

**ARRANGEMENT  
BETWEEN THE COMPETENT AUTHORITIES OF  
THE UNITED KINGDOM  
AND  
NEW ZEALAND**

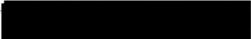
**CONCERNING THE MODE OF APPLICATION OF ARTICLE 25A OF THE  
CONVENTION FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE  
PREVENTION OF FISCAL EVASION BETWEEN THE UNITED KINGDOM AND  
NEW ZEALAND WITH RESPECT TO TAXES ON INCOME AND ON CAPITAL  
GAINS**

The undersigned competent authorities have reached the following arrangement concerning the procedures that will apply to mutual assistance concerning revenue claims arising within the respective States:

**COMPETENT AUTHORITIES**

Requests for assistance and related correspondence will be sent to:

1. In the United Kingdom :

  
HM Revenue and Customs  
Debt Management  
Mutual Assistance in the Recovery of Debt (MARD)  
Centenary Court  
1 St Blaise Way  
Bradford BD1 4XY  
United Kingdom

2. In New Zealand :

Mr John Nash  
Chief Advisor (International Audit)  
International Audit Unit  
Inland Revenue Department  
PO Box 2198  
Wellington  
New Zealand

## **DOCUMENTATION THAT SHOULD ACCOMPANY A REQUEST**

The following documentation will accompany a request for assistance:

1. An official copy of the instrument permitting enforcement. In the case of requests
  - by the United Kingdom, this will consist of a stamped and signed certificate of debt;
  - by New Zealand, a certified copy of the summary of account.
  
2. A declaration confirming that:
  - The revenue claim is enforceable under the laws of the applicant State;
  - The revenue claim is owed by a person who cannot, under the law of the applicant State, prevent its collection;
  - The applicant State has pursued all reasonable means available in its own territory to collect the claim;
  - The revenue claim concerns taxes covered by the Convention between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of New Zealand for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital gains, signed at London on 4 August 1983, as amended by the Protocol signed at London on 4 November 2003 and the Protocol signed at London on 7 November 2007 (“the Convention”);
  - The request is in conformity with the laws and administrative practices of the applicant State;
  - The information in the request and in the attached documents is correct.

## **CURRENCY AND EXCHANGE RATES**

1. The applicant State will express the amount of the claim to be recovered in the currency of the applicant State and the currency of the requested State.
  
2. The exchange rate to be used will be the latest selling rate quoted on the most representative exchange market or markets in the applicant State on the date when the request for assistance is made.
  
3. All exchange rate gains or losses will be borne by the applicant State.

## YEARS COVERED

Requests for assistance can be made in respect of revenue claims that were finally determined before the entry into force of Article 25A of the Convention.

## OLD CLAIMS

1. The requested State is not obliged to comply with a request for assistance if the revenue claim is more than five years old.
2. The start date for the purposes of calculating the period of five years will be:
  - (a) where a foreign claim is not contested, the date the instrument permitting enforcement was established by the applicant State in accordance with the law in force in that State;
  - (b) where a foreign claim is contested, the date upon which the applicant State establishes that the claim or instrument permitting recovery is no longer contested.
3. Notwithstanding paragraph 1 above, the competent authority of the requested State may agree to provide assistance with respect to a revenue claim more than five years old if the circumstances so warrant, for example because the debt arises from fraud.

## MINIMUM AMOUNT

Unless the request concerns additional interest only, the requested State is not obliged to comply with a request for assistance if the revenue claim (whether a single claim or a consolidated claim) is less than NZ \$ [REDACTED] or the sterling equivalent.

## CALCULATION OF INTEREST

1. An applicant State may include any interest arising in respect of the debt in the revenue claim, calculated up to a day that the claim is made.
2. Interest that has accrued from the day that a revenue claim has been made cannot be added to that claim, but must be the subject of a separate revenue claim. A separate revenue claim for interest may be made on a periodic basis of not less than six months from a previous claim relating to interest, unless there are special circumstances (for example the debt may need to be determined at a specific date because of a proof of debt requirement).
3. The requested State will not be required to calculate and apply interest in respect of a revenue claim.

## **COSTS**

1. The costs of collection will be borne by the requested State.
2. If a recovery action is likely to lead to disproportionate costs, the competent authorities will consult with each other regarding the procedure to be followed.

## **TRANSFER OF PAYMENTS TO THE APPLICANT STATE**

1. Any sum recovered by the requested State will be transferred to the applicant State in the currency of the requested State.
2. The transfer will take place within one month of the date on which recovery is effected.
3. Payments should be transferred to a point designated by the applicant State.

## **DEFERRAL, PAYMENT BY INSTALMENTS AND WAIVER OF CLAIMS**

1. The competent authorities will consult with each other on any proposals for deferral and payment by instalments. Subject to paragraph 3 below, the requested State will not accept a compromise of the claim or remit or waive the claim in part or in full without first consulting the applicant State.
2. If payment is not received in full the requested State should advise the applicant State of the receipt of the part payment and the proposal for clearance of the balance.
3. The requested State may cease collection of the revenue claim where:
  - (a) the taxpayer is bankrupt or has been granted a debt settlement arrangement under the law of the requested State; or
  - (b) the taxpayer is a company that is in liquidation or administration due to insolvency.

## **POTENTIAL MODIFICATIONS TO THE REQUEST**

1. Upon receipt by the requested State, in writing or in electronic form, of a notification by the applicant State of an amendment to the amount of the revenue claim, where that amendment leads to a reduction in the amount of the claim, the requested State will continue action to recover the claim but such action will be limited to the amount still outstanding.
2. If at the time the requested State is informed of the reduction in the amount of the claim, an amount exceeding the amount still outstanding has already been received, but the transfer procedure has not yet been initiated, the requested State will repay the amount overpaid to the person entitled thereto.

3. Upon receipt by the requested State, in writing or in electronic form, of a notification by the applicant State of an amendment to the amount of the revenue claim, where that amendment leads to an increase in the amount of the claim, then:

- (a) the additional request will as far as possible be dealt with by the requested State at the same time as the original request;
- (b) where, in view of the requested State, consolidation of the additional request with the original request is not possible, the requested State will comply with the additional request provided it concerns an amount not less than the minimum amount referred to above, unless the additional request comprises interest only and there is a reasonable prospect of full collection in the opinion of the competent authority of the requested State, in which case the requested State will comply with the request if the amount exceeds NZ [REDACTED] or the sterling equivalent.

### **UNCOLLECTIBLE CLAIMS**

When the competent authority of the requested State determines that a revenue claim is uncollectible, the competent authority will return the request with a report, providing details on why the claim is uncollectible.

### **CLOSURE OF A REQUEST**

Upon receipt of notice from the applicant State as to:

- (a) payment in satisfaction of that claim; or
- (b) cancellation or any other reason for termination of that claim;

the requested State will cease any enforcement action in relation to that claim.

### **FEEDBACK AND MEASURING EFFECTIVENESS**

The competent authorities may consult with each other at any time with the aim of ensuring effective implementation of this arrangement.


### **EFFECTIVE DATE AND MODIFICATIONS**

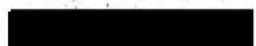
- 1. This arrangement becomes effective on the later of the two signature dates.


2. This arrangement may be modified at any time by agreement between the competent authorities.

**For the Competent Authority for  
the United Kingdom**

**For the Competent Authority for  
New Zealand**

 15 March 2010  
Signature date

  
Head of the Tax Treaty Team

 17 March 2010  
Signature date

J. D. Nash  
Chief Advisor (International Audit)