



MCA

MATHIESON CHARTERED ACCOUNTANTS LTD.



PROFIT



GROWTH



CASHFLOW



SUCCESSION



PROTECTION

Newsletter – July 2016

INLAND REVENUE SCAM ALERT

Scammers claiming to be from Inland Revenue are cold calling people to say they are being investigated for tax fraud. The scammer requests personal information including the person's IRD number, before threatening them with legal action. In some cases people are told they must pay a debt urgently or face jail.

Some people have also reported scammers leaving voicemails stating the recipient is subject to criminal action for tax fraud, leaving a phone number for the person to return the call.

There have also been reports of more phishing email scams appearing with the Inland Revenue logo on them. These are to fool people into believing they are genuine and that you are eligible for a tax refund. Inland Revenue will never advise you that you are due a tax refund through email.

If you come across any correspondence from Inland Revenue that you are unsure about, feel free to contact us on (03) 307 6455.

NEW GST RULES

Changes have been made to the Goods and Services Tax Act 1985 affecting non-resident businesses and the services that they supply.

If you're a non-resident business

Effective from 1 October 2016, non-resident businesses that meet the GST requirements will be required to charge and return GST on any services that they supply to customers residing in New Zealand. This includes online services such as online gaming, gambling, video streaming, and music streaming services.

If you're a New Zealand customer

Due to GST being charged New Zealand customers may



find an increase in the cost of the online supplies that you purchase from 1 October 2016. Examples of supplies/services can include supplies of digital content such as e-books, movies, TV shows, music and online newspaper subscriptions. Online supplies of software are also covered, and examples include apps, games and word processing software.

If you're a New Zealand business

New Zealand GST-registered businesses will not be subject to GST if you are buying supplies from non-resident business as long as the supplies are part of your taxable activity.

Non-resident business will treat the recipient as not being a GST-registered business unless the recipient:

- notifies the supplier that they are registered for GST, or
- provides the supplier with their GST number or New Zealand business number.

For any queries feel free to contact us on (03) 307 6455.