

# The Treasury

## Budget 2011 Information Release

### Release Document

June 2011

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Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [2] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [3] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [4] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [5] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [6] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [7] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [8] 9(2)(h) - to maintain legal professional privilege
- [9] 6(c) - to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [10] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [11] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice.

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In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.



**Tax policy report: Cabinet paper on tax minimum equity rules for foreign-owned banks**

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<b>Date:</b>	28 March 2011	<b>Priority:</b>	<b>High</b>
<b>Security Level:</b>		<b>Report No:</b>	T2011/603 PAD2011/70

**Action sought**

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	<b>Action Sought</b>	<b>Deadline</b>
Minister of Finance	<b>Sign and refer</b> the attached Cabinet paper to the Cabinet Office.	10am, Thursday, 31 March 2011
Minister of Revenue	<b>Sign and refer</b> the attached Cabinet paper to the Cabinet Office.	10am, Thursday, 31 March 2011

**Contact for telephone discussion (if required)**

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<b>Name</b>	<b>Position</b>	<b>Telephone</b>
Emma Grigg	Policy Manager, Policy Advice Division, Inland Revenue	[1]
[1]		

28 March 2011

Minister of Finance  
Minister of Revenue

## **Cabinet paper on tax minimum equity rules for foreign-owned banks**

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This report seeks your agreement to the submission of the attached paper to Cabinet, for their consideration. The paper recommends that the tax minimum equity percentage for foreign-owned banks be increased from 4% to 6% from 1 April 2012 in the August 2011 tax bill. You have previously agreed to this course of action (T2011/425, PAD2011/58 refers).

Officials have drafted the attached paper for your signature and referral to the Cabinet Office by 10am on Thursday, 31 March 2011, for consideration at the Cabinet meeting on Monday, 4 April 2011.

### **Recommended action**

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We recommend that you **sign** and **refer** the attached paper to the Cabinet Office by 10am on Thursday, 31 March 2011, for consideration at the Cabinet meeting on Monday, 4 April 2011.

Signed and referred

Signed and referred

**Peter Martin**  
Director, Tax Strategy  
for Secretary to the Treasury

**Emma Grigg**  
Policy Manager  
Inland Revenue

**Hon Bill English**  
Minister of Finance

**Hon Peter Dunne**  
Minister of Revenue