

In safe hands

“Tax Management NZ have given us a very cost effective method of meeting tax obligations while managing cashflow timing differences. We are happy to recommend them.”

Paul McFadzien, Managing Director,
National Mini Storage Ltd

“Our client saved a considerable amount using Tax Management NZ's services.”
Catherine Shaw, Ernst and Young Ltd

[Is Tax Management NZ approved by Inland Revenue?]

Yes, we are listed as an approved tax payment intermediary by Inland Revenue on its website.

[What other companies are using Tax Management NZ?]

Our clients include a significant number of New Zealand's listed companies, trading banks and State Owned Enterprises. All of the leading chartered accountancy firms have used Tax Management NZ services for their clients. We're happy to provide further details on request.

[Who are the people behind Tax Management NZ?]

Our team is lead by Managing Director Ian Kuperus. Ian has over 16 years of corporate tax management experience, previously leading the tax teams of Fonterra, the New Zealand Dairy Board and National Bank. He also has held a number of positions within Inland Revenue.

Ian is supported by an Advisory Board including David McLay (20 years experience as a tax lawyer), Rob McLeod (well-known New Zealand tax barrister and Chairman of the Business Roundtable) and Phillip Porter (Tax Management NZ co-founder with a background in corporate banking, risk management and corporate strategy).

[How do I know tax will be held on my behalf?]

Payments made by Tax Management NZ members are held in trust by Guardian Trust – a subsidiary of the Promina Group, a leading Australasian insurance and financial services organisation. Guardian Trust currently supervises assets and investments in New Zealand in excess of \$NZ 20 billion.

When we make the provisional tax payment, Guardian Trust will confirm to you that a Tax DEPOSIT has been established in our account at the IRD and that it will be made available to you to purchase on the agreed date. When you pay us for the Tax DEPOSIT, Guardian Trust will ensure that it is transferred into your account with the IRD.

[Where does Tax Management NZ get the funds to pay my company's tax?]

We borrow it from a bank. Because we are borrowing in bulk by combining the needs of many companies in one facility we can command more competitive rates of finance than most individual borrowers.

[How flexible is this Tax FINANCE arrangement?]

Tax FINANCE is very flexible. At the end of the financing period you only need to take up the amount required based on your tax return. If you have financed more than you need, we will provide a rebate on the unused portion of your financing and if you haven't financed enough, you will be able to purchase another taxpayer's overpayment. Because we take security over the tax itself we don't need any security from you. This means it can be put in place very easily. The arrangement is supported by your Tax Pooling Services Agreement – you just pay a low one-off interest charge with no application fees or forms to be completed and no other security required.

[What is the cost of Tax FINANCE?]

In most cases our interest rates will compare favourably with your other bank funding sources, especially as there are no other fees or charges payable. We are able to do this because we take security over the tax itself while it is under finance. In addition if you don't need all of the tax you have financed, we will provide a rebate equal to the IRD's underlying credit use of money interest rate. Please refer to our website or call us for a list of our current rates.

[Are there fees for joining Tax Management NZ?]

We charge an annual registration fee for corporate members - from \$750 to \$4,750 plus GST according to the level of tax payments. The first year is free. In subsequent years, you only pay a fee if tax pooling has returned benefits to you in the previous 12 months that equate to five times the fee.

tax managementnz
TAME YOUR TAX



Put us to work taming your provisional tax

For Tax FINANCE enquiries
P: 0800 829 888
F: 09 524 6203
E: admin@tmnz.co.nz
finance@tmnz.co.nz

For more information www.tmnz.co.nz

Taming the beast.

Your guide to financing provisional tax.

tax managementnz
TAME YOUR TAX





Provisional tax can savage your cash flow

All businesses have to pay provisional tax in three equal instalments annually. However inflexible payment dates don't always correspond with cash flow cycles, which means you may have to use your existing working capital (often an overdraft facility) to pay it. This results in financial resources being diverted away from more productive uses.

But in the hands of experts your provisional tax has a lot less bite, actually working with you to grow your bottom line.

Introducing Tax FINANCE from Tax Management NZ.

The original tax tamers

In May 2001 the IRD decided that the difficulties and costs for businesses complying with their provisional tax obligations were best solved by the private sector. In 2003 special legislation was passed giving taxpayers greater flexibility in paying their provisional tax through products offered by Provisional Tax Intermediaries.

Tax Management NZ was the first IRD-approved commercial intermediary to offer provisional tax pooling to New Zealand taxpayers. As a result, we have the depth of experience and expertise to minimise risk for those wanting to avoid exposure to penalties, and maximise returns for those taking the opportunity to make their tax payments work for them.

Since 2003 we have added million of dollars of value to New Zealand businesses including many of New Zealand's top 200 companies (including all of the largest trading banks) and the top four chartered accountancy firms.

Our experience is unparalleled.

Taming the beast with Tax FINANCE

Tax FINANCE from Tax Management NZ provides a smarter way to finance your provisional tax payments by letting you make them on dates that better suit you.

Here's an example. You have a provisional tax payment due on 28 August, but it suits your business cash flow better to pay it 6 months later.

- We will arrange payment of this provisional tax instalment on the due date on your behalf, with an one-off finance fee for an agreed term (anywhere from 3 – 12 months).
- The finance fee is deductible – which is not always the case for individuals paying tax directly to the IRD.
- This tax is held in a Guardian Trust trust account at the IRD.
- You pay the tax at the end of the finance term but only pay for what you use.
- We will transfer the tax from the trust account to your account at Inland Revenue.
- The original provisional tax instalment date (28 August) will be recorded against this transfer.
- Any interest or penalties levied on your account will be reversed at this point.

So, in effect, we provide finance for your provisional tax payments. This frees up your working capital and keeps your overdraft for things that really make a difference to your business.

“Tax Management NZ has saved Todd Corporation significant use of money interest costs through tax swaps. Todd think it's a very valuable service.”
Chris Banks, Accounting Services Manager/Company Secretary, Todd Corporation

Arranging Tax FINANCE is simple

1. Contact us:

- P: 0800 829 888
- F: 09 524 6203
- E: finance@tmnz.co.nz

2. Tell us:

- your Inland Revenue number.
- your provisional tax date.
- how much you would like to finance (minimum \$5,000).
- how long you would like to finance for.

3. We will:

- send you an invoice for the finance fee. This should be paid no less than two working days prior to your provisional tax falling due. In most cases this fee will be competitive with our other bank funding.

4. Finally:

- we will invoice you for the outstanding amount at the end of the finance term.
- once paid, the provisional tax is transferred from our trust account to your Inland Revenue account.