

# New Zealand

1. New Zealand was reviewed as part of the 2017/2018 and the 2018/2019 peer reviews. This report is supplementary to those previous reports (OECD, 2019<sup>[1]</sup>) (OECD, 2018<sup>[2]</sup>).
2. The first filing obligation for a CbC report in New Zealand applies to reporting fiscal years commencing on or after 1 January 2016.

## Summary of key findings

3. New Zealand's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017<sup>[3]</sup>).

## Part A: The domestic legal and administrative framework

4. New Zealand has legislation in place which implements the BEPS Action 13 minimum standard, establishing the necessary requirements

### ***(a) Parent entity filing obligation***

5. No changes were identified. New Zealand's 2017/18 peer review included monitoring points which remain in place.<sup>1 2</sup>

### ***(b) Scope and timing of parent entity filing***

6. No changes were identified.

### ***(c) Limitation on local filing obligation***

7. No changes were identified.

### ***(d) Limitation on local filing in case of surrogate filing***

8. No changes were identified.

### ***(e) Effective implementation***

9. No changes were identified.<sup>3</sup>

## **Conclusion**

10. New Zealand meets all the terms of reference in relating to the domestic legal and administrative framework.

## Part B: The exchange of information framework

### ***(a) Exchange of information framework***

11. As of 31 March 2020, New Zealand has 65 bilateral relationships in place, including those activated under the CbC MCAA and under bilateral CAAs. Within the context of its international exchange of information agreements that allow automatic exchange of information, New Zealand has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.<sup>4</sup> Regarding New Zealand's exchange of information framework, no inconsistencies with the terms of reference were identified.

### ***(b) Content of information exchanged***

12. No changes were identified.

### ***(c) Completeness of exchanges***

13. No changes were identified.

### ***(d) Timeliness of exchanges***

14. No changes were identified.

### ***(e) Temporary suspension of exchange or termination of QCAA***

15. No changes were identified.

### ***(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance***

16. No changes were identified.

### ***(g) Format for information exchange***

17. No changes were identified.

### ***(h) Method for transmission***

18. No changes were identified.

### ***Conclusion***

19. New Zealand meets all the terms of reference regarding the exchange of information.

## Part C: Appropriate use

### ***Appropriate use***

20. No changes were identified.

### ***Conclusion***

21. New Zealand meets all the terms of reference relating to appropriate use of CbC reports.

## Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

## References

- OECD (2019), *Country-by-Country Reporting – Compilation of Peer Review Reports (Phase 2): Inclusive Framework on BEPS: Action 13*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://dx.doi.org/10.1787/f9bf1157-en>. [1]
- OECD (2018), *Country-by-Country Reporting – Compilation of Peer Review Reports (Phase 1): Inclusive Framework on BEPS: Action 13*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264300057-en>. [2]
- OECD (2017), *Terms of reference for the conduct of peer review of the Action 13 minimum standard on country-by-country reporting*, OECD Publishing, <https://www.oecd.org/tax/beps/beps-action-13-on-country-by-country-reporting-peer-review-documents.pdf>. [3]

## Notes

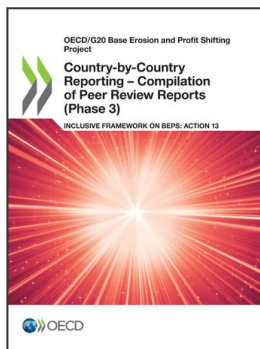
<sup>1</sup> The definition of a “large multinational group” in the legislation does not include the “deemed listing provision” as required under the terms of reference.<sup>1</sup> However, New Zealand notes that the financial reporting requirements in New Zealand apply to large entities (including companies, partnerships and limited partnerships) regardless of whether they are listed on a stock exchange. A “large entity” is defined in the Financial Reporting Act 2013 as an entity that earns over NZD 30m of consolidated revenues (which is much lower than EUR 750m) or that have over NZD 60m of consolidated assets in the previous two years. New Zealand also confirms that in the very unlikely event that an entity did not prepare consolidated financial statements and would be considered as an “Ultimate Parent Entity” further to the “deemed listing provision” (as per paragraph 18.i. of the terms of reference), the existing powers of Section 17 of the Tax Administration Act 1994 will be relied on to request the information. This will be monitored.

<sup>2</sup> As New Zealand continues to rely on existing powers in the Tax Administration Act 1994 until legislation is finalised, and because the effectiveness of this system still relies on the fact that the Inland Revenue correctly identifies all New Zealand resident entities that are the Ultimate Parent Entity of an MNE group within the scope of CbC Reporting and issues a notification, the monitoring point in the 2017/2018 peer review relating to New Zealand’s framework remains.

<sup>3</sup> New Zealand’s 2017/2018 peer review included a general monitoring point relating to a specific process to that would allow to take appropriate measures in case New Zealand is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete

information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. This monitoring point remains in place.

<sup>4</sup> No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction.



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