



Indirect Tax Service Offerings



2019

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Indirect tax is growing as a key source of revenue for governments around the world and New Zealand is no exception. The increased focus by Inland Revenue on accurate indirect tax compliance has heightened the importance for businesses to properly manage their indirect tax risks and cash flows.

We provide a wide range of services to both local and international clients of varying sizes and complexity. Below are our key indirect tax service offerings:

Governance and compliance review

GST can be a significant part of a business and its cash flow. If there are systematic errors, they are typically repeated, which can result in significant amounts being involved. Incorrect positions can have significant financial and reputational impacts.

Managing the risk profile with Inland Revenue and New Zealand Customs will affect the likelihood and extent of Risk Reviews or Audits. We can provide an overall health check including:

- Indirect tax policies and positions; and
- Process to prepare indirect tax returns and disclosures.

Depending on the result of the health check, we can advise on process improvements including reconciliations, provide the relevant staff with further training, and liaise with Inland Revenue and New Zealand Customs to make voluntary disclosures or to obtain refunds.

Data analytics

We can turn data into value through testing transactional information with our powerful analytical Tax Intelligence Solutions. The accuracy of the source data determines the accuracy of the final output of a GST return and of customs duties. We can provide line-by-line analysis of transactional/ledger data using our analytics software to identify duplicates, errors and exceptions.

Our specialist IT and indirect tax experts can run tailored tests for your business. Our final report will provide a summary of the issues and opportunities identified, along with our recommendations.

System review and implementation

Introducing a new or changed accounting software or ERP system to the business can be a complex and challenging process.

We can assist with the implementation process to ensure that the relevant configuration is optimised for your business and indirect tax compliance, and/or provide a post-implementation review to ensure that the on-going indirect tax processes are accurate.

GST compliance

We are able to assist with the preparation or review of GST returns prior to lodgement with Inland Revenue.

As part of the process, we can review the validity of supporting documents for input tax credit claims and accuracy of GST return disclosures to minimise the risk of Inland Revenue scrutiny.

Property and GST

The value of property transactions makes GST an important consideration. We are able to advise on the GST treatment, particularly whether the compulsory zero rating rules will apply, and review sale and purchase agreements.

Transactions

We can perform indirect tax due diligence to identify any potential risks that parties to a transaction should take into account, and advise on any steps which could improve the indirect tax position.

We can review sale and purchase agreements for GST implications (e.g. whether going concern provisions apply) and advise on the appropriate GST treatment.

We are able to advise on the GST recovery position for costs incurred in transactions, including advance steps to maximise recovery.

Financial services GST apportionment calculation

Due to the significant amounts typically involved, differences in an apportionment ratio can have a significant impact on the recoverability of GST for financial institutions.

There are many technical points to consider when calculating the apportionment ratio. We can assist by preparing or reviewing the calculation to ensure that recoverability is maximised.

Remote services and low-value goods

New Zealand has rules to tax offshore suppliers of remote services e.g. online music, TV, films and games. We are able to advise on the impact of these rules for non-residents.

New Zealand has also introduced new rules requiring non-resident suppliers, marketplaces and re-deliverers of low value goods to register and return GST in New Zealand. These rules come into effect from 1 December 2019.

The rules are detailed and technical, making them difficult to comply in practice. We can advise on whether non-resident suppliers are within the scope of the new rules, documentation requirements and assist with on-going compliance.

Voluntary disclosure or refund requests

Where adjustments are required to previously filed GST returns whether as a result of client internal review or our GST review, we are able to assist with:

- Preparation of voluntary disclosures or requests for refunds; and
- Liaising with Inland Revenue on technical issues.

There are various timing requirements and technical issues to consider when making a voluntary disclosure or request for refund. We can assist with this process using our relationships to make the liaison with Inland Revenue, as smooth as possible whilst achieving the optimal outcome.

Overseas GST refunds

Both New Zealand and many trading partners of New Zealand offer GST/VAT refunds to overseas businesses who have incurred GST/VAT on costs.

We can assist with both New Zealand businesses obtaining overseas GST/VAT refunds (e.g. in Australia or the EU), as well as overseas businesses obtaining New Zealand GST refunds.

Ad hoc advisory

We can provide GST advice with on specific issues across various industry sectors including:

- Financial services;
- Property;
- Aged care;
- E-commerce;
- Importers/exporters;
- Leasing companies; and
- Accommodation (e.g. hotels, serviced apartments, Airbnb operators).

Customs compliance and advisory

We can assist clients on various customs matters including:

- Obtaining an importer/exporter code
- Applying for a deferred payment account
- Providing assistance with Customs audits
- Assistance on making voluntary disclosures to NZ Customs, e.g. for valuation adjustments that have not been accounted for at the time of import
- Applying for approval to use the provisional values scheme (i.e. the formal scheme for importers making post-importation value adjustments)
- Applying for customs rulings including tariff classification rulings, and valuation rulings
- Applying for tariff concessions (for dutiable goods that are not manufactured in New Zealand)
- Providing ad hoc customs advice, e.g. application of the customs valuation methods, whether preferential duty treatment is available from New Zealand's free trade agreements, etc.

Contacts

If you would like further information on how we can assist your organisation in undertaking a GST review, please contact the following indirect tax professionals:



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