

Doing business in New Zealand



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Introduction



Geography

New Zealand consists of several islands. The North Island and South Island, and a number of smaller islands with the capital and Government based in Wellington in the North Island. The resident population is approximately 4.4 million.

Advantages of Investing in New Zealand

New Zealand has an efficient market driven economy capable of delivering benefits to investors including business stability, extensive free trade agreements and active government support for investment.

Investors can take advantage of a business environment consistently rated on many measures as one of the best in the world - an environment where it is easy to commence business, where capital flows freely across borders and the quality of life is superb.

New Zealand is the first country in the world to complete a free trade agreement with China. Ease of access to Australia, a market of 24 million people and New Zealand's nearest neighbour, is guaranteed through open market agreements.

New Zealand has traditionally been a producer of primary products, however with a well educated population and good infrastructure it is becoming increasingly innovative in the things it sells to the world. The production of films, high-tech componentry and fine wines are recent high profile examples.

Constitution

New Zealand's head of State is the Sovereign, Queen Elizabeth II of New Zealand. The Governor-General is the Queen's representative in New Zealand.

New Zealand is an independent state. The New Zealand parliamentary framework is based on the Westminster system. New Zealand's Parliament consists of the Sovereign and the House of Representatives. New Zealand's Parliament has only one chamber, the House of Representatives.

Communications

Internal and external communications and transport are excellent. The telephone direct dialling system gives instantaneous international communication from both fixed and mobile units.

Language and Currency

Maori and English are the official languages of New Zealand. English is predominantly spoken.

The currency used is dollars (\$) and cents. One hundred cents = one New Zealand dollar.

Legal System

The legal system is based on the British legal system and English common law.

The highest Court is the Supreme Court of New Zealand, based in Wellington.

Major Exports and Imports

New Zealand's major exports are dairy products, meat, petroleum products, wood, fruit and aluminium. Tourism is also a major earner of foreign currency.

Major imports are machinery, motor vehicles and petroleum products.

Government Policy on Foreign Investment in New Zealand

Foreign investment into New Zealand is encouraged, however sensitive assets are protected by the Overseas Investment Act 2005. Overseas Investment Office consent is required for the acquisition of significant business assets (exceeding \$100 million), sensitive land (non-urban land of more than 5 hectares, offshore islands, land adjacent to lakes and the foreshore, or land of conservational or historical significance) and fishing quotas.

Import Controls

Tariffs are imposed on certain goods imported to New Zealand. Government policy has been to reduce and simplify tariffs on most goods. GST (Goods and Services Tax) is levied on all goods entering New Zealand and is collected by New Zealand Customs.

Exchange Controls

There are no foreign exchange controls.

Financial institutions are obliged to report suspicious transactions, where there are reasonable grounds to suspect the transaction may be relevant to an investigation or prosecution of any person for a money laundering offence. In general, a suspicious transaction will be a transaction which is inconsistent with a customer's known, legitimate business or personal activities, or the normal business for that type of customer.

Source of Finance

New Zealand has four major trading banks, all of which are owned by major Australian banks. Smaller in size is Kiwibank, ultimately owned by the Crown.

There are also a number of finance companies that provide funding for the purchase of capital equipment, motor vehicles and consumer finance, in addition to real estate lending.

Finance can also be raised through New Zealand's capital markets. The New Zealand Stock Exchange and its members are the primary facilitators of capital raising through the capital markets. It is possible to raise capital directly from the public. All capital raising requires compliance with the Securities Act 1978.

New Zealand Business Number

There are no separate business registration requirements in New Zealand, apart from Companies Office and Inland Revenue Department requirements.

Business Structures



Types of Business Structures

The main business structures used in New Zealand are:

- Companies
- Partnerships
- Joint ventures
- Trusts
- Foreign branches

Companies

Companies incorporated in New Zealand

Incorporation, management and liquidation of companies is governed by the Companies Act 1993.

There is no limit on the number of shareholders a company can have, however the process of raising funds from the public is regulated principally by the Securities Act 1978.

Companies may be classified as listed (with shares quoted on the New Zealand Stock Exchange) or un-listed.

Governing Documents

A company is incorporated in New Zealand by registering incorporation documents with the Registrar of Companies and paying prescribed fees.

Typically a company will register a constitution which contains its governance and administration rules.

Directors

A company must have at least one director. A listed company must have a minimum of three directors, at least two of whom must be ordinarily resident in New Zealand.

Directors are responsible for managing the day to day business of the company. The directors owe duties to the company, shareholders and others dealing with the company. Directors must not conduct business in a manner likely to create substantial risk or serious loss to company creditors.

The Companies Act 1993 expressly imposes specific duties and obligations upon directors of a company.

Certain persons are disqualified from being company directors including: persons under 18 years of age, undischarged bankrupts and persons convicted of crimes involving dishonesty in the last five years.

Forming a Company

A company must have at least one shareholder and one director.

Shareholders are required to consent to being a shareholder. Directors must certify that they are not disqualified from being appointed to hold the office of director and consent to being directors.

Investors may incorporate a company, or purchase a shelf company from a company incorporation service.

Application for Reservation of a Name

An application to reserve a company name must be made to the Registrar of Companies in the prescribed form. A name reservation remains in force for 20 working days from the date of the reservation. A name reservation is provisional and there are no proprietary rights to the reserved name.

Registration Documents

Following reservation of a name a company can be incorporated by payment of the prescribed fee and filing documents required by the Registrar of Companies including:

- notice of name approval;
- application for registration;
- consents of shareholders and directors; and
- constitution (optional).

A company IRD (tax) number and GST registration may be acquired at the time of incorporation.

Constitution

A written constitution is not required. The Companies Act 1993 provides for various rights, powers, duties and obligations of the company, the board, each director and each shareholder. A company will need a constitution if there are provisions in the Companies Act 1993 that shareholders wish to negate or alter. A constitution must not contravene, or be inconsistent with, certain provisions of the Companies Act.

Incorporating a Company

Upon registration, the Registrar gives a certificate that the company is incorporated.

Application for Registration

The application must include:

- the full name and address of each applicant;
- the full name and residential address of each director and each shareholder;
- the number of shares to be issued to each shareholder;
- the company's address for service.

Information can be submitted electronically online.

Registration requirements and filing procedures for public securities

The Securities Act 1978 stipulates that that no security is to be offered to the public for subscription, by or on behalf of an issuer, unless the offer is accompanied with specific investment information or made in a registered prospectus that complies with the Act and regulations.

The Securities Markets Act 1988 regulates continuous disclosure by public issuers and requires that issuers listed on the New Zealand Exchange Ltd (NZX) comply with the continuous disclosure provisions set out in the Listing Rules.

Audit requirements and practices

The Financial Reporting Act 1993 obliges companies to prepare financial statements annually. These must be audited unless all shareholders in the company agree otherwise.

The Securities Act requires an annual audit by a qualified auditor of the financial statements of every issuer of equity securities, debt securities or life insurance policies offered to the public and in the case of participatory securities, units in a unit trust, or interests in a superannuation scheme offered to the public, the financial statements for the scheme to which the securities relate.

An auditor must be appointed and financial accounts audited for any company that is a subsidiary of a company or body corporate incorporated outside New Zealand, or any company in which 25% or more of the voting power at a meeting of a company is held by:

- a subsidiary of a company or body corporate incorporated outside New Zealand;
- a company or body corporate incorporated outside New Zealand;
- a person not ordinarily resident in New Zealand;
- companies which have issued or allotted securities (as per section 4 of the Financial Reporting Act 1993).

Overseas companies carrying on business in New Zealand, and companies with more than 25% overseas shareholding which pass the large company test must file audited financial statements with the Companies Office.

A company is large if at least 2 of the following paragraphs apply:

- (i) as at the balance date of the accounting period for which financial statements are required, the total assets (including intangible assets) of the company and its subsidiaries (if any) reported in the statement of financial position or consolidated statement of financial position (as the case may be) exceeds \$10,000,000:
- (ii) in the accounting period for which financial statements are required, the total turnover of the company and its subsidiaries (if any) exceeds \$20,000,000:
- (iii) as at the balance date of the accounting period for which financial statements are required, the company and its subsidiaries (if any) have 50 or more full-time equivalent employees.

Copies of the financial statements of public issuers, overseas companies and large overseas-controlled companies must be delivered to the Registrar for registration together with copies of auditors' reports.

Shareholdings by non-residents

There is no requirement for shares in New Zealand companies to be held by New Zealand residents. Approval under the Overseas Investment Act 2005 may be required for certain share acquisitions by foreign investors (refer to Government Policy on Foreign Investment in New Zealand).

Foreign Companies

Branches of overseas companies

Companies incorporated outside New Zealand are overseas companies. Within 10 working days of commencing business in New Zealand an overseas company must file with the Registrar of Companies an application for registration in the prescribed form signed by or on behalf of the overseas company. Information required includes:

- name of the overseas company
- full names and residential addresses of its directors;
- address of the principal place of business in New Zealand of the overseas company and the name of at least one person or incorporated entity in New Zealand authorised to accept service of documents on behalf of the overseas company;
- notice of the name approval; and
- evidence that the company is incorporated outside New Zealand and a copy of the instrument constituting or defining the constitution of the company.

Subsequent changes of detail must be filed with the Registrar of Companies within 20 working days.

Australian incorporated companies do not need to file constitution and director changes with the New Zealand Registrar of Companies due to information sharing facilities implemented between the New Zealand Companies Office and the Australian Securities and Investment Commission.

Partnerships

A partnership is defined by the Partnership Act 1908 as the relationship between persons who carry on a business in common with a view to profit. A partnership is established by partners entering into a partnership agreement in writing or otherwise.

Legislation enacted recently introduced a limited partnership regime. Limited partnerships are a form of partnership involving general and limited partners. General partners transact the business of the partnership while limited partners are passive investors and are liable only to the extent of their capital contribution to the partnership. Limited partnerships formed overseas must apply for registration with the Registrar of Companies within 10 working days of commencing business in New Zealand.

Joint Ventures

The term joint venture is used to mean an arrangement by two or more parties combining investment capital or resources for a particular project. A joint venture can be conducted in two ways:

- by a company incorporated under the Companies Act;
- by an unincorporated contractual joint venture.

No specific regulations govern their establishment.

Company Used For a Joint Venture (Incorporated Joint Venture)

A company can be used to undertake a joint venture. Companies Act requirements apply to incorporated joint ventures. Ownership and operation of the joint venture business may be conducted via a company structure or through a separate shareholders' agreement.

Unincorporated Joint Ventures

Parties can establish an unincorporated joint venture that is not a partnership. As with a partnership, parties to an unincorporated joint venture enter an agreement to conduct a joint venture. Whether an unincorporated joint venture is a partnership is a question of fact. Most unincorporated joint ventures, unless carefully structured, are likely to be partnerships. Each joint venture party accounts for its share of the joint venture profits or losses separately. Assets of unincorporated joint ventures are held by the joint venturers as tenants in common in the proportions agreed. Joint venture agreements for unincorporated joint ventures usually include similar terms to those in a partnership agreement.

Trusts

A Trust is not regarded as a separate legal entity in New Zealand. Trusts are established by Deed. Use of a corporate trustee is common.

Trusts may be for public (e.g. for a specific purpose or charity) or private purposes and may be formed as either non-fixed (beneficiaries' entitlement is at the discretion of the trustee) or fixed trusts. Unit trusts are a form of fixed trust and are often used for public investments in the form of property trusts or cash management trusts.

Unit trusts are taxed as companies in New Zealand.

Taxation



Introduction

The PKF Worldwide Tax Guide contains details of the taxation system in New Zealand.

New Zealand Taxation Law and Administration

New Zealand taxation laws consist mainly of the Income Tax Act 2007, and other Inland Revenue Acts including the Goods and Services Tax Act 1985. The Inland Revenue Acts are administered by the Commissioner of Inland Revenue through the Inland Revenue Department.

Fiscal Year

Taxation income is determined in most cases for the year ending 31 March. Taxpayers may apply to the Commissioner for permission to adopt a non-standard balance date other than 31 March.

Taxpayers

Taxpayers are identified by a unique identifying number (IRD Number). Natural persons and incorporated entities are assessable and liable for income tax.

Trustees of trusts may be taxed on the income of the trust. New Zealand taxation rules for trusts look to the residency of the settlor.

Partnerships and joint ventures are generally not treated as a separate taxpayer: each partner or joint venturer returns their share of profit or loss in their individual tax return.

Limited partnerships have separate legal personality from the partners, but are 'flow through' entities with losses and gains attributed to individual partners.

Taxable Income

New Zealand income tax is levied on the annual gross income less annual deductions and any losses carried forward. The net amount is taxable income.

Income includes most receipts on revenue account and some gains of capital. New Zealand does not have a capital gains tax per se. Deductions allowed are expenses or losses incurred in gaining or producing assessable income, or incurred in the course of carrying on a business for the purpose of deriving assessable income. No deduction is allowed for expenditure of a private or domestic character, or if capital in nature.

Payment of Tax

Income tax is assessed annually. Tax is deducted at source by employers from salary and wages.

Withholding tax is deducted from interest and dividends paid to resident individuals. Withholding tax is deducted from interest, dividends, royalties and contractor payments made to non-residents. The application of withholding tax on payments to non-residents is affected by Double Tax Agreements.

All taxpayers who earn income other than salary and wages are liable to provisional tax. Provisional tax involves the prepayment of the likely annual tax liability of the taxpayer net of any tax deducted source. Provisional tax is usually paid in three regular instalments throughout the year.

Lodgement of Returns

Taxpayers are required to file income tax returns annually (by 7 July for standard balance date taxpayers).

Taxpayers with tax agents have an extension of time for filing, typically until the 31 March following their tax balance date. Taxpayers with early balance dates (from 1 October to 30 March) will have a further 12 months from the 31 March following their balance date to file their returns.

Residence and Source

New Zealand taxes the worldwide income of New Zealand tax residents, and New Zealand sourced income derived by persons not resident in New Zealand. Determination of tax residence may be affected by the relevant International Double Tax Agreement.

- *Residence of Individuals*

An individual is deemed tax resident in New Zealand if the person has a permanent place of abode in New Zealand (irrespective of whether he/she has a permanent place of abode elsewhere); or if the person spends more than 183 days in aggregate in any 12 month period in New Zealand.

Concessionary transitional residency rules apply to individuals who have not held New Zealand tax residency within the 10 years prior to arriving in New Zealand.

- *Residence of companies*

A company is resident in New Zealand if:

- (a) it is incorporated in New Zealand; or
- (b) it has its head office in New Zealand; or
- (c) it has its centre of management in New Zealand; or
- (d) control of the company by its directors, acting in their capacity as directors, is exercised in New Zealand, whether or not decision-making by directors is confined to New Zealand.

New Zealand incorporated subsidiaries of foreign companies will be resident in New Zealand for tax purposes unless a Double Tax Agreement applies attributing tax residency to another jurisdiction.

Source of Income

In most cases the circumstances surrounding the receipt of income will determine its source. Payments of service income will ordinarily be sourced in the place where the service is performed. The source of payments made pursuant to a contract will be determined by reference to the terms of the contract.

Certain income is expressly deemed to have a source in New Zealand including: income from any business carried on wholly or partially in New Zealand, land ownership in New Zealand; a mortgage of New Zealand land; shares in a New Zealand company; remuneration earned in New Zealand; and income from a contract carried on wholly or partially in New Zealand

In certain instances the relevant Double Tax Agreement may also impact the determination of where an item of income is sourced. Business income, income from property, dividend, interest and royalty income may be impacted by specific articles within a Double Tax Agreement.

Taxation of Partnerships, Trusts

As noted above, partnerships and trusts are not taxable entities in their own right. Partnerships and trusts still are required to lodge income tax returns, with income derived taxed in the hands of the partners, trustees or beneficiaries.

Taxation of Companies

- *Taxation of Profits*

Assessable income of a company is taxed at a flat rate of 30% regardless of the residency. It is proposed that from the 2011/2012 income year the company tax rate will be reduced to 28%.

Tax losses may be carried forward to be set-off against subsequent year's income or grouped with other companies, subject to tests of shareholder continuity.

- *Consolidation*

A consolidation regime exists allowing the filing of one tax return for a 100% commonly owned group of companies. The regime also provides for concessionary tax treatment of intra-group transactions.

- *Portfolio Investment Entities ("PIE"S)*

The PIE regime was introduced in 2007. Entities with PIE status can elect to have their income taxed based upon each individual investor's prescribed investor rate (either 0%, 12.5%, 21% or 30%). From 1 October 2010 it is proposed that these will be reduced to 10.5%, 17.5% or 28% in line with the reduction of the company tax rate.

For some investors the PIE tax on their share of the PIE income is a final tax. Distributions of PIE income are generally tax free to New Zealand investors. Non-resident withholding tax will apply to distributions to non-residents (0% for certain non-resident investors).

- *Dividend Imputation*

New Zealand has a dividend imputation regime. Companies paying dividends are able to impute dividends distributed to shareholders by attaching credits arising from tax paid by the company. Residents receiving imputed dividends can offset their income tax liability with the imputation credits, or carry excess imputation credits forward for use in future income years. In respect of income earned from the 2011/2012 income year, the maximum imputation rate is proposed to be 28%.

The maximum rate at which imputation credits can be attached to dividends will be 30% of the gross dividend (cash dividend plus imputation credits) until 31 March 2013 provided the credits arose when the company tax was 30% or 33%.

Tax on dividends and distributions from entities with PIE status are capped at a maximum 30% (or 28% from 1 October 2010 onwards) and are exempt income to the recipient if tax has been deducted at the correct rate.

Non-resident shareholders are able to receive a supplementary dividend and foreign investor tax credit with imputed dividends. The foreign investor tax credit offsets the 15% non-resident withholding tax deducted.

For non-portfolio investors (holding more than a 10% interest in a company) the foreign investor tax credit will no longer be available from 1 February 2010 but non-resident withholding tax will be 0% to the extent that the dividend is fully imputed.

- *Repatriation of Foreign Dividends*

The taxation of foreign dividends received by a New Zealand company is complex. Different regimes apply, depending on the characteristics of the particular shareholding.

- *Taxation of Branches*

New Zealand sourced income of a branch of a foreign company is subject to New Zealand tax at the corporate rate. Taxable income is calculated as if the branch were a separate entity.

Interest Deductions

Interest is deductible if incurred in relation to the production of assessable income. Thin capitalisation rules may apply to reduce interest deductions if the taxpayer is owned by non-New Zealand residents and debt funded.

Thin capitalisation rules limit the interest deduction available to New Zealand entities controlled by a single non-resident. A deduction will be denied where (1) the New Zealand entity's debt/assets ratio exceeds the safe harbour percentage of 75% and (2) New Zealand group debt percentage exceeds 110% of the worldwide group debt percentage. Where these thresholds are breached, the interest deduction is limited to that which would have been available had total debt funding not exceeded the threshold. From the 2011/2012 income year the 75% safe harbour threshold will be reduced to 60%.

Repatriation of Profits and Transfer Pricing

Transactions between New Zealand entities (or branches) and related foreign entities are subject to transfer pricing rules.

In determining taxable profits of an entity that has transactions with an offshore related party, transfer pricing principles and methodologies must be applied to determine the cost of any cross-border supplies. Where necessary transfer pricing adjustments must be made to ensure the appropriate level of income and expenses are reflected in the New Zealand income tax return.

Broadly, a transfer pricing analysis will focus on the functions, assets and risks, associated with the New Zealand business. The rules seek to ensure the use of arms length values for cross border transactions with related parties in computing taxable income. In determining an appropriate transfer pricing value for a transaction either a transactional method (comparative uncontrolled price method, resale price or cost plus method) or a profit splitting method (comparable profits method or profit split method) will be applied. For non-core services there are concessionary administrative practices which are able to be applied. There is a statutory requirement for taxpayers to maintain documentation and working papers to allow them to demonstrate that transfer pricing principles have been complied with. It is possible to institute an advanced pricing agreement with the assistance from the Inland Revenue.

Taxation of Capital Gains

Whilst New Zealand does not have a comprehensive capital gains tax regime, certain amounts typically included as capital in nature are taxed as income:

- Gains from land transactions in certain circumstances;
- Gains from disposition of personal property acquired for resale;
- Certain royalty payments;
- Gains on financial arrangements subject to the accrual rules;
- Attributed gains from foreign investments.

Interaction with International Tax Regime

New Zealand is a signatory to a number of Double Tax Agreements based on the OECD Model. Treaty countries with which New Zealand has an agreement include:

Australia, Austria, Belgium, Canada, Chile, China, Czech Republic, Denmark, Fiji, Finland, France, Germany, India, Indonesia, Ireland, Italy, Japan, Malaysia, Mexico, Netherlands, Norway, Philippines, Poland, Republic of Korea, Russian Federation, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey (not yet in force), the United Kingdom, the United Arab Emirates and the United States of America.

Tax information exchange agreements have been entered into with: Anguilla, Bahamas, Bermuda, British Virgin Islands, Cayman Islands, Cook Islands, Dominica, Gibraltar, Guernsey, Isle of Man, Jersey, Netherlands Antilles, St. Christopher and Nevis, St. Vincent and the Grenadines, the Turks and Caicos Island

A foreign tax credit system is in place. Tax credits for foreign paid tax is recognised against New Zealand income tax to the extent of the New Zealand liability.

Rules for foreign trusts with settlors arriving in New Zealand ensure distributions to New Zealand tax residents other than of corpus or current year income are taxed at a penal rate (45%).

Non-resident withholding tax ("NRWT") is deductible at source from payments of interest, royalties and dividends made to non-residents. The amount of tax withheld is determined according to whether the recipient is resident in a country that has a Double Tax Agreement with New Zealand. A 2% approved issuer levy (charged on the interest paid) is available instead of NRWT for loans between non-associated parties.

Taxation of Individuals

Salary and wages are subject to income tax on a gross basis. From 1 April 2010 the marginal tax rates of individuals (residents and non-residents) are:

Range of dollar in taxable income	Tax rate
\$0–\$14,000	12.5%
\$14,000 –\$48,000	21%
\$48,001–\$70,000	33%
\$70,001 upwards	38%

It is proposed that from 1 October 2010 the rates will be:

\$0–\$14,000	10.5%
\$14,000 –\$48,000	17.5%
\$48,001–\$70,000	30%
\$70,001 upwards	33%

PAYE Withholding tax ('Pay As You Earn') is deducted from salary and wages by employers and paid to the Inland Revenue Department.

Self-employed individuals pay tax on a net basis. Individuals with tax liability exceeding \$2,500 will be provisional tax payers and are required to pay taxation in instalments throughout the year. Taxpayers can elect to pay provisional tax along with GST payments and GST returns.

Other Taxes

Fringe Benefit Tax (FBT)

FBT is payable by employers on the value of benefits provided to employees such as motor vehicles or low interest loans.

Goods and Services Tax (GST)

GST is charged at 12.5% on the supplies of goods or services in New Zealand made in the course or furtherance of a taxable activity. From 1 October 2010 GST will increase to 15%.

GST registration is compulsory if supplies exceed or are likely to exceed \$60,000.

Certain supplies are exempt from GST (e.g. financial services and residential accommodation) or charged at 0% (e.g. exported goods and services).

GST can be returned on a one, two or six month period basis and can be accounted for on an invoice or payments basis.

A GST input tax credit is available for goods or services acquired for the principal purpose of making taxable supplies.

Customs Duty

Customs GST (12.5%) is levied on goods brought into New Zealand. Customs tariffs apply to the import of certain goods such as alcohol, tobacco, petroleum products.

Superannuation

Contributions by employers to superannuation schemes are deductible to employers. Withholding tax is levied on contributions at 33%. In general, superannuation schemes are subject to tax on their income.

KiwiSaver is a workplace savings scheme available to New Zealanders under the age of 65. Employers must deduct KiwiSaver contributions from wages and salaries of employees participating in a KiwiSaver scheme. Participation in Kiwisaver is at the election of the employee.

Gift, Estate and Death Duties

Gift duty is payable on dutiable gifts. Dutiable gifts consist of property situated in New Zealand, or gifts by a New Zealand domicile person or a New Zealand incorporated body of any property wherever situated.

No duty is payable if gifts in any twelve month period are less than \$27,000 in value. The rate of duty is progressive where gifts exceed \$27,000 with the maximum rate of 25% applying where gifts exceed \$72,000. Charitable donations are not subject to gift duty.

There is no death or estate duty in New Zealand.

Stamp and Cheque Duty

Cheque duty is 5 cents per bill of exchange. There is no conveyance or deed duty in New Zealand.

State Taxes

Pay-roll Taxes

Refer to Taxation of Individuals.

There is no separate state tax for payrolls.

Stamp Duties

Refer to stamp and cheque duty above.

There is no separate state tax for stamp duty.

Land Tax

Rates are levied by local government, calculated as a percentage of the value of land and capital improvements.

Accident Compensation (ACC)

New Zealand has a no-fault accident compensation regime. ACC levies are charged upon employers, employees and self-employed persons. The regime substantially removes the right to sue for personal injury.

Grants and Incentives



General Introduction

Government grants are available through New Zealand Trade and Enterprise to assist New Zealand businesses growing globally. The grants are targeted at businesses with high growth potential or an established global presence.

The Australia New Zealand Biotechnology Partnership Fund supports trans-Tasman biotechnology collaboration.

Government Incentives

Research and Development (R&D)

The Foundation for Research, Science & Technology provides expert services and various grants to assist in research and development, and to Maori business development.

The Energy Efficient Conservation Authority offers funding for projects to reduce energy use and undertake energy efficiency projects.

The New Zealand Film Commission offers film production grants for large budget screen production (LBSP Grants), and post digital & visual effects (PDV Grants) to New Zealand resident companies and foreign corporations with a fixed establishment in New Zealand.

Export Market Development Grants

The Ministry of Agriculture and Forestry administers the Sustainable Farming Fund (SSF) and the Primary Growth Partnership. SSF provides grants for projects that contribute to the ongoing economic, environmental, and social wellbeing of the country's primary producers. The Primary Growth Partnership invests in research and innovation programmes to boost economic growth and sustainability of New Zealand's primary, forestry and food sectors.

New Zealand Venture Investment Fund was established by the government in 2002 to assist the venture capital market in New Zealand.

There are a range of concessionary tax treatments for oil and mineral extractive industries.

State Government Incentives

Local governments or regional councils will often offer grants to support community initiatives and projects.

Protection of Intellectual and Industrial Property

Copyright

Original artistic, literary, dramatic or musical work is protected by the Copyright Act 1994. Rights conferred by the Copyright Act allow copyright owners to control certain activities relating to the use and dissemination of copyright works.

Trade Marks

Protection is available for a variety of intellectual property rights through the Trade Marks Act 2002. The Trade Marks Act establishes the framework for the registration of trade marks and related rights.

Trade Names

A company name will not be approved if identical to an existing company name.

There is no registration of business names in New Zealand. However, trade mark protection is available.

Patents

The Patents Act 1953 provides for registration of patents for inventions or methods and processes. To obtain overseas patent protection the options are to either file applications with the intellectual property offices in overseas countries of interest, or to file an International Application under the Patent Co-operation Treaty.

The Plant Variety Rights Act 1987 gives owners exclusive rights to commercially reproduce the protected variety for 20 or 23 years.

Immigration



Migration to New Zealand

New Zealand's immigration policy is relatively open, especially for skilled migrants, investors and entrepreneurs.

Various grounds exist for immigration, residency and employment in New Zealand. Employers wishing to employ foreign workers must comply with employment and labour laws.

Permanent Residence

The categories within the economic migration component are:

- skilled migrant category
- business and investment category.

These are discussed below.

Skilled migrant category

The skilled migrant category is designed to ensure people migrating to New Zealand have skills the country needs. Entry is based on a points system with points earned for qualifications, work experience and preferred vocations. An offer of work at the time of the application also gains points.

Business and investment category

The migrant investment policy aims to attract financial capital in New Zealand. The policy has set investment thresholds as part of the entry criteria. The 5 business policies are:

- Investor Plus
- Investor
- Long Term Business Visa
- Entrepreneur
- Entrepreneur Plus

The Investor Plus category is based on the investment of a minimum of \$10 million in New Zealand for three years. The Investor category is based on the investment of a minimum of \$1.5 million in New Zealand for 4 years.

The Long Term Business Visa is a work visa to enable you to move to New Zealand and buy or establish your own business: this could be an initial step towards applying for residence in New Zealand under one of the Entrepreneur categories.

The Entrepreneur category requires the successful establishment of a business in New Zealand, and working as a self employed person in that business for at least 2 years. The business must benefit New Zealand.

The Entrepreneur Plus category has no minimum time for operating of a business in New Zealand. An applicant must hold a long term business permit, have successfully established a business in New Zealand, and be self employed in that business. There is also a minimum investment requirement of \$0.5 million in the business and there must have been a minimum of three new full-time jobs created for New Zealand citizens or residents.

The entrepreneur residence policy provides opportunity for residence to migrants who demonstrate active participation in their business, and that they are contributing to New Zealand's economic development.

Who is Eligible?

New Zealand wants to attract people with skills that will contribute to New Zealand's economic growth.

Labour Agreements

Several immigration policies allow temporary entry for seasonal work planting, maintaining, harvesting or packing crops in the horticulture and viticulture industries.

Employee of a Relocating Business

Key employees of a business that is relocating its operations to New Zealand can apply for a work permit and later a residence permit under the Employee of a Relocating Company category.

Temporary Residence

Temporary work visas and permits are also granted to workers with skills in demand or those who want work experience after studying in New Zealand. The work to residence category allows temporary work visas and/or permits as a step to permanent residence.

Employees of a business relocating to New Zealand can also apply for a work permit.

Study visa or permit

A student visa or permit may be required if wishing to study at school or at a tertiary institute.

Other categories

There are special rules providing wider immigration rights to Samoan and Pacific peoples, and refugees.

Visitors

Visitors whose home countries are on the list of visa-free countries do not require a visitor visa to come to NZ, depending on the duration of the visit.

Work Permits

Work permits or work visas are required unless you are a New Zealand or Australian citizen or resident.