

# The Treasury

## Budget 2013 Information Release

### Release Document

July 2013

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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] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 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
- [3] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [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)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [6] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [7] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [8] 9(2)(h) - to maintain legal professional privilege
- [9] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [10] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [11] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [12] Not in scope
- [13] 7(b) - to prevent prejudice to relations between any of the Governments of New Zealand, the Cook Islands or Niue
- [14] 9(2)(ba)(i) - to prevent prejudice to the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, an [4] appearing where information has been withheld in a release document refers to section 9(2)(b)(ii).

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



# Cabinet External Relations and Defence Committee

## Minute of Decision

ERD Min (12) 8/1

Copy No: 21



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### Foreign Account Tax Compliance Act (FATCA)

Portfolios: Finance / Revenue

On 17 October 2012, the Cabinet External Relations and Defence Committee (ERD):

- 1 **noted** that the United States has enacted the Foreign Account Tax Compliance Act (FATCA), which requires foreign financial institutions to provide certain information to the United States Internal Revenue Service;
- 2 **noted** that concluding a bilateral treaty-level intergovernmental agreement (IGA) with the United States will relieve some of the burdens of the FATCA for New Zealand's financial institutions;
- 3 **agreed** that the Minister of Finance lodge New Zealand's expression of interest with his counterpart in the United States, Treasury Secretary Timothy Geithner, in New Zealand entering into a model 1 IGA with the United States for the purposes of FATCA;
- 4 **noted** that the United States has indicated that the main text of the IGA is not open for substantive negotiation (although technical amendments to reflect the New Zealand context may be possible);
- 5 **noted** that the only part of the model 1 IGA text that is open for substantive negotiation is the annex containing the low-risk schemes and institutions that will be exempt from having to comply with the FATCA requirements;
- 6 **agreed** that officials enter into negotiations with the United States on technical aspects of the main IGA text and to determine which low-risk schemes and institutions will be exempt from having to comply with the FATCA requirements;
- 7 [1]
- 8 **agreed** that the Minister of Revenue issue a press statement announcing that New Zealand has lodged an expression of interest with the United States. The press statement will also announce the establishment of an officials/private-sector working group to work on FATCA issues;

- 9 **noted** that an IGA will give rise to systems issues for Inland Revenue, and that officials are looking at the fiscal implications of potential systems changes;
- 10 **noted** that officials will work closely the private sector and other agencies on a number of details, including the low-risk schemes and institutions (most notably KiwiSaver) that should be exempted from the requirements of FATCA under an IGA.

Janine Harvey   
Committee Secretary

Reference: ERD (12) 35

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