

New Zealand

Effective since 1st of October 2016. The name of the tax: is goods and services tax (GST).

In New Zealand, the term «digital services» is included in the broader notion of «remote service» are where, at the time of the performance of the service, there is no necessary connection between the physical location of the customer and the place where the services are performed.

VAT Standard rate

The standard VAT rate in New Zealand in 2023 is 15%.

VAT Reduced rate

There is no reduced rate established.

VAT calculation peculiarity

VAT= Total revenue * 0.15.

Thresholds

When the sales exceed NZD \$60,000 in the last 12 months or are expected to be more than NZD \$60,000 in the next 12 months.

GST isn't charged on supplies if a foreign company sold to customers that are registered for GST in New Zealand. GST is charged to every customer unless they have:

- Indicated they're GST-registered;
- Provided you with their New Zealand GST registration number or business number.

A foreign company can choose to treat the supply as zero-rated (taxed at a rate of zero percent). This may let a foreign company claim back New Zealand GST costs incurred in making zero-rated supplies to GST-registered businesses.

Pieces of evidence

A foreign company needs to provide two pieces of evidence to identify if you're supplying services to a customer resident in New Zealand. These pieces of evidence must not contradict each other. They can include:

- The customer's billing address;
- The internet protocol (IP) address of the customer's device or another geolocation method;
- Details of the bank account the customer uses for payment or the billing address held by the bank;
- Mobile country code of the international mobile subscriber identity is stored on the subscriber identity module card;
- Where the customer's fixed landline is supplied;
- Other relevant information.

E-services list

- Supplies to digital content such as e-books, movies, TV shows, music, and online newspaper subscriptions;
- Online supplies of games, apps, software, and software maintenance;
- Webinars or distance learning courses;
- Insurance services;
- Gambling services;
- Website design or publishing services;
- Legal, accounting, or consultancy services.

VAT returns filing date

Beginning with 1 April 2017, all non-resident businesses that supply remote services are required to file VAT returns quarterly.

The VAT return must be submitted no later than the 28 of the month following a reporting quarter (an exception is set out for March (until 7 May)).

A foreign company needs to convert its currency to New Zealand dollars when it prepares and files its GST return. It can choose to convert this at:

- The time it supplied the service;
- The last day of the relevant taxable period;
- A time agreed with Island Revenue (tax authorities of New Zealand).

The earlier of the:

- date it files – it's returning for the relevant period;
- the due date for filing its return for the relevant period.

Once a foreign company decided when to convert the currency it can't change it for two years unless Island Revenue agrees.

VAT payment date

The GST amount in NZD must be paid by the 28th day of the month following reporting quarter. Exception is set out for May (until 7 May).

Penalties

If a foreign company hasn't had any sales in a period it must file a "nil" return otherwise it may be charged late filing penalties.



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