



# Cabinet Economic Development Committee

## Minute of Decision

---

*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

---

### Regular Dataset Collection from Payment Service Providers

**Portfolio**                      **Revenue**

On 28 September 2022, the Cabinet Economic Development Committee (DEV):

#### Background

1        **noted** that on 10 March 2021, DEV:

- 1.1      agreed that the regular collection of information from payment service providers be provided for by way of an Order in Council under the Tax Administration Act 1994;
- 1.2      agreed to the release of a discussion document and draft Order in Council that would give effect to the above proposal;
- 1.3      invited the Minister of Revenue to report back on the outcome of consultation and with final recommendations;

[DEV-21-MIN-0020]

#### Proposed changes

- 2        **agreed** that the reporting threshold of \$30 million be removed and that payment service providers be required to report on the transactions of all merchants;
- 3        **agreed** that payment service providers must report the datasets on each merchant in an aggregated format to Inland Revenue;
- 4        **agreed** that the reporting frequency is to be set at six-monthly periods of 1 April to 30 September, and 1 October to 31 March;
- 5        **agreed** that the due date for reporting the datasets to Inland Revenue be one month and seven days after the end of the reporting period, being 7 November and 7 May;
- 6        **agreed** that the application date of the Order in Council be 1 April 2023, with the first datasets to be reported by payment service providers to Inland Revenue by 7 November 2023;
- 7        **agreed** that a payment service provider can apply for an extension to the Commissioner of Inland Revenue (the Commissioner) with sufficient reasoning to the first reporting date, but must comply with the 7 May 2024 reporting date;

- 8 **agreed** that if the payment service provider holds the specified merchant data, such as the IRD number, it must be provided to Inland Revenue;
- 9 **noted** that sanctions will not be imposed if the payment service provider does not hold the merchant identifying information or supplies incorrect merchant identifying information that was provided to them by a merchant without their knowledge;
- 10 **agreed** that the definition of payment service provider should remain broad;
- 11 **agreed** that definitions in the Order in Council be amended or added to ensure the scheme works as intended;
- 12 **agreed** that payment service providers be required to apply for an exemption that applies to some, or all, of the payment service provider's business using a form prescribed by the Commissioner;
- 13 **agreed** that the Commissioner may revoke an exemption at any time;
- 14 **noted** that criminal sanctions will be used as a last resort and will continue to apply to payment service providers;
- 15 **agreed** that the steps that will be taken by Inland Revenue before criminal sanctions are considered be clearly outlined in the Order in Council;
- 16 **agreed** that Inland Revenue will advise all existing payment service providers on whether they are required to report;
- 17 **agreed** that the names of payment service providers are not to be published;
- 18 **noted** that Inland Revenue can use production orders under the Tax Administration Act 1994 for any further information that is required from payment service providers that is not captured under the repeat dataset collection;
- 19 **agreed** that if the payment service provider is the sole facilitator and data holder, they will be required to report the datasets holding the merchant's transactions to Inland Revenue;
- 20 **agreed** that a payment service provider can apply through a prescribed form for an exemption from the reporting requirements by providing sufficient evidence that another payment service provider is more suitable to provide the required datasets to the Commissioner;

### Legislative implications

- 21 **invited** the Minister of Revenue to issue drafting instructions to the Parliamentary Counsel Office to give effect to the above paragraphs.

Janine Harvey  
Committee Secretary

---

**Distribution: (see over)**

**Present:**

Hon Grant Robertson (Chair)  
Hon David Parker  
Hon Michael Wood  
Hon Kiri Allan  
Hon Dr Ayesha Verrall  
Hon Priyanca Radhakrishnan  
Hon Meka Whaitiri  
Hon Phil Twyford  
Hon Kieran McAnulty  
Rino Tirikatene, MP  
Dr Deborah Russell, MP

**Officials present from:**

Office of the Prime Minister  
Officials Committee for DEV