



## FROM THE CHAIR

On “Revolver” (Capital Records, 1966), the Beatles sang “Tax Man”

“If you drive a car I’ll tax the street

If you try to sit I’ll tax your seat

If you get too cold I’ll tax the heat

If you take a walk I’ll tax your feet”

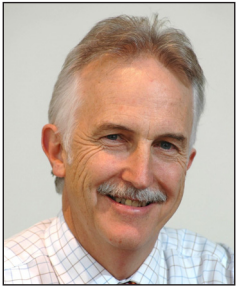
The CCH version of the Income Tax Act 2004 (and related revenue legislation) has reached four volumes in 2006. A triumph for the paper industry, but it is hardly a tribute to the promise of the late Hon Trevor de Cleene MP, former Minister of Revenue in the Lange led Labour Government, that his Government’s tax reform programmes would “soon” put us all out of business. Forty years on from the 1976 Act, that some of us cut our teeth upon, the “Tax Man” is everywhere and his influence is profound across business life generally. At approximately six monthly intervals, the web spreads as the Government introduces new rules to Parliament, of which the taxation of foreign equity investments is the most recent controversial example (provoking full page newspaper advertisements, addressed to the Prime Minister).

This conference brings six topics of basic importance to lawyers and their clients. The Commissioner has formidable enforcement powers, but the objective of an enlightened tax administration is the promotion of community wide accurate self-assessment. The production of such a system requires a high level of technical expertise and knowledge on the part of practitioners, and a pragmatic, efficient revenue administration. It is gratifying that the presenters – recognised experts in tax practice in New Zealand, joined by the Commissioner of Inland Revenue – have readily agreed to assist practitioners extend their knowledge and understanding of what are complex matters. These are quite outstanding teachers.

The topics followed from the Law Society’s survey of its membership – these were clear preferences. Please join us in Auckland. There is a serious risk that you may both learn a lot and also enjoy the experience.

**Dr Geoff Harley**  
**Barrister**  
**Wellington**

## SPEAKERS



### **David Butler, Inland Revenue Commissioner**

David has been Commissioner of Inland Revenue, New Zealand since 1 February 2001. Prior to taking up his position in New Zealand, David held several senior positions as a Deputy Commissioner in the Australian Taxation Office.

David has a Bachelor of Laws degree and a Commerce (Accounting) certificate and is admitted as a barrister and solicitor in Australia. He has undertaken senior leadership development programmes in business schools in Australia, Canada and the United Kingdom.



### **Geoff Clews, Barrister, Auckland**

Geoff is a barrister sole in Auckland specialising in tax. He is an experienced tax litigator and represents individual and corporate clients at all stages of the investigation and statutory dispute resolution processes conducted by the IRD, and before the courts at all levels. Geoff's work has involved negotiations concerning tax liabilities prior to corporate insolvency, litigation intended to forestall insolvency at the hands of the IRD, and disputes as to director liability for corporate tax following insolvency. Geoff was one of four barristers named in World Tax 2006 as leading individuals in the field of tax controversy in New Zealand.



### **Richard Green, Barrister, Auckland**

Richard is a barrister who advises on a range of taxation matters. He has a particular interest in tax dispute resolution and has appeared as counsel in several leading tax cases. A former chairman of the New Zealand Branch of the International Fiscal Association, Richard has chaired and/or presented papers at many tax seminars and conferences over the years.



### **Dr Geoff Harley, Barrister, Wellington**

Geoff is a barrister specialising in taxation. He has appeared in all courts for taxpayers in their disputes with Inland Revenue. Until recently he chaired the International Fiscal Association's New Zealand Branch. He has written and presented extensively on tax matters. He currently teaches at Victoria University of Wellington's Law School and is a member of the University of Auckland Business School's Advisory Board.



### **David Patterson, Partner, Minter Ellison Rudd Watts, Wellington**

David advises on mergers and acquisitions; cross-border financing; commercial transactions and tax disputes. He is the Chair of the International Fiscal Association (2006); and a past member of Government Tax Review 2001 and Tax Education Office.

## SPEAKERS



### **Casey Plunket, Chapman Tripp, Auckland**

Casey has extensive experience in corporate acquisitions, mergers and restructurings, both on-shore and cross-border. He has advised United States investors in particular on structuring their New Zealand direct investment. Casey has also advised New Zealand and foreign institutions in cross-border structured finance transactions. Particular sectors he has been involved in include electricity, forestry and telecommunications.

Casey is a regular public speaker at tax conferences, and teaches part time at Auckland University.



### **Richard Scoular, Russell McVeagh, Auckland**

Richard is a tax partner in the Auckland office of Russell McVeagh. In his practice he focuses on the tax aspects of mergers and acquisitions, corporate finance and cross-border transactions. He acts for some of New Zealand's largest domestic companies, a number of investment banks and for multi-nationals with operations in New Zealand.



### **David Simcock, Bell Gully, Auckland**

David Simcock is Bell Gully's chairman and the senior partner in the firm's Auckland taxation division where his areas of specialisation are corporate restructuring, tax efficient financing and tax litigation. David has also been involved in corporate advisory work and tax policy issues. David is a regular presenter of papers on tax issues at conferences and is a past chairman of the New Zealand Branch of the International Fiscal Association. David was named the number one practitioner in New Zealand for corporate tax expertise by Who's Who Legal in May 2006 and his other accolades include being named as a corporate tax specialist in the International Who's Who of Corporate Tax Lawyers 2006 and being listed as a leading individual in both World Tax 2006 and PLC's Cross-border Tax Law Handbook 2006.



### **Stephen Tomlinson, Tomlinson Paull, Christchurch**

Stephen Tomlinson is a partner of Tomlinson Paull and advises on taxation and trust matters. Prior to co-founding Tomlinson Paull, he lectured in taxation, finance and business law at the University of Canterbury and is a well known presenter of taxation and trust seminars. Stephen is a co-author of the New Zealand chapter of The International Guide to the Taxation of Trusts.



### **Eugen Trombitas, PricewaterhouseCoopers, Auckland**

Eugen leads the firm's Indirect Taxes team and has over 15 years' experience in the field of tax, with particular expertise in the area of GST. He is also well versed in other areas of corporate tax and advises clients on all forms of commercial transactions. Prior to joining PricewaterhouseCoopers, Eugen worked in tax in Australia and as a partner in a New Zealand law firm.

# **CONTENTS**

## **In session order**

### **Introduction from the chair**

Chair: Dr Geoff Harley

### **Capital revenue issues..... 1**

Richard Green and Richard Scoular

### **NZ taxation of selected business entities..... 37**

David Patterson and Casey Plunket

### **Corporate insolvency..... 71**

David Butler

### **Trading trust, tax avoidance and personal services income ..... 87**

Stephen Tomlinson

### **The GST revolution ..... 109**

Eugen Trombitas

### **Taxation of trusts ..... 183**

David Simcock

# TABLE OF CONTENTS

## Alphabetical by author

Author		Title	Page
<b>Butler</b>	David	Corporate insolvency <i>(Joint paper with Geoff Clews)</i>	71
<b>Green</b>	Richard	Capital revenue issues <i>(Joint paper with Richard Scoular)</i>	1
<b>Patterson</b>	David	NZ taxation of selected business entities <i>(Joint paper with Casey Plunket)</i>	37
<b>Plunket</b>	Casey	NZ taxation of selected business entities <i>(Joint paper with David Patterson)</i>	37
<b>Scoular</b>	Richard	Capital revenue issues <i>(Joint paper with Richard Green)</i>	1
<b>Simcock</b>	David	Taxation of trusts	183
<b>Tomlinson</b>	Stephen	Trading trusts, tax avoidance and personal services income	87
<b>Trombitas</b>	Eugen	The GST revolution	109