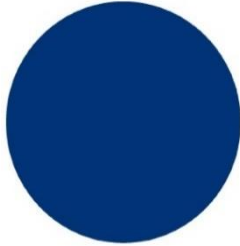
GST To Be Charged By Overseas Suppliers

The Future of IRD Investigations



Be A Responsible Host This Christmas

What Information Should A Tax Invoice Include?



Update From Past UHY Haines Norton Study Scholarship Winners

Taxing Matters December 2019

Staff News December 2019

Holiday Office Hours

Henderson Office, 22 Catherine Street

Closes 12:00pm Friday 20th December 2019 /

Re-opens 8:00am Monday 13th January 2020

Kumeu Office, 329A Main Road

Closes 12:00pm Friday 20th December 2019 /

Re-opens 8:30am Monday 13th January 2020

Helensville Office, 34 Commercial Road

Closes 12:00pm Friday 20th December 2019 /

Re-opens 8:30am Monday 13th January 2020

Auckland CBD Office, 253 Queen Street

Closes 12:00pm Friday 20th December 2019 /

Re-opens 8:30am Monday 13th January 2020

The Winner Of The UHY Haines Norton Study Scholarship 2019

We are excited to announce that the winner of the UHY Haines Norton Study Scholarship is Steven Philalom from Kelston Boys High School (KBHS).

Steven has consistently aimed for academic excellence at KBHS, where he is a Prefect. He has a particular affinity for commerce-related subjects, excelling in Accounting, Economics and Statistics.

In addition to a consistently strong academic record, Steven has been heavily involved in many of the committees and groups at KBHS. His work with the Youth Cyber Zone has enabled him to help raise mental health awareness for youth. In particular, he has had the opportunity to work with younger students who were struggling but didn't know how or where to go for help. Part of Steven's role in the Youth Cyber Zone was to be someone who listened without judging, and direct them towards options for getting help. He has also loved being involved in organising events such as Pink Shirt Day to raise funds in support of anti-bullying, Awareness Weeks, and a Prefect leadership role at this year's Year 9 camp.



Next year Steven plans to undertake a Bachelor of Commerce at Auckland University, majoring in accounting and information systems.

Steven's parents met in a refugee camp in Laos, and took the opportunity to immigrate to New Zealand to provide a better life for their family. Coming from a refugee background has shaped Steven's work ethic, as his parents have instilled in him the need to strive for academic excellence and take opportunities that were not available for them.

Steven was raised in West Auckland and loves the strong sense of community that the area has. He believes that West Aucklanders are generous and supportive of each other. "I have helped with on-street fundraising for the Cancer Society Daffodil Day several times," says Steven. "I've noticed how generous people are, going out of their way to donate anything they can afford. I think West Aucklanders understand and relate to each other really well."

In his spare time, Steven has a part time job at the local movie theatre - it's the perfect job for him as he loves movies. He also enjoys reading and was a Librarian at KBHS.

I asked Steven what is important to him: "Family. Friends. Having good mental health. And having a sustainable future".

UHY Haines Norton congratulates Steven on being the 2019 Study Scholarship recipient. We are excited to watch his tertiary journey and see where his studies will take him.

GST To Be Charged By Overseas Suppliers

As mentioned in our [Taxing Matters: August 2019](#) article, new GST rules for low-value imported goods have come into effect from 1st December 2019.

From 1st December 2019 onwards, overseas suppliers of goods are required to charge GST on their supplies to New Zealand customers.

These rules apply where the value of the goods (excluding GST) is NZ\$1,000 or less, known as “distantly taxable goods” (DTG), or sometimes known as “low value goods” (LVG). The [New Zealand Customs Service](#) will continue to levy GST on the higher value goods as the goods cross the border into New Zealand.



An overseas supplier of Distantly Taxable Goods is not required to charge GST where the purchaser of the goods is a GST-registered business that will be using the goods in its GST-taxable activity. However, the supplier will need proof of this before they can avoid charging GST. This can be done by letting the overseas supplier know your GST registration number or your [New Zealand Business Number](#) (NZBN) at the time your business makes the online purchase of the goods.

Overseas suppliers are also required to provide their New Zealand customers with prescribed documentation (GST receipt) to evidence that GST has been paid on the goods. This is designed to avoid double taxation where the Customs Service might be wanting to also charge GST on the goods.

The overseas suppliers of DTG must be registered for GST under the new rules before 1st December 2019 where the value of their annual supplies to end consumers within New Zealand are expected to exceed NZ\$60,000.

The Future of IRD Investigations

UHY Haines Norton's Head of Tax, **Jim Martin**, recently attended the [Chartered Accountants Australia and New Zealand \(CAANZ\) Tax Conference](#). Here he shares information from a session he attended on the Future of IRD Investigations, and the potential implications for New Zealand taxpayers.



The Australian Taxation Office (ATO) have been using powerful data analytics software for some time, and are working through the best ways of using the data efficiently and effectively. They are getting tough on the integrity and accuracy of filed data – near enough is no longer good enough as modern technology has given taxpayers the tools to ensure full compliance.

In New Zealand, the Inland Revenue Department (IRD) has invested in similar data analytics software, and it's no secret that they now have ready access to more information about your income, expenses, employees and taxes than ever before.

The IRD can already review the history of inputs on the online return filing system. In one recent instance, a return session history showed that the taxpayer made multiple iterations of the return before filing it. Each iteration showed that a particular expense item was being amended until a near-breakeven tax position was reached. The return was then filed. The result was that the IRD then investigated the taxpayer.

The IRD also shared that in their experience, taxpayers who file their returns early are more likely to file a fraudulent return.

Encouraging Voluntary Disclosure

When the IRD becomes aware of activity which is outside normal parameters, rather than immediately instigating an audit (which they have the right to do at any time), they are now issuing what they refer to as “nudge letters”. Their hope is that these letters will encourage taxpayers to make a [voluntary disclosure](#), which is preferable because it is less costly than an audit investigation. The IRD are highly reliant on the integrity of tax agents, particularly with regard to tax agents' involvement in the voluntary disclosure process.

Industry Group Data

The IRD are now also able to collect vast amounts of data about various industry groups and use benchmarking to identify potentially non-compliant taxpayers, for example gross profit % to address the cash economy problem. The IRD reports that there have already been successful investigations where food vendors report they make only EFTPOS sales, and yet other food vendors in the area report cash sales and therefore have a higher GP%. This has prompted an unannounced IRD visit which witnessed that the vendor had a cash till.

IRD are also considering ways they can share consolidated data for different industries so that taxpayers and their agents can keep within acceptable tolerances, similar to a safe harbour approach. It is believed that the reduced investigation costs and improved compliance will out-weigh the risks to the tax base from sharing information.

Property Ownership

IRD now has access to LINZ records, meaning that they can monitor every property's ownership history. From early 2020 every property transaction (expanded to include the family home) will require the purchaser to supply their IRD number to LINZ.

Looking forward, we can expect the IRD to follow the ATO's lead with an increasing emphasis on the integrity and accuracy of filed data, and to continue to explore ways of increasing the data collected, so as to improve tax compliance.

Jim Martin is Head of Tax at UHY Haines Norton.



Be A Responsible Host This Christmas

It's hard to believe that Christmas is just around the corner, but here we are in the throes of the festive season and year-end celebrations. Most work places host a Christmas social event for their staff in one form or another, which can be a great way to boost staff morale and show appreciation for their efforts during the year. However, if you are serving alcohol at these work events you must be a responsible host and ensure your staff stay safe while they are enjoying themselves.



Being a responsible host could include:

- Supplying a range of low and non-alcoholic drinks as well as alcoholic beverages so there are plenty of options to choose from.
- Serving food – and making it available throughout the event.
- Limit the amount of alcohol available, and serve drinks as opposed to allowing self-service.
- Put on activities so everyone has more to do than just drink.
- Keeping the venue or activities a secret can be fun, but it's also important to allow your staff to prepare for what's planned. Tell them what appropriate clothing and footwear would be, if sunscreen and hats are recommended, and ensure that any activities you have planned are appropriate for the ages of your staff.
- Consider providing rides or even a bus to and from the venue, or ensure that everyone has options for getting home safely.

What Information Should A Tax Invoice Include?

[Business.govt.nz](https://business.govt.nz) has a convenient [tax invoice template](#) that small business owners can use for designing their invoices. Its simple layout ensures that all of the correct information is included for the purposes of both the issuer and the recipient.

What Information Should A Tax Invoice Include?

- Business name.
- Invoice number.
- Date the invoice is issued, and the date it is required to be paid by.
- Customer's name and address.
- Description of the goods or services, which may include quantity purchased, individual unit price and total amount owing per item.
- Payment details, such as the bank account number the invoice should be paid into or a credit card payment slip. You should also specify the information your customer should include with online payments, for example their business name and/or invoice number.
- Each tax invoice must be original. If you need to issue a copy, it must be clearly marked as a copy.

TAX INVOICE			
Client's Name	Business name	(Business name)	
Address Line 1	Date	(Date)	
Address Line 2	Invoice No.	(Invoice No.)	
City, Post Code	GST No.	(GST No.)	
Client's NZBN	NZBN	(NZBN)	
Description	Quantity	Unit Price	Amount

Tax Invoices for GST-Registered Businesses

If your business is registered for GST there is additional information that must be included on your tax invoices:

- The words "Tax Invoice" prominently displayed.
- GST number.
- For products or services worth \$50-\$1,000, specify that the amount payable is GST-inclusive.
- For products or services worth more than \$1,000, either specify that the amount payable is GST-inclusive, or alternatively state the amount charged, the GST added and total amount due. This applies if an invoice contains a number of lower-value products or services which total up to more than \$1,000.
- It is important to note that if you supply goods or services to a GST-registered customer then you are required to provide them with a tax invoice within 28 days of the customer asking for one. If you do not comply you may be charged penalties.

Although tax invoices are not required for products or services worth \$50 or less, we still advise keeping these for your records, and for the purposes of making a claim.

Please [contact us](#) if you have questions regarding tax invoices for your business.

The UHY Haines Norton Study Scholarship: Update From Past Winners

Once again we check in with some of our past scholarship winners to see how their tertiary journey is going.

Reagan Davis, 2016 Winner



As I am finishing up my last semester it is hard to believe that I am approaching the end of my Bachelor of Commerce degree. It is crazy to think how fast the time has gone. As I reflect on the past three years, it is safe to say that university has been one of the most challenging yet rewarding experiences. I have been able to meet new people and make some great friends along the way. It has no doubt been a busy three years, but I still managed to have fun along the way.

I really enjoyed studying my two majors, Management and Operations and Supply Chain Management. They both offered me valuable skills which I can apply toward my future career. My plan now is to pursue a career within operations and logistics. I am currently in the process of applying for roles within that field. The job market does seem daunting, however I am excited to put everything I have learnt into practice. Over the summer I am excited to have a break from studying and get to spend some time with friends and family.

I consider myself very fortunate to have been chosen for this scholarship, so I would once again like to thank UHY for supporting me throughout my time studying. It is great to see that UHY is continuing to offer their scholarship programme and offering support to young West Auckland adults who are pursuing studies in business.

Keegan Macdonald, 2017 Winner



My second year of University has been very eventful! I have chosen to specialise in Mechanical Engineering for my BEng(hons) and double-major in Finance and Marketing for BCom.

In the second semester, I was selected to engage in the Engineering Faculty's 'Deans Leadership Programme' (DLP) as a Part 2 student. The DLP is comprised of thirty students in total: ten from Year Two and twenty from Year Three. The DLP has given me the opportunity to engage with a variety of industry and personal development professionals on a weekly basis.

In addition, I have taken up a volunteer mentoring role within the Business School's Accelerate Programme for the 2019 cohort of Accelerate Students. This year the client is *The New Zealand Housing Foundation*. This has been a super enriching experience and one that has enabled our team to have a meaningful impact on

real people's lives!

Throughout semesters one and two, I have also been involved with Tuakana, as a tutor for first-year Maori and Pacific students studying Engineering. In semester two, I tutored the first-year Chemical Materials paper and in semester one I tutored both the first-year Engineering Design and Engineering Biology and Chemistry papers, too. This has been a hugely rewarding experience, and one that I will continue to engage with for the rest of my degree.

Fortunately, I have also secured an internship with Beca as an Undergraduate Project Manager over the summer period, which I am really looking forward to learning from!

I have taken up social basketball as well with a couple friends so that I can both improve health and fitness - and catch up with mates.

Ben Marmont, 2017 Winner



This time last year in my update I said the year went fast, but 2019 shifted up a notch again! My time studying was spent focusing in on my specialisations – Economics and Finance with two core papers for good measure. After spending so much time reading and writing in numbers for those two subjects its breath of fresh air to reflect writing this piece with just words.

Over the course of the year I have been lucky enough to receive a few different awards. The first was the Top Student for the Auckland Chamber of Commerce Prize for the first-year paper in Economics for my work last year. I carried through with my passion for Economics and was also awarded the Top Student in Intermediate Microeconomics with an assortment of other distinctions along the way. Obviously I'm stoked with my performance, but I realise that had it not been for UHY supporting

me perhaps I wouldn't be studying this year – so hats off again to my generous supporters.

I'm also proud to be able to say that next semester, all going to plan, I'll be going on exchange to Purdue University in Indiana to study Economics out of their School of Agriculture! I'm sure this will teach me a lot and I can't wait to get into it.

I also furthered my involvement in clubs – joining an executive and championing a new event via the Student Enterprise Club. In my executive role I also collaborated with the AUT case management club to try to establish a Massey version of the club which is non-existent; watch this space!

Taxing Matters

A summary of the latest tax and business changes, updates and news.

- There is good news for New Zealand children and caregivers who are owed child support from parents living overseas. It has been announced that New Zealand will participate in the Hague Convention relating to the [international recovery of child support payments](#). The Hague Convention will assist Inland Revenue in finding parents liable for child support payments who are living overseas, currently estimated at more than 4,000.
- Last year we published an article about how important it is to [correctly code your IRD tax payments](#). Note that when making arrears payments, you should still code it to the tax account that the payment directly relates to, such as 'PAY' for PAYE balances, or 'SLE' for employer student loan deductions.
- When you are filing payroll returns, ensure that you include the **start and finish dates** for all new and departing staff.
- **GST for the period ending 30th November 2019** is due on Wednesday 15th January 2020. If you have not already done so, please forward all records and information for the preparation of your GST returns to us urgently so we can complete your returns in time. If you are planning on being away on holiday until after the due date, don't forget to arrange for payment of GST due prior to the 15th January 2020 deadline.



Please [contact us](#) if you have questions regarding any of these areas.

Staff News



We are happy to welcome **Sunil Sharma** to our Audit team. Sunil completed a business degree at AUT and has spent the past couple of years working in foreign exchange and insurance. He is interested in the field of auditing to expand his knowledge about different companies. A local West Aucklander, Sunil enjoys playing basketball in his spare time, and watching combat sports such as boxing and mixed martial arts.

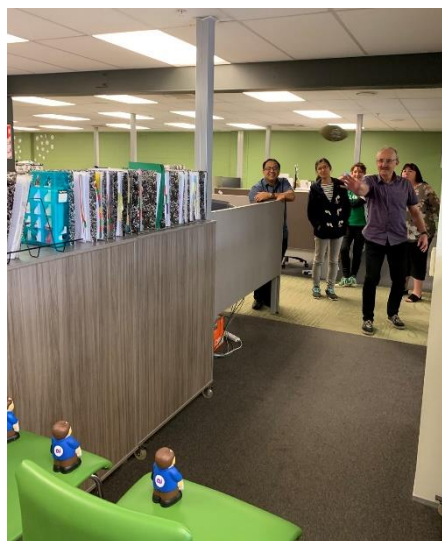


We are also excited to welcome **Rosemary Leach** as our new Administrator in our Kumeu office. Rosemary has previous administration experience in the accounting industry, and is enjoying the opportunity to work closer to home. Outside of work Rosemary loves walking her chocolate Labrador Turbo and looking after her many cats. She also enjoys reading, riding horses and spending time with her husband and two adult children.

In exam news, we would like to congratulate **Satish Kathiriya**, who has passed his Financial Reporting exam.

We have said goodbye to **Katy Hua** in our Audit department and **Shontelle Tarawa** in our Henderson Administration team, and to **Sarah Hill** in our Kumeu office who finishes later this month. **Carley Bosman** has also resigned as she is expecting her second baby. We wish Katy, Shontelle, Sarah and Carley all the very best for the future.

It may seem like a long time ago now, but we did celebrate the Rugby World Cup in style! After a delicious lunch we divided into teams to compete in rugby games - UHY-style!



The Kumeu and Helensville teams had a great day visiting our Director (and part-time farmer) Mark Foster's farm in South Head recently.

