

BUSINESS TAX UPDATE

Inland Revenue's tax news for businesses



Issue No 96 • November 2018 • IR381

REMINDERS

Use the **calendars** on our website to plan ahead to help you meet your obligations. Remember that if a due date falls on a weekend, public holiday or provincial anniversary day, we can receive your return and payment on the next working day without a penalty being applied.

If you have any suggestions for topics you'd like covered in this newsletter, Email BusinessTax.Update@ird.govt.nz

Are you ready to shift to payday filing?

If you intend to payday file in myIR, let us know by opting in using myIR. To find out more, watch our How-to video at www.ird.govt.nz (search keywords: payday filing videos).

Other handy videos you'll find on our How-to videos page include:

- Filing using the file upload method and
- Filing using the online entry method.

Note: If you're using payday filing compatible software allowing you to submit information directly to us from your software, filing on your first payday will let us know you've shifted.

You must have a myIR account to use this service as your myIR credentials are required in the initial set up.

Payday filing and the Employer Deductions form (IR345)

When you shift to payday filing you no longer need to file an Employer Deductions form. Just pay us on the 20th of the month (or 5th and 20th of the month if you pay twice monthly). One less thing to do!

Remember, you can shift to payday filing now, but you **must** shift by **1 April 2019**.

You can find out more about payday filing at www.ird.govt.nz (search keywords: payday)

Payday filing seminars are coming to a town near you

If you're a payroll officer, payroll manager, CFO or tax manager our payday filing seminars are a must for you.

There are still places available around the country.

Register for a seminar today at www.ird.govt.nz/paydayfiling

Are you owed a refund from ACC?

If you were in your first year of self-employment between 2002 and 2017, or paid provisional ACC levies after ceasing trading, ACC may owe you a refund. Customers receiving refunds will also receive an interest payment.

ACC will refund:

- all first-year levies collected between 2002-2017 from self-employed customers who worked full-time (averaged over 30 hours per week over the financial year), did not have a mix of employee and self-employed earnings and did not cease being self-employed in the same year.
- all businesses who paid provisional invoices and weren't required to do so because they later ceased trading or changed their business structure.

ACC expects the refund process to be completed by 31 March 2019.

(continued on next page)

(continued from previous page)

What you need to do

To find out if you may be eligible for a refund go to **acc.co.nz** or use MyACC for Business. If you may be eligible, you'll be prompted to provide up-to-date contact details.

For more information and updates about ACC levy refunds go to **acc.co.nz**, call 0800 222 776, or email **business@acc.co.nz**

Lack of employment records can lead to fines up to \$100,000

Employment New Zealand has raised concerns that many employers are failing to keep complete and accurate records including wages, time, leave, employment contracts and more.

As an employer, by law you must:

- be able to show that you've correctly paid your employees all minimum employment entitlements eg at least the minimum wage rate and four weeks annual holidays
- keep each employee's records for seven years even if they have left
- ensure all employees have complete and current employment contracts.

Penalties for non-compliance can be up to \$100,000 for a company. If an employer gains financially because they haven't complied with the law, penalties can be higher.

For information about your legal obligations, the penalties and for free resources go to **www.employment.govt.nz** (search keywords: keeping accurate records).

To talk to Employment New Zealand call 0800 20 90 20

CRS obligations are dynamic and constant

Year 2 of CRS reporting

We are now in the second year of CRS reporting (1 April 2018 – 31 March 2019). This requires reporting New Zealand financial institutions (NZFIs) to:

- continue carrying out due diligence on all financial accounts:
 - pre-existing accounts (open as at 30 June 2017)
 - new accounts (opened on or after 1 July 2017) as part of the new account opening process and
- report by 30 June 2019 (and subsequent reporting periods) **all**:
 - reportable pre-existing and new financial accounts and
 - undocumented pre-existing financial accounts.

You can find out more in section 5 of our *Guidance on the CRS for AEOI (IR1048)*.

Pre-existing accounts (open as at 30 June 2017)

There is a CRS transitional period for the collection of TINs and date of birth information.

Our *Guidance on the CRS for AEOI (IR1048)* (section 5.3 and 2.1) has more information.

New accounts (opened on or after 1 July 2017)

There is no transitional period for new accounts. TIN and date of birth information must be collected as part of the onboarding and obtaining a self-certification process.

AEOI Reportable and Participating Jurisdictions

Because of the material implications for your due diligence and reporting activity, keep checking:

- **Reporting Jurisdictions** list of foreign territories we'll exchange AEOI data with and
- **Participating Jurisdictions** list of foreign territories we'll receive AEOI data from.

We expect to make annual updates to both lists before 31 March of the relevant reporting period.

Find out more about CRS and FATCA obligations at **www.ird.govt.nz/crs** and **www.ird.govt.nz/fatca**

How to get OECD updates

You can sign up directly for OECD email alerts at **www.oecd.org/OECDdirect/** or go to **www.oecd.org/tax/automatic-exchange/** for the latest news.