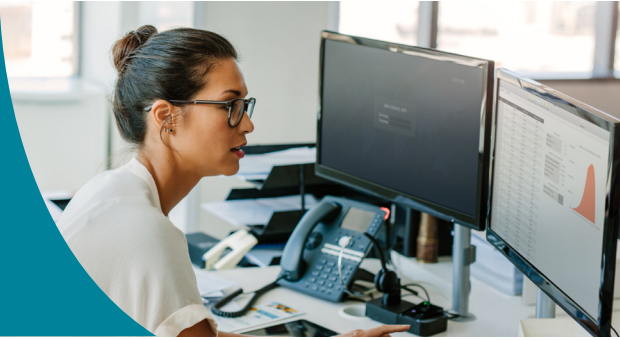


RWT exemption register



From 1 April 2020, certificates of exemption for RWT will be replaced with a new online register. **Find out how this affects you.**

An exemption from having RWT deducted from interest and dividends is referred to as having RWT exempt status. Customers can apply for an exemption by completing an IR451 application form and sending it to Inland Revenue for approval.

Currently we issue successful applicants with a certificate of exemption from RWT. A list of cancelled and reissued certificates of exemption is published quarterly in the New Zealand Gazette.

What's changing

This year we are introducing a new electronic RWT exemption register. You can access this at ird.govt.nz/rwt-exemption

From 1 April 2020, we will no longer:

- issue certificates of exemption for RWT
- publish cancelled and reissued exemptions in the New Zealand Gazette.

Instead customers with RWT exempt status will have their IRD number added to the new electronic register.

Customers that currently have RWT exempt status will automatically be on the register unless:

- their exemption has been cancelled, has expired or is revoked
- they are exempt under an Act other than the Tax Acts and have not been approved under another criteria.

Charities

Charities registered with Charities Services will no longer need to apply for RWT exempt status. From 1 April we will automatically put them on the register.

In April we will also automatically add to the register all organisations recorded as charitable for income tax in our system that don't already have RWT exempt status.

Exemptions under other Acts not administered by Inland Revenue

It is a requirement that these customers are on the register to be treated as exempt.

If a customer is exempt from RWT under an Act other than the Tax Acts, their current exemption will continue until 31 March 2020. If they want to retain their exempt status from 1 April 2020 they may need to apply to Inland Revenue to be added to the register. They can do this now.

Many of these organisations already have an RWT exemption and are on the RWT exemption register.

You can see a table of the other Acts that provide an RWT exemption on page 3.

What it means for payers of investment income

It's important that payers of investment income (e.g. interest and dividends) are aware of the register and how to access and use it.

The register:

- is populated automatically by Inland Revenue
- identifies customers only by their IRD number
- is searchable by the IRD number, exempt status (active, cancelled, revoked or end-dated), exemption end date (if applicable) and when the information was last updated
- may be downloaded as an Excel file with all the data contained in one worksheet - if you have performed a specific search (e.g. by IRD number) the exported rows will match your search criteria
- is updated overnight every business day (Monday to Friday) providing you with near real-time information.

The register is active now. Although certificates of exemption for RWT will continue to be issued up to 31 March 2020, you can already use the register to confirm who has RWT exempt status and to identify people who are no longer RWT exempt.

Getting ready for 1 April 2020

For payers of investment income you will need to:

- update your processes to remove acceptance of physical certificates and instead use the register
- update RWT exempt status data on your systems using the register - we recommend you do this regularly
- inform customers who are currently exempt from RWT but not showing on the register that they will need to apply to Inland Revenue for RWT exempt status. This is different for registered charities (see page 1).

Your staff will need to know:

- that from 1 April they should not ask for, accept or use physical certificates even if they are presented by customers
- how to find and use the register (searching is a simple single-step process)
- how to direct customers to the register.

We recommend that your staff are advised to remind customers that they (the customer) are still responsible for notifying Inland Revenue if they no longer meet the criteria for an exemption and for notifying you, their payer, when their exempt status changes.

Applying for RWT exempt status

If a customer wishes to apply for RWT exempt status they need to complete the IR451 application form and send it to Inland Revenue. We will notify them when they are added to the register and when removed.

Customers with RWT exempt status are responsible for notifying Inland Revenue if they no longer meet the criteria for an exemption. We will update their status and the register.

FAQs

What if there are customers on my system recorded as having RWT exempt status but they are not on Inland Revenue's register?

- If the exemption was granted by Inland Revenue under the Tax Acts, check if their status has been cancelled, revoked or end-dated (expired). If it hasn't, your customer will need to contact us if they wish to discuss their status; or
- If the customer is exempt under Acts not administered by Inland Revenue they will need to apply to us to be included on the register (unless they are a registered charity).

What if a customer informs me that they no longer qualify for an exemption, but they are still showing on the register?

Your customer will need to contact Inland Revenue so that we can update their status and the register.

What if I have a customer who thinks the register is wrong and wants me to add them to it?

Inland Revenue issues exemptions and maintains the register. Your customer will need to contact us if they wish to discuss their status.

If a customer wishes to apply for a new exempt status you can direct them to the IR451 application form.

The IRD numbers are public and easily searchable. Does this increase the chances of identity theft, phishing or mis-use?

No. The only identifying information is the IRD number. This is the same information already available in the New Zealand Gazette. On its own it has no value without a name, address, email, myIR login details etc. The register only provides the IRD number, status and end date of the exempt status.

Diplomatic personnel

Income received from foreign sources and income received in a diplomat's official capacity is exempt from income tax in New Zealand under the Vienna Conventions relating to diplomatic and consular relations. However, these conventions do not exempt New Zealand sourced interest and dividends from tax (RWT or NRWT).

Diplomats who are resident in New Zealand are liable for RWT.

More information

For more information about the changes coming up in April 2020 go to ird.govt.nz/investment-income

Other Acts that provide an exemption from RWT

We have identified the following Acts, but this list may not be complete.

Act	Exempts
Accident Compensation Act 2001	Accident Compensation Corporation (ACC) <i>Note: A Crown entity subsidiary of the Corporation is not exempt from income tax</i>
Artificial Limb Service Act 2018	New Zealand Artificial Limb Service
Arts Council of New Zealand Toi Aotearoa Act 2014	The Arts Council
Broadcasting Act 1989	Broadcasting Standards Authority Broadcasting Commission Te Reo Whakapuaki Iirangi
Children's Commissioner Act 2003	Children's Commissioner
Commerce Act 1986	Commerce Commission
Diplomatic Privileges (International Criminal Court) Order 2004	International Criminal Court
Earthquake Commission Act 1993	Earthquake Commission
Education Act 1989	School Board of Trustees New Zealand Qualifications Authority (NZQA)
Electoral Act 1993	Electoral Commission
Gambling Act 2003	New Zealand Lotteries Commission
Greater Christchurch Regeneration Act 2016	Regenerate Christchurch
Films, Videos, and Publications Classification Act 1993	Classification Office
Health and Disability Commissioner Act 1994	The Health and Disability Commissioner
Heritage New Zealand Pouhere Taonga Act 2014	Heritage New Zealand Pouhere Taonga
Homewood Trust Act 1942	Homewood Trust
Independent Police Conduct Authority Act 1988	Independent Police Conduct Authority
Law Commission Act 1985	Law Commission
Lawyers and Conveyancers Act 2006	New Zealand Council of Legal Education
Melanesian Trusts Act 1974	Melanesian Mission Trust Board
Museum of New Zealand Te Papa Tongarewa Act 1992	Museum of New Zealand Te Papa Tongarewa Board
New Zealand Council for Educational Research Act 1972	New Zealand Council for Educational Research
New Zealand Film Commission Act 1978	New Zealand Film Commission
New Zealand Tourism Board Act 1991	New Zealand Tourism Board
Pacific Education Foundation Act 1972	Pacific Education Foundation
Pitcairn Trials Act 2002	Pitcairn Court
Privacy Act 1993	Privacy Commissioner
Public Audit Act 2001	Auditor-General
Queen Elizabeth the Second National Trust Act 1977	The Queen Elizabeth and Second National Trust
Royal Society of New Zealand Act 1997	Royal Society
Sports and Recreation New Zealand Act 2002	Sport and Recreation New Zealand Agency High Performance Sport New Zealand
Standards and Accreditation Act 2015	Accreditation Council
Te Ture mo Te Reo Maori 2016 Maori Language Act 2016	Te Mātāwai
Winston Churchill Memorial Trust Act 1965	Winston Churchill Memorial Trust