



High-Wealth Individuals Research Project

Financial Questionnaire Guide

June 2022

Project purpose

1. The high-wealth individuals research project is a statistical research project that seeks to fill a gap in our knowledge of economic measures of income and effective tax rates of high-wealth New Zealanders. The project will improve the evidence base regarding how the tax system is currently operating, which is the first step in policy development, that of problem identification. A final report on the project's findings will be made public in 2023.
2. No-one's tax liability will be reassessed as part of this project; information provided for the project will not be used for any tax compliance or assessment purposes. The final report will not identify any individual or entity.

Income and effective tax rate measures

3. This collection seeks further information to allow us to estimate the following measures of income for the high-wealth population group. These measures provide a broader concept of income than taxable income:
 - Gross cash income: broadly taxable income plus untaxed receipts and realised capital gains.
 - Economic income: broadly taxable income plus untaxed receipts and realised and unrealised capital gains.¹ Economic income will be calculated with and without a measure of imputed rents from owner-occupied housing – that is the income a person could otherwise have earned from renting out their house.
4. An output from the project will be the calculation of average effective tax rates for the 2016 – 2021 income years. An effective tax rate (a measure of tax paid divided by a measure of income) helps us understand how much tax is paid by this group, relative to their income.
5. The tax paid included in the calculation will only be that which directly relates to the income included. For example, tax paid by entities will be included to the extent capital gains from ownership of entities are included. We will also estimate an effective tax rate measure including GST paid by the family.

¹ Information on gifts and inheritances is sought as components of economic income. However, the irregular nature of gifts and inheritances means the six-year period may not be representative, so we will seek this information for a longer period.

This questionnaire

6. You are receiving this questionnaire as you are in the project population. Consistent with the Entity Collection, you are required to provide the information in this request as either:
 - **individual A** (the person identified in the initial population); or
 - the **domestic partner** of individual A.
7. This information is sought under section 17GB(1) of the Tax Administration Act 1994. Section 17GB allows the Commissioner of Inland Revenue to collect information considered relevant for a purpose relating to the development of policy for the improvement or reform of the tax system. Each person who has received a notice is legally required to provide this information. **You may request a tax agent or other representative to complete the form on your behalf although you remain ultimately responsible.**
8. You are required to provide this information by **5pm on 24 August 2022**.
9. You must use reasonable endeavours to provide the information. It is acceptable to use reasonable estimates where you are unsure of certain information. State “unknown” where you cannot obtain the requested information or leave blank questions that are not applicable.
10. The exception to this is in relation to trusts. If you are unable to provide the information relating to a trust² because the information is not within your knowledge, possession or control then you are required to provide the name and contact details of the **person(s)** who does have this information in their knowledge, possession or control by **5pm on 4 July 2022**. Further information is found in Appendix 1.
11. Key terms, bolded from here, are defined in the glossary at the end of this guide. The defined terms apply for the Financial Disclosure Statements as well.

What is covered by this questionnaire?

12. The last questionnaire (**Entity Collection**) sought information on **entities** you and your **family owned** or had an interest in at any time between 2016 to 2021, where your interest was over a threshold. This information was needed as the income measures will include income (capital gains and distributions) your **family** received from the **ownership** of **entities**.
13. This questionnaire asks for a range of financial information on your investments, and trusts, to enable estimation of the income measures, the attribution of some sources of income to individuals and the calculation of the effective tax rates.
14. Information is required to be provided in five Financial Disclosure Statements named:
 - Index
 - Real Property
 - Trusts

² In particular, the information sought in the Trusts Disclosure Statement and the Portfolio Interests Disclosure Statement relating to trusts.

- Portfolio Interests
- Entities.

15. Questions in the Trusts and Entities Disclosure Statements relate to a subset of **entities** required to be disclosed in the **Entity Collection** (whether or not previously disclosed). **Direct interests** in **entities** that were not in scope of the **Entity Collection** are disclosed in the Portfolio Interests Disclosure Statement.
16. Many of the questions are aimed at the estimation of capital gains and untaxed distributions or receipts. As these gains fall outside the tax system, we do not hold information on them. We will need to make assumptions to make estimates of capital gains income. Any income and expenditure estimates provided or made, will only be used for this research project.
17. The questions we ask will not cover all the assets you own. This is because we will utilise information available to us internally (tax data) or through public databases (listed **company** share prices, real property ownership and council property valuations) where reasonably practicable. Further, capital gains will only be estimated for financial assets, and not personal assets like art works. This is to minimise the compliance costs on you as much as possible, while still obtaining the data we require.
18. Our internal data includes financial statement information on the **entities** disclosed in the **Entity Collection**. We will use this information to determine the income from these **entities**. However, our internal information is not complete. In early July, we intend to request additional information, but only from those individuals for whom we have insufficient or inadequate financial statement information in relation to their **entities** to undertake our estimates. For this reason, this questionnaire is more focussed on your personal finances rather than financial statement information on the **entities** you **own**.

How to complete this questionnaire

19. The required information is to be provided in the five Financial Disclosure Statements that are contained in the workbook distributed with this guide. The Detailed Instructions in this guide set out the requested information and tell you how to complete the Disclosure Statements.
20. Answers to questions should be provided in the light blue boxes within the workbook only.
21. The workbook contains custom formatting and formulas to assist you. We recommend using Office 365 (desktop application or Excel online). Alternatively, uploading to Google Sheets will allow you to complete the workbook.
22. For electronic Disclosure Statements, certain cells will be auto filled using information you provide to other questions, for example the Index Disclosure Statement. Your responses may also result in subsequent cells being blanked out where you are not required to answer the question.
23. Where you are asked to provide the number of **entities** or properties held, cells will appear for you to provide that number of entries.

24. For this functionality to assist you most, we recommend you provide information in the Disclosure Statements in the order provided, that is: Index, Real Property, Trusts, Portfolio Interests and Entities. You will need to select who the response is being completed for in the Index Disclosure Statement to commence. If you change who the Statements are being completed for or add additional trusts in the Trusts Disclosure Statement this will impact on later Disclosure Statements.
25. The Detailed Instructions assume you are completing the Financial Disclosure Statements electronically. If you are completing in hard copy, you will need to write in information that is auto filled or has drop-down menus within the electronic version.
26. Information sought is in New Zealand dollars (\$NZ). If a transaction or asset is denominated in foreign currency, convert to \$NZ using an appropriate exchange rate from that period. If your **income year** or **reporting date** differs from that of any relevant **investment account** or **entity**, use the closest comparable date.
27. Questions that require you to provide a property address should follow this format: [number] [street name], [suburb], [town/city] [postcode].

Application to individual A, domestic partner and dependent children

28. If you are **individual A**, you are required to complete all the Financial Disclosure Statements for yourself and any **dependent children**, including providing information on **in-scope disclosed trusts** for which you or a **dependent child** is a **settlor, appointer** or beneficiary. Some questions are only required to be answered by **individual A**.
29. If you are the **domestic partner**, you only need to provide information for yourself (not your **dependent children**) and **in-scope disclosed trusts** for which you are a **settlor, appointer**, or beneficiary.
30. Only financial information relating to the interests of **qualifying dependent children** needs to be disclosed for the Entities and Portfolio Interests Disclosure Statements. Financial information relating to the interests of all **dependent children** is required to be included in the Trusts Disclosure Statement. If you have more than one **dependent child**, provide aggregate figures for all relevant children (in all Disclosure Statements).³
31. **Individual A** and the **domestic partner** may complete the Financial Disclosure Statements jointly or separately (that is either in one workbook or two). In either case, the interests of each of the following needs to be identified (see paragraphs 28-30):
 - **individual A**
 - **qualifying dependent children** (all **dependent children** for the Trusts Disclosure Statement)
 - **domestic partner**
 - an **in-scope disclosed trust** (in the Trusts and Portfolio Interests Disclosure Statements).

³ **Qualifying dependent children** are **dependent children** with assets or income over a threshold (see glossary).

32. For interests held jointly by **individual A** and their **domestic partner**, you should each separately disclose your best estimate of your share of the joint asset or transaction. For **entities** this will be in the proportion specified in your Disclosure Statements submitted for the **Entity Collection**.⁴
33. The Portfolio Interests Disclosure Statement must be completed for the **portfolio interests of in-scope disclosed trusts** (as well as **family** members), subject to paragraph 10. In the Entities Disclosure Statement you are only required to provide information on **entities** that meet the **scope criteria** that you hold **directly**.

More information

34. If you have any questions about this questionnaire or require assistance in completing the Financial Disclosure Statements, please contact us at: entity.collection@ird.govt.nz. Please indicate if you would like a call back.
35. To request an unformatted workbook or for assistance in uploading the workbook (including if you need to resubmit the workbook) please contact us at: etrproject@ird.govt.nz.
36. Further information can be found at: [High-wealth individuals research project \(ird.govt.nz\)](https://www.ird.govt.nz/high-wealth-individuals-research-project)

How to submit

37. Submit the completed Financial Disclosure Statements through the secure online platform by following the file upload instructions in the box below.
38. s18(c)(i) [REDACTED]
39. We recommend you retain a copy of the completed Financial Disclosure Statements.

File upload instructions for Financial Disclosure Statements

- 1) s18(c)(i) [REDACTED]
- 2) If you are submitting the Financial Disclosure Statements yourself, you will be asked to enter your personal IRD number, so we can authenticate your submission (no initial '0', numeric characters only, no spaces or special characters (hyphens)).
 - If you are a tax agent and completing the submission for your client, please enter your client's personal IRD number.
 - If partners are providing a joint response in a single form, please provide **individual A's** personal IRD number.
- 3) Once you have logged in, follow the instructions to the page where you can upload your submission.

⁴ Details of how jointly held interests were disclosed as part of the **Entity Collection** can be found at [entity-questionnaire-guide-feb-2022.pdf \(ird.govt.nz\)](#) on page 4.

Detailed instructions

Part 1: Index Disclosure Statement (page 6)

Part 2: Real Property Disclosure Statement (page 7)

Part 3: Trusts Disclosure Statement (page 9)

Part 4: Portfolio Interests Disclosure Statement (page 12)

Part 5: Entities Disclosure Statement (page 14)

Part 1: Index Disclosure Statement

Scope

40. In the Index Disclosure Statement, you are required to identify who the questionnaire is being completed for (to start, select either '**Individual A**' or '**Domestic Partner**' for a separate response or select 'Joint response', then provide the identifying information). You are also required to provide information of **gifts**, inheritances, and expenditure in this Disclosure Statement.

Questions

41. You are required to provide your best estimate for the information on **gifts**, inheritances, and expenditure. You are not required to undertake an independent valuation or undertake a detailed financial review to answer these questions.

Gifts and inheritances

42. For **individual A** and the **domestic partner** (as relevant), provide an estimate of the total **nominal value** of **gifts** and inheritances received from relatives, per decade. The total amount should be rounded to the nearest \$1,000,000 per decade (you may ignore a single receipt below \$25,000 in determining if the total amount meets the threshold).⁵
43. The amount you received as **gifts** or inheritances should include amounts you received in **trust distributions** from testamentary trusts or trusts settled by a relative.⁶
44. This question applies for the decades commencing 1970-2010.

Expenditure on goods and services

45. Only **individual A** is required to provide expenditure information. Questions on expenditure will not be visible if you are completing a **domestic partner** only response electronically.
46. If you are **individual A**, provide an estimate of your **family's** annual expenditure in the 2019 **income year** on **goods and services** rounded to the nearest \$50,000.

⁵ A total amount below \$500,000 in a decade does not need to be reported.

⁶ Distributions from trusts are also requested as part of the Trusts Disclosure Statement but only for the **reporting period**. You should include distributions from trusts in this period in both responses.

Expenditure on housing costs and motor-vehicles

47. If you are **individual A**, provide the total amount (rounded to the nearest \$10,000) you have allowed in your annual expenditure estimate for housing costs. This includes rent, principal and interest payments on mortgages, housing maintenance, property insurance premiums, and property rates.
48. Also provide the total amount (rounded to the nearest \$10,000) you have allowed in your annual expenditure estimate for new or second-hand vehicles (cars and motorcycles).

Expenditure on selected items

49. If you are **individual A**, provide the total amount (rounded to the nearest \$10,000) you have allowed in your annual expenditure estimate for:
 - overseas travel (flights and accommodation),
 - **goods and services** purchased while overseas,
 - non-mortgage loan payments (principal and interest),
 - life insurance premiums and
 - financial services fees.

Why we need this information

50. The purpose of the inheritances and **gifts** question is to get a better understanding of the full economic income of the individuals in the population. Other surveys of income, such as the Household Economic Survey, seek information on inheritances and **gifts**. Given the irregular nature of **gifts** and inheritances we ask for this information over a longer period.
51. The purpose of the questions on expenditure is to get a better understanding of the expenditure of the **family** on **goods and services** for the purpose of estimating the amount incurred in GST. We ask for you to disclose expenditure on specific items that do not incur GST, and on specific durables. GST paid will be included in one of the effective tax rate measures.

Part 2: Real Property Disclosure Statement

Scope

52. In the Real Property Disclosure Statement, you are required to provide information on New Zealand **residential** and **non-residential property owned** by **individual A** or the **domestic partner**.

Questions

Section A: Primary residence in New Zealand

53. Only **individual A** is required to complete Section A.

Address of family's primary residence in New Zealand

54. If you are **individual A**, provide the address of the **family's** primary residence in New Zealand during the **reporting period**. Only provide this information if a **family** member or **disclosed trust owned** the property (otherwise leave blank).
55. If the **family** had more than one residence over the **reporting period**, the primary residence is the property they stayed in the longest. If **family** members lived in different properties, it is the property that **individual A** lived in for the longest total time during the **reporting period**.

Average value of family's mortgage on the primary residence

56. If you are **individual A**, provide the average **nominal value** of the **family's** total mortgage secured against the primary New Zealand residence during the **reporting period**. If an average cannot be estimated, provide the estimated value of the mortgage as at the end of the 2018 **income year**.

Section B: New Zealand property

Property held by you in only a trustee capacity

57. Provide the total number and the address(es) of New Zealand **residential** or **non-residential property** where you were named on the title, during the **reporting period**, but held the property only in the capacity of trustee, where the trust is not a **disclosed trust**.

Property held by a bare trustee or other nominee on your behalf

58. Provide the total number and address(es) of New Zealand **residential** or **non-residential property** for which the title is held by another **person** in the capacity of a **bare trustee** or nominee on your behalf at any time during the **reporting period**. Exclude any **residential property** disclosed in the **Entity Collection**.
59. Provide the first and final **income years** the property was held on your behalf in the **reporting period**. If the property was held on your behalf before 2016, record "2016" for the first year held. If the property was still held on your behalf beyond the end of the 2021 **income year**, leave the final year blank.
60. Provide your average percentage **ownership** interest in the property for these years. If you do not have an accurate record, provide your best estimate.

Why we need this information

61. The purpose of Section A is to enable an estimate of the **imputed rent** on your primary residence (based on your net equity in the property). We will use public databases to value your primary residence and do not require you to do so.
62. We will source information on your ownership of real property from public databases. However, this data will include ownership interests on property titles, which may in fact only be in a trustee capacity, or alternatively, a nominee/**bare trustee** may be on the title of a property held on a **family** member's behalf. Section B questions seek to identify these properties to ensure we only attribute capital gains from property ownership to the **family** where a **family** member benefits from the property.

Part 3: Trusts Disclosure Statement

Scope

63. Information on a trust must be provided in the Trusts Disclosure Statement in respect of any trust that was an **in-scope disclosed trust** in the **reporting period**.
64. Where the **domestic partner** is submitting separate Financial Disclosure Statements, they need to complete both Section A and C of this Disclosure Statement in respect of their interests for **in-scope disclosed trusts**. They also need to complete Section B in respect of their **in-scope disclosed trusts**, unless they confirm ('yes/no') that Section B is being completed by **individual A** for that trust.
65. You are not required to disclose information on charitable trusts, widely held or listed investment trusts, or unit trusts in this Disclosure Statement. Include investments in widely held, listed investment and unit trusts within the Portfolio Interests Disclosure Statement.
66. Follow the instructions in paragraph 10 if any of the information requested in relation to trusts is not within your knowledge, possession, or control.

Questions

Section A: In-scope disclosed trusts identifying information

Trust name & IRD number; family members' relationships to trust

67. Provide the total number of **in-scope disclosed trusts** being reported on, and the name and IRD number (if applicable) of these trusts.
68. Provide 'yes' if, over the **reporting period**, either all beneficiaries or all **appointers** were **family members**, or both, and 'no' otherwise. If 'yes', certain other questions are not required to be answered.
69. Provide 'yes/no' as to whether **individual A**, **domestic partner**, or any **dependent children** (as relevant for a joint/separate response) were a beneficiary, **settlor** or **appointer** of the **in-scope disclosed trust** in the **reporting period** (this will auto-fill Section C to make completing the Statements easier for you).

Section B: Trust information

Real property owned by the trust

70. Provide the total number and the address(es) of New Zealand **residential** or **non-residential property owned** by an **in-scope disclosed trust** during the **reporting period**. Do not include property disclosed in either the **Entity Collection** or in the Real Property Disclosure Statement.
71. The address(es) is recorded at the bottom of the Trusts Disclosure Statement.

Total annual settlements on the trust

72. For each **in-scope disclosed trust**, provide the total annual market value (at the time) of **settlements** made on the trust for each **relevant year**. This includes **settlements** made by **family** members and those outside the **family**.
73. If there was consideration or value provided in return for the **settlement**, estimate the net value received by the trust. It will be nil if the trust provided equal or greater value than it received.
74. A **settlement** for the purposes of this question can be made by someone other than a “**settlor**” as defined in the trust deed. Provide your best estimate where the **settlement** is not in money and there is no listed price.

Total liabilities of the trust

75. Provide the total balance of all debts that each **in-scope disclosed trust** owed (including debts to **settlers** and beneficiaries) as at the start of each **income year** from 2016-2022.⁷

Total annual trust distributions from the trust

76. You are not required to answer this question if either all beneficiaries or all **appointers** of the trust were **family** members, or both, as disclosed in Section A.
77. Provide the total **trust distributions** made from an **in-scope disclosed trust** in each **relevant year**. This includes distributions made to **family** members and to those outside the **family**.

Proportion of appointers within the family

78. You are not required to answer this question if either all beneficiaries or all **appointers** of the trust were **family** members, or both, as disclosed in Section A.
79. Provide the current (or most recent) proportion of **appointers** that are in the **family** to all **appointers** (as a percentage).

Section C: Individuals’ interests in trusts

Total annual untaxed trust distributions received by the family member

80. Provide the total annual untaxed **trust distributions** made by the **in-scope disclosed trust** to the **family** member for each **relevant year**. Untaxed **trust distributions** of a **nominal value** less than \$10,000 in an annual period do not need to be disclosed.

⁷ The opening value for 2022 is required to measure the change in value for the 2021 **income year**.

The family member's share of trust income

81. You are not required to answer this question if either all beneficiaries or all **appointers** of the trust were **family** members, or both, as disclosed in Section A.
82. Provide the share of trust income that the **family** member is presently, or most recently, entitled to according to the trust deed or other documentation. This question is most applicable to fixed trusts.
83. If the trust deed is silent on the share of income but provides for a share of assets, then provide the share of assets for this question. If the trust deed or documentation does not specify any share of income or assets to beneficiaries, then leave blank.

The family member's share of trust assets if the trust was to be wound-up

84. You are not required to answer this question if either all beneficiaries or all **appointers** of the trust were **family** members, or both, as disclosed in Section A.
85. Provide the share of trust assets that the **family** member would receive if the trust was to be wound-up, according to the most recent trust deed or other documentation. If the trust deed or documentation does not specify individuals' shares on wind-up, then leave blank.

Why we need this information

86. The Trusts Disclosure Statement and other questions on trusts have two purposes.
87. First, to allow us to use different approaches to attribute capital gains income from the trust to the **family** and **individual A** in the estimates of economic income. Attributing income of trusts to individuals is inherently uncertain and often the trust itself may not know how income will be distributed. For this reason, we will use multiple methods to model different potential outcomes based on the following concepts:
 - Whether all the trust's beneficiaries are members of the **family**.
 - Whether the **family** controls the trust, ascertained by the power of appointment.
 - Individuals' rights to the assets were the trust to be wound-up.
 - Proportion of distributions received or receivable by the individual (actual or based on the trust deed).
88. Second, to determine the total income the **family** received from the trust from distributions and capital gains on the assets in the trust. You are required to complete the Portfolio Interests Disclosure Statement for **in-scope disclosed trusts**, and provide certain balance sheet information for trusts, to enable an estimate of the capital gains on assets held in trust.

Part 4: Portfolio Interests Disclosure Statement

Scope

89. The Portfolio Interests Disclosure Statement must be completed for all **family** members (except for children, only the interests of **qualifying dependent children** (in aggregate) need to be disclosed). It must also be completed for the **portfolio interests** of **in-scope disclosed trusts**.
90. An **in-scope disclosed trust's portfolio interests** are those **portfolio interests** held directly by the trustees of the trust in their capacity as trustee. Do not include the **in-scope disclosed trust's portfolio interests** in any **family** member's portfolio.
91. Where the **domestic partner** is submitting separate Financial Disclosure Statements, they need to complete this Disclosure Statement in respect of their own bank account and **portfolio interests**. They also need to complete this Disclosure Statement in respect of their **in-scope disclosed trusts**, except for a trust for which **individual A** is providing the information in their response (you may leave blank for such a trust).
92. Follow the instructions in paragraph 10 if any of the information requested in relation to trusts is not within your knowledge, possession, or control.
93. **Portfolio interests** are defined fully in the glossary. They are **direct interests** in financial investments, such as investments in equities and debt instruments (including **direct interests** in **entities** that do not meet the **scope criteria**). **Portfolio interests** exclude your **ownership** interest in a **CFC** or in an **entity** that meets the **scope criteria**.
94. Cash and cash equivalents held in **investment accounts** are included as **portfolio interests**. Bank accounts not held in **investments accounts** (e.g., your personal savings and chequing accounts) are included as bank accounts, see below, rather than being a **portfolio interest**.
95. We have structured the Portfolio Interests Disclosure Statement to align with common portfolio summaries or Performance Reports you may receive from investment brokers. This is designed to make providing this information easier.

Questions

Interest being disclosed

96. Whose interest is being disclosed will be auto-filled (for electronic Disclosure Statements) using the information you provided in the Index Disclosure Statement for **family** members and the Trusts Disclosure Statement for **in-scope disclosed trusts**. Otherwise provide.

Bank account balance

Total net balance of bank accounts

97. Provide the total net balance of all bank accounts of the **family** member being reported on (excluding those in **investment accounts** included in your **portfolio interests**), as at the start of

each **income year** from 2016-2022. Only combined amounts exceeding \$500,000 need to be reported, rounded to the nearest \$100,000.

98. Provide the total net balance of all bank accounts of each **in-scope disclosed trust** (excluding those in **investment accounts** included in the trust's **portfolio interests**), as at the start of each **income year** from 2016-2022.⁸ Amounts should be rounded to the nearest \$100,000.⁹

99. Include both domestic and foreign held bank balances.

Portfolio interests

Opening and closing market value of portfolio interests

100. Provide the total market value of all your **portfolio interests** at the start or end of each **relevant year** (see paragraph 104), rounded to the nearest \$500,000.¹⁰ This requires you to add all of the market values held in:

- **investment accounts**, and
- **directly held portfolio interests**, including
 - debt and **ownership** interests in **entities** that do not meet the **scope criteria**, and
 - debt interests in **entities** that do meet the **scope criteria**.

101. For investments held in **investment accounts**, use the total reported value of all assets in the account (including cash or cash-equivalents held in that account). If you have **portfolio interests** held **directly** by you outside of these accounts, such as shares held in your name where dividends are paid directly to you (including your bank account) instead of a securities account, also add the market values of these investments.

102. For interests that do not have a reported market value, such as an interest in an unlisted **entity** that does not meet the **scope criteria**, provide an estimate of the market value. You are not required to obtain an independent valuation of these assets.

103. **Ownership** interests in **entities** that do not meet the **scope criteria** do not need to be included in the total amount provided where the **entity** has a **book value of equity** of less than \$50,000 as at the **reporting date** of the **relevant year**.

104. Provide the opening total market value of your **portfolio interests** for the start of the 2016 **income year** and the closing market value (end of year) for each **relevant year**. The opening market value for **income years** 2017-2021 will be auto-filled using the amount you disclosed as the previous year's closing market value for electronic Disclosure Statement.

⁸ The opening value for 2022 is required to measure the change in value for the 2021 **income year**.

⁹ This means only total amounts over \$50,000 need to be reported.

¹⁰ This means only total amounts over \$250,000 need to be reported.

Annual contributions to portfolio interests

105. Provide the total amount of new capital you contributed to your **portfolio interests** for each **relevant year**. This should not include realised amounts reinvested or the reinvestment of dividends and interest included in the closing value.
106. For investments held in **investment accounts**, provide the amounts you contributed (i.e., deposited) during the **income year**, regardless of what was done with the money once in the accounts. Include contributions made by an employer (or another **person**) on your behalf, such as with KiwiSaver. For **directly held** investments, include amounts paid by you to purchase such investments that represent additional capital, i.e., excluding amount reinvested per above.

Annual withdrawals of portfolio interests

107. Provide the sum of the amount you received as a withdrawal (i.e., transfer out) from your **portfolio interests** for each **relevant year**, excluding amounts reinvested into that portfolio. For example, if you were paid a dividend or interest, or sold an interest, and reinvested it (such that it is included in the closing balance value), this should not be treated as a withdrawal.

Why we need this information

108. The **portfolio interests** and individuals' bank account information will help us to determine the income of the **family** members from investing in portfolio investments. We will calculate the income from **portfolio interests** by taking the portfolio closing value less the portfolio opening value (adjusted for contributions and withdrawals).
109. Reinvested dividends and interest from portfolio investments will be included in the closing value of the portfolio. This makes providing portfolio information easier for you. However, this means we need to ask you for information on dividends and interest (imputed from your bank balance) outside of your **portfolio interests**. This is because the portfolio approach means we cannot use internal information on dividends and interest, as it is aggregated and includes dividends and interest from both inside and outside your portfolio.

Part 5: Entities Disclosure Statement

Scope

110. The Entities Disclosure Statement must be completed for the interests of all **family** members (except for children - only the interests of **qualifying dependent children** (in aggregate) need be disclosed) in respect of each in-scope **entity**.
111. An **entity** is within scope of this Entities Disclosure Statement if it was required to be disclosed as a **company, partnership** or other **entity** (excluding a trust) in the **Entity Collection**,¹¹ and a **family** member had a **direct interest** in the **entity** during the **reporting period**. This is a subset of **entities** disclosed in the **Entity Collection** (noting that for **companies**, only **New Zealand companies** were required to be disclosed in the **Entity Collection**).

¹¹ See the **scope criteria** and other requirements in [entity-questionnaire-guide-feb-2022.pdf \(ird.govt.nz\)](https://ird.govt.nz/entity-questionnaire-guide-feb-2022.pdf).

112. Information on trusts (including trusts' holdings of **entities**) and **portfolio interests** is provided in other Disclosure Statements and does NOT need to be provided in this Disclosure Statement.

Questions

Section A: Entity details

Number of entities and identifying information

113. Provide the total number of **entities** you are reporting on, and the name and IRD number of these **entities**. Select the **entity** type (**company**, **partnership**, other (non-trust)) from the drop-down menu.

Entities fully included in the Portfolio Interests Disclosure Statement or publicly listed

114. Provide 'yes' if a **company** within the scope of this Entities Disclosure Statement was publicly listed on the New Zealand Stock Exchange during the entire **reporting period**. Alternatively, provide 'yes' if your **ownership** interest in an **entity** was fully included as a **portfolio interest** in the Portfolio Interests Disclosure Statement. Otherwise provide 'no'. If you answered 'yes', you do not need to complete the remaining questions for this **entity**. If you answered 'no' because only part of your **ownership** interest is reported as a **portfolio interest**, provide information on the remaining part in the Entities Disclosure Statement.

Family member who has a direct ownership interest in the entity

115. Specify (by selecting 'yes/no') which **family** member had a **direct ownership** interest in the **entity** you are disclosing. For electronic Disclosure Statements this will auto-fill further cells.

Section B: Transactions involving entities

Entity distributions received

116. Provide the total value of **entity distributions** (excluding imputation credits), not including distributions received from the sale of shares or other **ownership** interests in the **entity**, the **family** member received from the **entity** for each **relevant year**.

Capital invested in the entity by the family member

117. Provide the amount of new paid-in capital to the **entity** provided by the **family** member in any **relevant year** e.g., payment for shares issued by the entity. Put \$0 for any year no capital was invested. This question is most relevant for businesses that have been recapitalised.

Percent of shares (or other ownership interest) that were sold or purchased

118. Provide the percent of shares (or **ownership** interest) of the **entity** each **family** member sold or purchased during any **relevant year**. Put '0%' if your **ownership** interest was unchanged during the year. If shares (or other **ownership** interest) were sold, put a minus sign in front of the figure.

119. You should include where you sold shares (or other **ownership** interest) to the **entity**, but do not include acquisitions of new shares issued by the **entity** (include this in the Capital invested question, see paragraph 117).

120. The percent of shares (or other **ownership** interest) sold or purchased should be calculated in reference to the total shares outstanding (or other **ownership** interest) prior to the transaction.

Consideration paid and received

121. Provide the value of consideration in each **relevant year** from the sale/purchase of shares (or other ownership interest). Consideration received or paid includes cash, the value of debt forgiven, or any other assets received or paid.

Why we need this information

122. The purpose of the Entities Disclosure Statement is to measure the realised capital gains and distributions received directly by the **family** from investing in non-portfolio **entities**. The tax paid at the **entity** level associated with these investments will be determined by reviewing the tax records of the **entity**. We require information on all **entity distributions**, including taxable distributions, as we only hold aggregate, rather than **entity** specific dividend information internally (see 'Why we need this information', Portfolio Interests Disclosure Statement).

Glossary

Term	Explanation
Appointer	Means a person who (alone or with others) may do any of the following: <ul style="list-style-type: none"> • participate in appointing or removing one or more trustees or beneficiaries • provide their required consent to appoint or remove one or more trustees or beneficiaries • control or veto the decisions of one or more trustees • participate in a power to amend the terms of the trust • act as the nominated governor, protector or guardian of a trust.
Bare trust/trustee	Is an arrangement under which a person holds property on behalf of another person without any duties to perform other than to deal with the property as that person directs.
Beneficiary income	As defined in section HC 6 of the Income Tax Act 2007. Includes income derived in an income year by a trust and paid to a beneficiary in that income year or within 6 months of the end of that income year .
Book value of equity	Means an entity's net asset value, calculated as: <i>total assets minus total liabilities</i> .
Company	Has the same meaning as in the Companies Act 1993 and any overseas equivalent and includes a Look Through Company (LTC).
CFC	Means a controlled foreign company as defined in section EX 1 of the Income Tax Act 2007.
De facto relationship	Where two people: <ul style="list-style-type: none"> • currently share a mutual concern for each other and are emotionally committed for the foreseeable future; and • are not married or in a civil union; and • have a degree of economic, social and emotional interdependence through: <ul style="list-style-type: none"> ○ often living at a shared address; or ○ sharing of household responsibilities, bills, and/or financial accounts; or ○ others viewing them as a couple.
Dependent child(ren)	A child(ren) of individual A and/or their domestic partner from a biological, adoptive or fostering relationship who, as of 1 November 2021, was: <ul style="list-style-type: none"> • aged 17 or under; and • not in full time paid employment (regularly working 30 hours or more per week); and • not married, in a civil union or in a de facto relationship; and • someone who individual A regarded as being part of their household due to them, for example: often living at a shared address, or sharing household activities, or being viewed as individual A's dependent child by others.
Direct interest (or direct ownership, directly held)	An interest in an asset owned directly by the person , including through another person that held the interest on that person's behalf, such as a nominee or bare trustee . A family member's direct interest does not include an interest they owned as trustee.

Disclosed trust	<p>A trust that was required to be disclosed in the Entity Collection. This is a trust with total gross assets that exceeded \$1,000,000 in any relevant year, and if any of the following were a beneficiary, settlor or appointer in any relevant year:</p> <ul style="list-style-type: none"> • any family member being reported on in the Disclosure Statement • a company (including a foreign company), where the sum of the family members' direct and indirect ownership interests exceeded 50% in any relevant year • another disclosed trust.
Domestic partner	A person who is related to individual A through marriage or civil union or a de facto relationship (and was not separated from individual A as at 1 November 2021). This person will have been identified in the Family Details Collection .
Entity (or entities)	A body, organisation, or structure of any kind inside or outside of New Zealand, incorporated or unincorporated, that holds assets or generates income or financial gains including but not limited to a company , trust, partnership or joint venture. Entities do not include not-for-profit entities, such as charitable trusts and foundations, or widely held or listed investment trusts.
Entity Collection	The second information collection of the project where we asked you for a list of the entities your household had a significant interest in.
Entity distributions	<p>Includes the following:</p> <ul style="list-style-type: none"> • For companies, net taxable and non-taxable <i>dividends</i> (as defined in section YA1 of the <i>Income Tax Act 2007</i>). • For companies with LTC status, a transfer of property or cash from the LTC to a person that was not otherwise taxable income of that person (e.g., salary or interest) or a dividend. • For partnerships, a transfer of partnership property or cash to a person that was not otherwise taxable income of that person (e.g., salary or interest), whether or not the property or cash was paid out of taxable partnership income. <p>Does not include the payment of interest on debt.</p>
Family	Individual A and, if any, their domestic partner and dependent children .
Family Details Collection	The first information collection of the project where we asked for information about household members.
Foreign company	An incorporated entity that is not resident for tax purposes in New Zealand.
Gift	Money or money's worth (for an asset) given for no or inadequate consideration.
Goods and services	Means all kinds of personal or real property and services as defined as "Goods" or "Services" in section 2 of the Goods and Services Tax Act 1985, except it does not include investments.
Imputed rent	The income a person could have earned from renting out their house.
Income year	The year ending on 31 March or the balance date of the person in question (if this differs).
Indirect interest/ownership interest	An interest owned through one or more entities (including a foreign entity).
Individual A	The person identified in the initial project population. This person is identifiable due to having been sent a section 17GB notice asking for information about their family members (the Family Details Collection).

In-scope disclosed trust	A disclosed trust for which a family member being reported on was a beneficiary, appointer or settlor in any relevant year (and includes a trust for which another in-scope disclosed trust is the sole beneficiary).
Investment accounts	Includes brokerage , securities or custodial accounts , and managed funds , unit trusts , and superannuation funds .
Land	Includes: <ul style="list-style-type: none"> • any estate or interest in land • an option to acquire land or an estate or interest in land • does not include a mortgage.
New Zealand company	A company that is treated as resident in New Zealand for tax purposes (it is not treated as a CFC or a Foreign Investment Fund (FIF)).
Nominal value	The face value at the date in New Zealand dollars.
Non-residential property	Means land that is not residential property and includes non-residential buildings as defined in section YA 1 of the Income Tax Act 2007.
Owned (or derivatives)	Means in relation to a: <ul style="list-style-type: none"> • company, the holding of voting or non-voting shares • partnership, the right to the income or the assets of the partnership (but does not include the right to repayment of a loan) • trust, references to the trust owning (or similar) mean the trustees of a trust owning an asset in their capacity as trustee. Where there is a bare trustee or nominee the person instructing the bare trustee or nominee is the owner.
Partnership	Includes all forms of joint business.
Person	Means any individual or entity .
Portfolio interests	Means direct investments in financial assets and includes direct investments in entities that do not meet the scope criteria . This includes investments, whether held in New Zealand or not, in: <ul style="list-style-type: none"> • widely held or listed investment trusts and unit trusts or similar • shares and partnership interests for entities (including FIFs) that do not meet the scope criteria • debt investments (including loans to family members, third parties and debt investments in entities including trusts whether or not they meet the scope criteria) • managed and superannuation funds (e.g., KiwiSaver) • term deposits, and cash and cash equivalents held in investment accounts (e.g., money market funds) • cryptocurrency, options and hybrid securities. Portfolio interests excludes: <ul style="list-style-type: none"> • ownership interests in entities that meet the scope criteria • CFCs • amounts in bank accounts not held in investment accounts • beneficial or contingent interests in trusts.
Qualifying dependent child(ren)	A dependent child who is reasonably believed to currently have net assets in their own name in excess of \$1,000,000 or in the 2021 income year had taxable income in excess of \$1,000,000.
Relevant year	Any of the income years from 2016 – 2021.
Reporting date	31 March or the balance date of the entity in question (if this differs).
Reporting period	The period covering the income years from 2016 – 2021.

Residential property	<p>Means:</p> <ul style="list-style-type: none"> • a dwelling • land that has a dwelling on it • bare land that may be used for erecting a dwelling.
Scope criteria	<p>An entity meets the scope criteria if, as at the reporting date in any relevant year:</p> <ul style="list-style-type: none"> • For a company, or other entity except a partnership or trust, it either had total gross assets that exceeded \$1,000,000 or taxable income that exceeded \$1,000,000, or both, in any relevant year; and it is believed that the total direct and indirect ownership interests of the family and disclosed trusts exceeded 10% of the total ownership interests in the entity in any relevant year. • For a trust, it had total gross assets that exceeded \$1,000,000 in any relevant year. • For a partnership, it either had total gross assets that exceeded \$1,000,000 or taxable income that exceeded \$1,000,000, or both, in any relevant year; and it is believed that the total direct ownership interests of the family and disclosed trusts exceeded 10% of the total ownership interests in the partnership in any relevant year.
Settlements	<p>The net transfer of value to a trust or trustee, which could include any of the following:</p> <ul style="list-style-type: none"> • disposal of any property to the trust for less than market value • property or funds made available to the trust for less than market value • services provided to the trust for less than market value • any property acquired from the trust or any service provided by the trustee for greater than market value • the forgiveness of a debt owed by the trust.
Settlor	<p>Means a person who has transferred value to trustees for the benefit of the trust, directly or indirectly and including by way of a loan made for less than market value.</p>
Trust Distributions	<p>Includes taxed and untaxed trust distributions where:</p> <p>Taxed trust distributions refer to beneficiary income.</p> <p>Untaxed trust distributions are other distributions, including:</p> <ul style="list-style-type: none"> • distributing trustee income accumulated in previous years • distributing capital profits or gains made from disposing of some of the trust's assets or property • sale of trust property or services to the beneficiary for less than full market value • acquiring trust property or services from the beneficiary for more than full market value • making a distribution from the trust's corpus • settling money or property for the benefit of another trust to the extent that if distributed to a beneficiary resident in New Zealand, the money or property would have constituted beneficiary income or a taxable distribution to that beneficiary • forgiveness of debt owed to the trust by a beneficiary.

Appendix 1: providing alternative contact details for an in-scope disclosed trust

1. If you are unable to provide any of the information sought about **in-scope disclosed trusts** as it is not within your knowledge, possession or control, you are required to provide the name of a person who does hold that information.
2. s18(c)(i) [REDACTED]
[REDACTED]
3. s18(c)(i) [REDACTED]
4. The form asks for the trust's name, IRD number, the name and contact details for the contact person(s), and their role or connection to the trust (i.e., trustee, lawyer etc). The form also asks you to specify which individual(s) or additional trusts the disclosure relates to.
5. s18(c)(i) [REDACTED]
6. This information is due by **5pm on 4 July 2022**. If we do not hear from you by this date, then we will assume that you will be able to provide all the required information by **24 August 2022**.
7. This enables us to ask the person who has the relevant knowledge to answer questions relating to the **in-scope disclosed trust**.

