

Tax policy report



Technical issue with the Targeting Serious Crime AISA

Date	26 August 2026	Priority	Medium
Security level		Report number	IR2026/194

Action sought		Deadline
Minister of Revenue	Agree to recommendations. Refer a copy of this report to the Minister of Police, the Minister of Customs and the Minister responsible for the Serious Fraud Office.	11 September 2026

Purpose
This report provides an update on a technical issue recently identified in the current Targeting Serious Crime Approved Information Sharing Agreement (TSC AISA) that is limiting Inland Revenue’s ability to disclose information to the New Zealand Police, New Zealand Customs Service and the Serious Fraud Office. The report seeks approval to proceed with work to resolve the technical issue identified. If it is agreed, approval is also sought to undertake targeted consultation with selected stakeholders on potential solutions.

Contact for phone discussion, if required			
Name	Position	Phone number	First contact
Carolyn Elliott	Policy Lead	s 9(2)(a)	☐
Kelvin Stewart	Senior Policy Advisor		☒

Technical issue with the Targeting Serious Crime AISA

Background

- 1 Inland Revenue is subject to strict taxpayer confidentiality rules in the Tax Administration Act 1994 (TAA). In general, Inland Revenue officers must maintain the confidentiality of sensitive revenue information¹ relating to the various Tax Acts administered by the Commissioner of Inland Revenue. It is widely acknowledged that taxpayer confidentiality forms a key part of the integrity of the tax system.
- 2 However, at the same time the TAA recognises the duty to maintain confidentiality cannot be absolute. Therefore, there is a list of targeted exceptions, as well as a general exception, which provides that disclosure of Inland Revenue-held sensitive revenue information is permitted if it is for the purpose of carrying into effect the Inland Revenue Acts and certain other tax-related legislation. There is also an exception for disclosing sensitive revenue information under an information sharing agreement (known as an Approved Information Sharing Agreement (AISA)).
- 3 Improved information sharing between Inland Revenue and other government agencies has been identified recently² as one of the areas that would increase cross-agency collaboration and provide a stronger contribution to the all-of-government response to prevent, detect, investigate and combat organised crime.
- 4 An AISA is a legal instrument under the Privacy Act 2020³ that authorises the sharing of information between government agencies (or within a government agency) for the purpose of delivering public services. To disclose information under an AISA, there must be a clear public policy justification, and any privacy risks must be managed appropriately. An AISA is authorised by way of an Order in Council.
- 5 Information sharing agreements between government agencies require the privacy of a person to be considered and balanced against the need for government agencies to carry out their functions and provide efficient government services. In the situation of serious criminal offending, the benefits to society of sharing information outweigh the reduction in privacy of certain persons and the risks to the voluntary compliance model on which the New Zealand tax system is based.

Targeting Serious Crime Approved Information Sharing Agreement

- 6 The current Targeting Serious Crime Approved Information Sharing Agreement (TSC AISA) is a formal information sharing agreement between Inland Revenue and the New Zealand Police, New Zealand Customs Service and the Serious Fraud Office (known in the AISA as participating agencies). This agreement was finalised in 2020 with Inland Revenue being the designated lead agency for the TSC AISA.
- 7 The purpose of the TSC AISA is to enable Inland Revenue to share information with the participating agencies for the purposes of prevention, detection, investigation or providing evidence of a serious crime⁴. Inland Revenue may disclose information to a participating agency, either in response to a request for information from that agency or proactively, where there are reasonable grounds to suspect that a serious crime has been, is being or will be committed (the 'reasonable grounds test').
- 8 The flow of information under the TSC AISA is a one-way flow from Inland Revenue to the participating agencies, meaning the agreement does not enable information sharing between the participating agencies (for example, information sharing between the New

¹ Information about a specific taxpayer, including information that is regarded as private, commercially sensitive or confidential.

² July 2025 Report: *Information Sharing*, Ministerial Advisory Group on Transnational, Serious and Organised Crime.

³ Under Part 7, subpart 1 of the Privacy Act 2020.

⁴ Defined as an offence punishable by a term of imprisonment of four years or more.

Zealand Customs Service and the Serious Fraud Office is not permitted under the TSC AISA).

- 9 In the 2024-2025 year (the latest year in which information is publicly available), Inland Revenue received a total of 382 requests for information from the participating agencies and was able to provide information in response to 370 of those requests. Inland Revenue also made 12 proactive disclosures relating to serious criminal activity.

Technical issue limiting the ability to proactively disclose information

- 10 Recently, a technical discrepancy has been identified between the TSC AISA and the accompanying Order in Council. s 9(2)(h)

- 11 The TSC AISA and accompanying Order in Council currently enables Inland Revenue to proactively disclose information to a participating agency where Inland Revenue can meet the reasonable grounds test. To satisfy this test, Inland Revenue must use the information available to itself in making the determination that the reasonable grounds test has been satisfied.

- 12 s 9(2)(h)

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- 16 We understand that no information has been inadvertently disclosed as a result of this technical discrepancy.

Resolving the technical discrepancy

- 17 Given the issue appears to be within the current Order in Council, an amendment to the Order in Council is required.

- 18 If resolving the technical discrepancy requires amendments to both the AISA and the Order in Council, then a statutory process for amending an AISA (outlined in the Privacy Act) must be followed. In this situation, these amendments will require the agreement of the participating agencies (that being, the Commissioners of Inland Revenue and New Zealand Police, the Comptroller of the New Zealand Customs Service and the Director of the Serious Fraud Office).
- 19 Resolving this technical discrepancy would enable Inland Revenue to disclose more information to participating agencies, while remaining within the overall purpose of the TSC AISA and maintaining the integrity of the tax system.
- 20 Resolving this technical discrepancy will require policy, legal, privacy and operational input from both Inland Revenue and the participating agencies. The extent of any operational changes required to administer the amendments will be determined as part of the process.
- 21 If you agree to progress work on this issue, we will contact the Parliamentary Counsel Office to determine the most suitable option to resolve this issue in a timely manner.

Consultation with selected stakeholders

- 22 s 9(2)(h)
- 23 Progressing an amendment to the Order in Council will require targeted consultation with selected stakeholders, including the New Zealand Law Society, Chartered Accountants Australia and New Zealand and the Office of the Privacy Commissioner. If you agree to progress work to resolve this technical issue, we will contact stakeholders seeking their views on the issue before recommending amendments to the Order in Council.

Next steps

- 24 If you agree to progress work to resolve the technical discrepancy in the TSC AISA's Order in Council, we will engage with the Parliamentary Counsel Office on the most effective option to resolve the issue.
- 25 We will also undertake targeted consultation with stakeholders and the Office of the Privacy Commissioner to better understand any concerns they may have with Inland Revenue s 9(2)(h) and whether any amendments are also required to the TSC AISA.
- 26 We will report back to you after the election, following targeted consultation with stakeholders, with a legislative solution. Subject to final policy decisions, a draft Cabinet paper will then be prepared seeking approval to amend the Order in Council.

Recommendations

We recommend that you:

- 1 **Agree** for officials to progress work to resolve the technical issue limiting Inland Revenue's ability to proactively disclose information using the Targeting Serious Crime Approved Information Sharing Agreement.

Agree / Disagree

- 2 **Agree** to officials to undertake targeted consultation with stakeholders on potential solutions to issues identified with the Targeting Serious Crime Approved Information Sharing Agreement.

Agree / Disagree

- 3 **Refer** a copy of this report to the Minister of Police, the Minister of Customs and the Minister responsible for the Serious Fraud Office.

Refer - yes / no

s 9(2)(a)

Carolyn Elliott

Policy Lead

Policy | Inland Revenue

26 August 2026

Hon Simon Watts

Minister of Revenue

/ /2026