

PRESENTERS



Catherine Francis, Partner, PwC, Auckland

Catherine is a leading GST practitioner and seasoned presenter. Property transactions form a large part of her practice, with clients including funds, iwi, corporate and high net worth investors. Catherine has a particular interest in tax policy issues and has been closely involved in recent law changes and consultations affecting GST and property.



Riaan Geldenhuys, Barrister, Auckland

Riaan practises as a barrister sole and advises a number of high-profile companies on income tax, GST and Customs issues. He has several clients in the property sector, including receivers, liquidators, accounting and law firms. Before joining the bar, Riaan was a tax disputes resolution specialist for PwC for more than 10 years, and worked in senior roles in Inland Revenue. Prior to immigrating from South Africa, he practised as a solicitor and was a litigation partner from 1999.



Eugen Trombitas, Partner, PwC, Auckland

Eugen is a very experienced GST practitioner. He has assisted clients with numerous transactions involving land, compulsory zero-rating (CZR) and the GST rules. Eugen's extensive work on CZR includes assisting officials with the original policy design (and subsequent law changes), advising on the various versions of the ADLS/REINZ real estate contract and GST schedule, running GST seminars for various professional bodies, developing GST valuation protocols for the Property Valuers Institute, and being involved as an expert witness in several land GST cases. He brings a practical perspective to this area of GST and can draw on his experience to provide best practice tips and avoid traps.

CONTENTS

GST ZERO-RATING FOR TRANSACTIONS INCLUDING LAND.....	1
A: A BRIEF OVERVIEW	1
<i>Introduction – why do we have the CZR regime?</i>	1
<i>Introduction – our approach in this paper</i>	1
<i>What is the CZR regime?</i>	2
<i>When does CZR apply?</i>	2
<i>The transaction must be between GST registered persons</i>	3
<i>The purchaser’s intentions</i>	4
<i>The purchaser’s statement</i>	4
<i>What happens if the CZR requirements are not met?</i>	4
<i>Who is at risk if the parties get it wrong?</i>	5
B: THE CONTRACT	5
<i>Good drafting and pricing practice</i>	5
<i>The pricing expression</i>	5
<i>Is it time to reconsider the pricing expressions?</i>	12
<i>Do you delete the going concern clause?</i>	14
<i>GST information on the front page and the Schedule</i>	14
<i>Vendor’s GST registration status</i>	14
<i>The GST Date</i>	15
<i>Purchase price allocation</i>	18
<i>Schedule 1 – GST information</i>	18
<i>Nominees</i>	19
<i>Intention to use all or part of the property as a principal place of residence</i>	20
C: THE PERIOD BETWEEN CONTRACT AND SETTLEMENT	21
<i>When is CZR tested?</i>	21
<i>An objective test at settlement</i>	22
<i>Section 78F – reliance on the purchaser’s statement</i>	22
<i>Verbal notification</i>	23
<i>Transactions incorrectly zero rated</i>	24
<i>Transactions incorrectly standard rated</i>	24
D: AFTER SETTLEMENT	25
<i>The need to test land use – s 20(3J)</i>	25
<i>What happens if a transaction was incorrectly zero rated at settlement?</i>	27
<i>When does s 5(23) apply?</i>	27
<i>Subsequent supplies: Input tax and associated parties (ss 3A(3B) and 3A(3C))</i>	28
E: CONCLUDING COMMENTS	29
POWERPOINTS.....	31