



Cabinet Economic Development Committee

Minute of Decision

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Tax Administration (Financial Statements — Domestic Trusts) Order 2022

Portfolio **Revenue**

On 2 March 2022, the Cabinet Economic Development Committee:

- 1 **noted** that the Taxation (Income Tax Rate and Other Amendments) Act 2020 introduced increased disclosure requirements for certain trusts, including the requirement to prepare financial statements for the 2021–22 and later income years;
- 2 **noted** that section 21C of the Tax Administration Act 1994 allows the Governor-General to prescribe, by Order in Council, minimum requirements for preparing financial statements for certain classes of taxpayers;
- 3 **noted** that:
 - 3.1 before recommending the making of an Order in Council under section 21C of the Tax Administration Act 1994, the Minister of Revenue must consult with professional accounting bodies;
 - 3.2 targeted and public consultation undertaken by officials in 2021 satisfies this requirement;
- 4 **agreed** to the minimum financial reporting requirements as set out in the Tax Administration (Financial Statements – Domestic Trusts) Order 2022 (the Order);
- 5 **agreed** that the Order should apply to all trusts subject to the disclosure rules introduced by the Taxation (Income Tax Rate and Other Amendments) Act 2020;
- 6 **agreed** that the Order should apply for income years that end on or after 31 March 2022;
- 7 **noted** that the Order will come into force on 31 March 2022, which is the end of the 2021–22 income year for trusts with standard balance dates;
- 8 **noted** that a waiver of the 28-day rule is sought:
 - 8.1 on the grounds that the Order needs to be in force before the end of the 2021–22 income year;
 - 8.2 so that the Order can come into force by 31 March 2022;
- 9 **agreed** to waive the 28-day rule so that the Order can come into force by 31 March 2022;

10 **authorised** the submission to the Executive Council of the Tax Administration (Financial Statements—Domestic Trusts) Order 2022 [PCO 24469/4.0].

Janine Harvey
Committee Secretary

Present:

Hon Grant Robertson (Chair)
Hon Carmel Sepuloni
Hon David Parker
Hon Poto Williams
Hon Stuart Nash
Hon Kris Faafoi
Hon Willie Jackson
Hon Michael Wood
Hon Dr David Clark
Hon Dr Ayesha Verrall
Hon Meka Whaitiri
Hon Phil Twyford
Dr Deborah Russell MP

Officials present from:

Office of the Prime Minister
Officials Committee for DEV