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Te Tari Taake

POLICY AND STRATEGY

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**MINISTERIAL SERVICES UNIT**

**Tax policy report: BEPS – summary of submissions on March 2017 discussion documents**

<b>Date:</b>	15 June 2017	<b>Priority:</b>	Medium
<b>Security level:</b>	In Confidence	<b>Report no:</b>	T2017/1630 IR2017/361

**Action sought**

	Action sought	Deadline
Minister of Finance	Agree to the recommendations	19 June 2017
Minister of Revenue	Agree to the recommendations	19 June 2017

**Contact for telephone discussion (if required)**

Name	Position	Telephone
Gordon Witte	Senior Policy Advisor, Inland Revenue	Withheld under section 9(2)(a) of the Official Information Act 1982
Carmel Peters	Policy Manager, Inland Revenue	
Steve Mack	Principal Advisor, The Treasury	

15 June 2017

Minister of Finance  
Minister of Revenue

## **BEPS – summary of submissions on March 2017 discussion documents**

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### **Executive summary**

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1. This report summarises the main points made by submitters on the two BEPS discussion documents released in March 2017:

- *BEPS – transfer pricing and permanent establishment avoidance* (“transfer pricing and PE avoidance”); and
- *BEPS – strengthening our interest limitation rules* (“interest limitation”).

2. We received 43 submissions on these discussion documents in total – 16 submissions on the transfer pricing and PE avoidance discussion document, and 27 submissions on the interest limitation discussion document. A full list of all the submitters, together with a brief description, is included in the appendix to this report.

3. We have considered all the submissions in detail and we will report back to you with advice on these submissions next week. We will include recommendations that endeavour to meet the concerns raised by submitters to the greatest extent possible, while still achieving the desired policy objectives.

### **General reaction**

4. Some general comments provided by submitters were similar for both discussion documents.

- Submitters acknowledged that it was important to address BEPS risks facing New Zealand and agreed in principle that change is needed to strengthen interest limitation, transfer pricing and PE rules.
- Submitters argued that the proposals will have a negative impact on New Zealand’s attractiveness as an investment destination.

- Submitters indicated that the application date for all new law changes should be sufficiently prospective to allow taxpayers to restructure their affairs.
- A number of submitters also argued that existing advance pricing agreements (APAs)<sup>1</sup> should be grandparented and allowed to run their course.

### Main issues raised by submitters

5. The main issues raised by submitters in relation to the specific proposals were:
- **The interest rate cap proposal should not proceed.** Many submitters on the interest limitation discussion document argued that no specific rule for limiting interest rates on related-party debt was necessary given the proposed strengthening of the transfer pricing rules (in the discussion document *BEPS – transfer pricing and permanent establishment avoidance*). The allowable interest rate on related-party loans is currently set using transfer pricing, and submitters argued that strengthening the transfer pricing rules would be sufficient to address any concerns about interest rates on related-party loans.
  - **Deferred tax should be carved out from the proposed non-debt liability adjustment.** The interest limitation discussion document proposed a change to how allowable debt levels are calculated under our thin capitalisation rules. A near-universal comment from submitters was that deferred tax liabilities should be carved out from the proposed adjustment. Deferred tax is an accounting concept – accounting standards require that companies recognise deferred tax on their balance sheets in certain situations. In principle, a deferred tax liability is supposed to represent future tax payments that a taxpayer will be required to make; however, submitters argued that this is often not the case.
  - **The PE avoidance rule should be more narrowly targeted.** Many submitters considered that the proposed rule could widen the PE definition in substance rather than just prevent avoidance. They were also concerned that it could capture ordinary commercial arrangements and discourage foreign investment.
  - **The “time bar” for transfer pricing should remain at 4 years.** There was strong opposition to the proposal to extend the transfer pricing time bar to 7 years (in line with Australia’s 7 year time bar). The time bar limits Inland Revenue’s ability to adjust a taxpayer’s transfer pricing position.

### Next steps

6. Officials are happy to discuss this report with you at your joint Ministers’ meeting on 19 June. We will report back next week with advice and recommendations on these submissions and the other issues raised by submitters.

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<sup>1</sup> An APA is essentially a binding ruling that confirms Inland Revenue agrees that the taxpayer’s planned transfer pricing positions are compliant with the transfer pricing rules for up to five years.

## Recommended action

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We recommend that you:

- (a) **Note** the main issues raised by submitters.

Noted

Noted ✓

- (b) **Note** we will report back next week (beginning 19 June) with advice and recommendations on these submissions and other issues raised by submitters.

Noted

Noted ✓

- (c) **Discuss** this report with officials at your joint Ministers' meeting on 19 June.

Withheld under section 9(2)(a) of the  
Official Information Act 1982

**Steve Mack**  
Principal Advisor  
The Treasury

**Carmel Peters**  
Policy Manager  
Inland Revenue

**Steven Joyce**  
Minister of Finance

**Hon Judith Collins**  
Minister of Revenue

## Background

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7. Base erosion and profit shifting (BEPS) refers to the aggressive tax planning strategies used by some multinationals to pay little or no tax anywhere in the world. This outcome is achieved by exploiting gaps and mismatches in countries' domestic tax rules to avoid tax. BEPS strategies distort investment decisions, allow multinationals to benefit from unintended competitive advantages over more compliant or domestic companies, and result in the loss of substantial corporate tax revenue. More fundamentally, the perceived unfairness resulting from BEPS jeopardises citizens' trust in the integrity of the tax system as a whole.

8. New Zealand's tax system is already quite robust by international standards. However, there is room for improvement. As New Zealand is a strong supporter of the OECD's BEPS work, many of our BEPS measures are based on the recommendations from the G20/OECD Action Plan Report which seek to counter large multinationals engaged in aggressive BEPS tax practices. In response to the OECD's BEPS work, the New Zealand Government released a series of public consultation documents, including two discussion documents in March 2017:

- *BEPS – transfer pricing and permanent establishment avoidance* (“transfer pricing and PE avoidance”); and
- *BEPS – strengthening our interest limitation rules* (“interest limitation”).

9. The Government received 43 submissions on these discussion documents in total – 16 submissions on the transfer pricing and PE avoidance discussion document, and 27 submissions on the interest limitation discussion document. A full list of all the submitters, together with a brief description, is included in the appendix to this report.

10. Most of the submitters are tax advisors or represent businesses that could be negatively affected by the proposals. Therefore, the submissions are understandably critical of some of the measures. However, submitters have also provided constructive suggestions on how the proposals could be redesigned or better targeted in order to reduce unintended impacts such as uncertainty for investors or double taxation. We are confident we can refine the proposals to address many of the submitters' concerns while ensuring the measures are just as effective at combatting BEPS.

11. This report summarises the main issues raised by submitters. We will report back with advice and recommendations on these submissions and other issues next week.

## **General issues raised by submitters**

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### **Submission: general support for addressing BEPS**

12. Submitters acknowledged that it was important to address BEPS risks facing New Zealand and agreed in principle that change is needed to strengthen interest limitation, transfer pricing and PE rules. However, submitters did not agree with many of the proposed changes put forward in the discussion documents. Only two submitters supported all of the proposed changes in both documents (Oxfam and NZ Council of Trade Unions).

### **Submission: wider economic concerns**

13. Many submitters argued that the proposals have the potential to significantly impact the flow of capital to New Zealand and the willingness of non-residents to establish business in New Zealand. Submitters argued that many of the proposals contained in the discussion documents could make New Zealand a less-attractive investment destination and, on this basis, should not be implemented (CTG, CA ANZ, Olivershaw, NFTC).

14. Some submitters on the PE avoidance proposals argued that the proposals introduce complex and onerous rules which may incentivise foreign companies to remove their existing personnel from New Zealand (CTG, CA ANZ, NFTC).

### **Submission: application date**

15. The planned commencement date for these measures is income years starting on or after 1 July 2018. At the time the discussion documents were released, this commencement date was not publicly known.<sup>2</sup> However, many submitters anticipated the Government would seek an early commencement date and argued in their submissions that there needs to be sufficient lead-in time for these proposals to allow taxpayers to restructure their affairs if necessary (PwC, CTG, EY, CA ANZ).

16. Several submitters (including PwC and Powerco) submitted that the application date for these proposals should be no earlier than 1 April 2019.

17. A number of submissions on the interest limitation discussion document also argued that transitional rules should be provided for existing investments for up to five years post enactment.

### **Submission: grandparenting APAs**

18. A taxpayer is able to apply for an advance pricing agreement (APA), which is essentially a binding ruling that confirms Inland Revenue agrees that the taxpayer's planned transfer pricing positions are compliant with the transfer pricing rules for up to five years. A large number of submitters expressed concern that APAs would be invalidated when the new legislation comes into effect. These submitters suggested that all existing APAs affected by

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<sup>2</sup> The discussion document proposed that the measures would apply from income years beginning on or after the date that the new legislation was enacted.



the proposals in these discussion documents should be preserved under transitional rules for the term of the APA.

## Comment

19. The majority of multinationals operating in New Zealand are compliant and the Government is committed to making sure New Zealand remains an attractive place for them to do business. However, there are some multinationals that deliberately attempt to circumvent New Zealand's tax rules. These multinationals should not be allowed to exploit weaknesses in the current rules to achieve a competitive advantage over more compliant multinationals or domestic firms.

20. Furthermore, it is highly unlikely that foreign companies would remove their existing personnel from New Zealand as a result of the PE avoidance proposals, as most of the affected foreign companies are dependent on having personnel in New Zealand to arrange their sales. It is also very unlikely that they would cease to operate in New Zealand.

21. Cabinet has noted that the reforms are expected to commence from income years beginning on or after 1 July 2018 (CAB-17-MIN-0164 refers). This is based on an expectation that the legislation will be progressed to enactment before this date.

## Interest rate cap

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### Summary of proposed rule

22. The interest limitation discussion document proposed moving away from a transfer pricing approach for pricing cross-border related-party loans, and instead proposed two new pricing rules (one for when a company has a foreign parent and one when it does not):

- An *interest rate cap*, which would apply when a New Zealand company has a foreign parent (e.g. it is a subsidiary of a multinational company). Under the interest rate cap, the allowable interest rate on related-party debt would be set with reference to the interest rate the parent company could borrow at.
- A *modified transfer pricing rule* when a New Zealand company has no foreign parent (e.g. it is owned by a group of non-residents acting together). Under the modified transfer pricing approach, the allowable interest rate on related-party debt would be determined using transfer pricing, but with a presumed set of conditions (including that the debt is senior unsecured debt issued on standard terms).

### General reaction

23. This proposal – in particular the *interest rate cap* – was the focus of most submissions. Several submitters agreed that the rules for limiting the interest rate on related-party loans need strengthening, but only two submitters agreed with the proposed approach (Oxfam and NZCTU).

24. The general view of submitters was that the proposed interest rate cap should not be adopted at all, or if it is adopted, that it should only be a safe harbour, meaning that an interest rate higher than that provided for under the cap would be allowed if it can be justified under transfer pricing.

25. The proposal has also attracted positive comments from knowledgeable parties that did not put in a formal submission. Michael Littlewood, a professor of tax at Auckland University, has said that the Government is right to seek to limit interest rates on related-party debts.<sup>3</sup>

26. Richard Vann, a professor of tax at the University of Sydney, has made similar remarks – “transfer pricing has not proved up to the task of dealing with interest rates, so it is necessary to come up with clearer and simpler rules”.<sup>4</sup>

### **Submission: interest rate cap proposal should not proceed**

27. Submitters argued that the interest rate cap proposal was not necessary and should not proceed. They noted that the Government, in the discussion document *BEPS – transfer pricing and permanent establishment avoidance*, proposed to strengthen the transfer pricing rules generally. Submitters wrote that these strengthened rules should be sufficient to address any concerns about interest rates.

### **Submission: concerns with design and impact of interest rate cap proposal**

28. Submitters expressed concern about the proposed interest rate cap for a number of reasons, including that it:

- is inconsistent with the arm’s length standard so would result in double taxation;
- will increase compliance costs;
- will apply to firms with a low BEPS risk; and
- has no international precedent

### **Comment**

29. We agree that transfer pricing, with the modifications proposed in the discussion document *BEPS – Transfer pricing and permanent establishment avoidance* will limit the ability for taxpayers to use artificial or commercially irrational funding structures. However, we remain concerned that these rules would not be adequate to prevent taxpayers from choosing to borrow from related-parties using higher-priced forms of debt than they would typically choose when borrowing from third parties.

30. We will report back with our advice and recommendations in relation to these submissions.

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<sup>3</sup> *Government plan to target tax avoidance cops criticism*, National Business Review, May 12 2017.

<sup>4</sup> Hoke, William, *Australian Court Rejects Chevron’s Transfer Pricing Appeal*, Tax Notes International, May 1 2017.



## Non-debt liability adjustment

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### Summary of proposed rule

31. The thin capitalisation rules limit the amount of debt a taxpayer can claim interest deductions on in New Zealand (“deductible debt”). Currently, the maximum amount of deductible debt is set with reference to the value of the taxpayer’s assets (generally, debt up to 60 percent of the taxpayer’s assets is allowable).

32. The interest limitation discussion document proposed changing this, so that a taxpayer’s maximum debt level is set with reference to the taxpayer’s assets net of its non-debt liabilities (i.e. its liabilities other than its interest-bearing debts). Some common examples of non-debt liabilities are accounts payable, reserves and provisions, and deferred tax liabilities.

### General reaction

33. Several submitters (including CA ANZ, EY and KPMG) indicated they supported the proposal in principle and understood the need for this change, raising only technical design issues (particularly relating to deferred tax).

34. A number of other submitters (including CTG, PwC and several submissions representing the infrastructure industry) argued that the proposal should not go ahead. They submitted that the proposed change would introduce volatility to taxpayers’ thin capitalisation calculations and is not relevant to BEPS. They also wrote that the proposed exclusion of non-debt liabilities from assets would amount to a material reduction in the existing 60 percent safe harbour threshold.

### Submission: deferred tax should be carved out

35. To remove the mismatch between income tax calculated on taxable profits and income tax calculated on profits recognised for accounting purposes, deferred tax balances are recognised in financial statements. As such, a taxpayer’s non-debt liabilities could include “deferred tax liabilities”, which arise when accounting profits are greater than profits for tax purposes. Similarly, a taxpayer’s assets could include “deferred tax assets” which arise when profit for tax purposes is greater than accounting profit.

36. All submitters that commented on this proposal were of the view that, for the purposes of the non-debt liability adjustment, these deferred tax liabilities should be ignored. Submitters also wrote that deferred tax assets should be excluded from assets. That is, a taxpayer’s assets for thin capitalisation purposes would be: (assets – deferred tax assets) – (non-debt liabilities – deferred tax liabilities).

37. Submitters noted that Australia’s thin capitalisation rules feature this adjustment for deferred tax. They argued that our rules should feature a similar adjustment because:

- often deferred tax does not represent a real cash liability the company has to pay in the future;

- deferred tax balances are ignored when third-parties (including third-party lenders) are assessing the financial position of an entity; and
- deferred tax balances can be volatile – taxpayer thin capitalisation levels could become volatile without excluding them.

### Comment

38. We have considered these submissions carefully, including discussing them with the agency in charge of setting accounting standards in New Zealand (the External Reporting Board or XRB) and the Australian Treasury. Our report next week will provide you with advice and recommendations on this issue.

## PE avoidance

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### Summary of proposed rule

39. Where a DTA applies, New Zealand is only able to tax a non-resident on its income from sales to New Zealand customers if the non-resident has a PE in New Zealand. The discussion document proposed a rule to prevent non-residents from structuring their affairs to avoid having such a permanent establishment in New Zealand where one exists in substance.

### General reaction

40. Submitters were not strongly opposed to a new PE rule in principle, with two submitters supporting the proposal (Oxfam, NZCTU) and the remainder mostly accepting the need (or inevitability) for some form of PE avoidance rule. However, seven submitters considered that we should not adopt any PE avoidance rule at this stage. These submitters argued that:

- The OECD's Multilateral Instrument (MLI)<sup>5</sup> includes a widened definition of a PE. Any PE avoidance issues should be addressed under this. Alternately we should defer consideration of a PE avoidance rule until the impact of the OECD's BEPS measures has been determined (EY, AmCham, DEG, CA ANZ).
- The rule is unnecessary, as any current issues with PE avoidance can be addressed through our transfer pricing rules (NZLS, DEG, CA ANZ).
- The rule will apply to non-abusive transactions, is outside the OECD's BEPS initiatives and will erode taxpayer certainty (CTG, NFTC, Deloitte).

### Threshold for the application of the new measures

41. A majority of submitters (EY, NFTC, DEG, Deloitte, CTG CA ANZ, PwC, KPMG,

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<sup>5</sup> The *Multilateral Convention to Implement Tax Treaty Related Measures To Prevent Base Erosion and Profit Shifting*. The MLI is a multilateral convention which is intended to prevent DTAs from being used to facilitate cross-border tax avoidance. The MLI amends a large number of each signatory's DTAs at once, and so implements the OECD's recommended DTA changes much faster than a succession of bilateral negotiations could. New Zealand signed the MLI on 7 June 2017.

Russell McVeagh) considered that the proposed PE avoidance test was too broad. They argued that it would widen the PE definition in substance rather than just prevent avoidance. They were also concerned that it could capture ordinary commercial arrangements and discourage foreign investment. Submitters suggested two options for narrowing the scope of the rule:

- the PE avoidance rule could be targeted at abusive or artificial arrangements; or
- New Zealand could adopt the wording of the OECD's widened PE avoidance definition in the MLI.

### **Overriding DTAs**

42. A majority of submitters considered that our PE rule should not override our DTAs (CTG, KPMG, CA ANZ, NFTC, NZLS, EY, Russell McVeagh, DEG). This is because DTAs are important to international trade, and New Zealand exporters also need to rely on them. Submitters also considered that we should not depart from the OECD's agreed BEPS measures, particularly where the country of the non-resident has declined to adopt the widened PE definition in the MLI.

### **Comment**

43. Our proposed PE avoidance rule is broadly consistent with the OECD's BEPS initiatives and measures adopted by the UK and Australia.

44. The OECD's Commentary to the Model Tax Convention (the Commentary) states that, as a general rule, there will be no conflict between domestic anti-avoidance provisions and the provisions of a DTA. It also confirms that States are not obliged to grant the benefits of a DTA if the DTA has been abused (noting that this should not be lightly assumed). Accordingly, the proposed PE avoidance rule should not conflict with New Zealand's DTAs. We also note that both the UK and Australian PE avoidance rules over-ride their DTAs.

45. We will report back with advice and recommendations on these submissions.

## **Transfer pricing**

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### **Summary of proposed rules**

46. Transfer pricing rules guard against multinationals using related-party payments to shift profits offshore by requiring these payments to be consistent with an arm's length or market price that unrelated parties would agree to. Chapter 5 of the discussion document outlined a package of proposals to strengthen the transfer pricing rules so they align with the OECD's transfer pricing guidelines and Australia's transfer pricing rules.

## General reaction

47. Three submitters (CTG, EY, KPMG) considered the transfer pricing proposals were unnecessary and argued that the existing transfer pricing rules are sufficient.

48. Other submitters generally accepted that there was a need to update New Zealand's transfer pricing legislation so it aligned with the OECD's new transfer pricing guidelines (which were developed to combat BEPS).

49. However, as expected, there was strong opposition to the proposal to extend the time bar for transfer pricing adjustments to 7 years.

## Extending the time bar to 7 years

50. Inland Revenue currently has 4 years from the day that a taxpayer has filed an income tax return in which it can investigate and adjust the tax position taken by the taxpayer in their income tax return. This 4 year period is known as the time bar. The discussion document proposed that transfer pricing issues should have a longer time bar of 7 years (consistent with fact that Australia and Canada have 7-year time bars for transfer pricing).

51. Most submissions on the discussion document opposed this proposal. The main arguments raised by submitters were:

- A longer time bar increases uncertainty for taxpayers and does not promote efficiency in transfer pricing disputes (will delay timely resolution).
- The discussion document argued that a longer time bar is needed because transfer pricing issues are complex and fact-specific, but submitters noted that this is also true of other areas of tax such as tax avoidance, the capital / revenue boundary and complex financial arrangements.
- Most countries have the same time bar for transfer pricing and other tax issues, and in most cases this was less than 7 years.
- If a transfer pricing dispute is resolved in favour of Inland Revenue, the taxpayer will be at risk of double tax in jurisdictions where the time bar has already passed.
- Imposing a longer time bar is inconsistent with Inland Revenue's Business Transformation goals of real-time review and helping taxpayers get it right from the start.
- Inland Revenue should invest more resource into its transfer pricing team if the investigations are taking longer than 4 years.

## Comment

52. We will report back with further advice and recommendations on this and the other transfer pricing submissions.

## Next steps

53. Officials are happy to discuss this report with you at your joint Ministers' meeting on 19 June. We will report back with advice and recommendations on these submissions and other issues next week.

54. Subject to your decisions, we anticipate the following timeline:

Date	Milestone/action
Monday 19 June	Joint Ministers' meeting to discuss these reports and policy recommendations
Week commencing 19 June	<ul style="list-style-type: none"> <li>Report with advice and policy recommendations on transfer pricing and PE avoidance</li> <li>Report with advice and policy recommendations on interest limitation</li> </ul>
Week commencing 26 June	<ul style="list-style-type: none"> <li>Report on hybrids entities and instruments proposals sent to Ministers</li> <li>Draft cover Cabinet paper with overview of the BEPS package to Ministers</li> </ul>
Wednesday 5 July	Joint Ministers' meeting to discuss hybrids recommendations and draft cover Cabinet paper
Week commencing 10 July	Provide the following Cabinet Papers and RISs to Ministers: <ul style="list-style-type: none"> <li>Cover paper with overview of BEPS package</li> <li>Transfer pricing and permanent establishment avoidance</li> <li>Interest limitation</li> <li>Hybrid mismatches</li> </ul>
Thursday 20 July	Deadline for lodging Cabinet Papers in CabNet
Wednesday 26 July	EGI
Monday 31 July	Cabinet

55. Consultation on draft legislation and technical design details will take place following Cabinet decisions, with a planned BEPS bill to be introduced after the general election. To stay on track with the planned commencement date of income years starting on or after 1 July 2018, the BEPS bill will need to be introduced and have its first reading by 14 December 2017.

## Appendix: List of submitters

Abbreviation	Full name	Description	IL <sup>6</sup>	TP <sup>7</sup>
AmCham	The American Chamber of Commerce in New Zealand	AmCham is a New Zealand business organisation which promotes two-way trade and investment relationships primarily between New Zealand and the United States, but also within the Asia-Pacific region.	✓	✓
AMP (Aus)	AMP Capital Investors Limited	AMP is a specialist investment manager that manages a number of Portfolio Investment Entity funds, as well as private equity investments.	✓	
AMP (NZ)	AMP Capital Investors (New Zealand) Limited	AMP is a specialist investment manager that manages a number of Portfolio Investment Entity funds, as well as private equity investments.	✓	✓
ANZ	ANZ Bank New Zealand Limited	ANZ is a major bank in New Zealand and Australia.	✓	
BNZ	Bank of New Zealand	BNZ is a major bank in New Zealand and Australia (NAB).	✓	
CA ANZ	Chartered Accountants Australia and New Zealand	Chartered Accountants Australia and New Zealand is the incorporated body representing the Institutes of Chartered Accountants in Australia and New Zealand. CA ANZ represents over 100,000 members in Australia, New Zealand, and overseas.	✓	✓
CTG	Corporate Taxpayers Group	CTG represents 40 large New Zealand corporates and also include tax advisors from Deloitte, Russell McVeagh, and OliverShaw.	✓	✓
DEG	Digital Economy Group	DEG is an informal coalition of leading US and non-US software, information/content, social networking, and e-commerce companies that provide goods or services through digital and non-digital means.		✓
Deloitte	Deloitte	Deloitte New Zealand is an accounting firm providing audit, tax, consulting, enterprise risk, and financial advisory services.	✓	✓✓ <sup>8</sup>
EY	Ernst & Young	EY New Zealand is a professional services firm which specialises in assurance, tax, transaction and advisory services.	✓	✓
First Gas	First Gas Limited	First Gas is one of NZ's largest gas networks.	✓	

<sup>6</sup> Submission received on *BEPS – strengthening our interest limitation rules*

<sup>7</sup> Submission received on *BEPS – transfer pricing and permanent establishment avoidance*

<sup>8</sup> Deloitte made two separate submissions on the *BEPS – transfer pricing and permanent establishment avoidance* discussion document.



Abbreviation	Full name	Description	IL	TP
First State	First State Investments	First State Investments (FSI) is the investment management business of the Commonwealth Bank of Australia.	✓	
InfraRed	InfraRed Capital Partners Limited	InfraRed is an active equity investor in the New Zealand PPP sector, currently holding interests in the Auckland South Correctional Facility and Transmission Gully Motorway projects.	✓	
KPMG	KPMG	KPMG refers to the New Zealand arm of KPMG International – the global network of professional firms providing audit, tax, and advisory services.	✓	✓
Methanex	Methanex New Zealand Limited	Methanex produces and sells methanol globally. Methanex NZ owns two methanol facilities in NZ, and produces methanol primarily for export to markets in Japan, Korea and China	✓	
NFTC	National Foreign Trade Council	NFTC is an association of approximately 250 United States business enterprises engaged in all aspects of international trade and investment.		✓
NZBA	New Zealand Bankers Association	NZBA works on behalf of the New Zealand banking industry in conjunction with its member banks.	✓	
NZCTU	New Zealand Council of Trade Unions Te Kauae Kaimahi	NZCTU is one of the largest democratic organisations in New Zealand. NZCTU is made up of 30 unions and has 320,000 members.	✓	✓
NZLS	New Zealand Law Society	NZLS controls and regulates the practice of the law profession in New Zealand. The NZLS also assists and promotes law reform for the purpose of upholding the rule of law and the administration of justice.	✓	✓
Olivershaw	Olivershaw Limited	Olivershaw provides tax advisory services for corporate clients, corporate boards, high net worth individuals and accounting firms.	✓	
Oxfam	Oxfam New Zealand	Oxfam is a world-wide development organisation that mobilises the power of people against poverty. Oxfam NZ is the New Zealand arm of the global organisation.	✓	✓
Plenary	Plenary Origination Pty Ltd	Plenary Group is an independent long-term investor, developer and manager of public infrastructure in Australia.	✓	

Abbreviation	Full name	Description	IL	TP
Powerco	Powerco Limited	Powerco is New Zealand's largest electricity distributor. It also has the second largest gas distribution network.	✓	
PwC	PwC	PwC refers to the New Zealand arm of PwC International – a multinational professional services network which advises on tax.	✓	✓
QIC	QIC Private Capital Pty Limited	QIC is an investor in global infrastructure markets and manages a 58% interest in Powerco NZ Holdings Limited.	✓	
Russell McVeagh	Russell McVeagh	Russell McVeagh is a New Zealand commercial law firm with offices in Auckland and Wellington.	✓	✓
SKYCITY	SKYCITY Entertainment Group Limited	SKYCITY is an entertainment and gaming business owning and operating casinos in New Zealand (Auckland, Hamilton and Queenstown) and Australia (Adelaide and Darwin).	✓	
TPEQ	TP Equilibrium   AustralAsia	TPEQ is a boutique transfer pricing advisory firm which covers numerous industries for both the Australian and New Zealand markets.	✓	✓
Westpac	Westpac New Zealand Limited and Westpac Banking Corporation NZ Branch	Westpac is a major bank in New Zealand and Australia.	✓	