



12 July 2022

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 13 June 2022. You requested the following regarding public consultation on taxation of the gig and sharing economy, and cryptocurrencies:

- 1. CPA didn't make a submission, but are you able to give me an idea of what other submitters thought? Did anybody of significance object to the suggestion NZ works along with the OECD approach, or the approach suggested in the paper to GST? I don't need a book - a couple of sentences will do.*
- 2. Any indication of when we can expect legislation?*
- 3. Cryptocurrencies: Has IRD put out any guidance or comment on tax issues associated with these? Is this an area where IRD is developing policy?*

Taxation of the gig and sharing economy

Question 1: What were submitters' views on the discussion document 'The role of digital platforms in the taxation of the gig and sharing economy'?

All submitters understood that Inland Revenue would benefit from receiving income information from digital platforms about the income earned by sellers in the gig and sharing economy. Submitters supported New Zealand implementing the OECD's information reporting and exchange framework rather than designing bespoke rules for a New Zealand context.

Submitters opposed making changes to the GST system noting that changes would result in increased compliance costs for digital platforms, and that it would be desirable to look at whether GST changes were appropriate once more was known about the size of the gig and sharing economy in New Zealand. It was noted that the OECD's information exchange would help in determining the size.

Question 2: Any indication of when we can expect legislation?

Timing for any expected legislation is subject to agreement by Ministers and Cabinet. Your request for this information has therefore been refused pursuant to section 9(2)(f)(iv) of the OIA, to maintain the current constitutional conventions protecting the advice tendered by Minister and officials.

No public interest in releasing the withheld information has been identified that would be sufficient to outweigh the reasons for withholding.

Cryptocurrencies

Question 3: Has IRD put out any guidance or comment on tax issues associated with these? Is this an area where IRD is developing policy?

Inland Revenue has a cryptoasset section of our website where we publish guidance about how New Zealand's tax rules apply to cryptoassets at www.ird.govt.nz/cryptoassets. Inland Revenue also publish public rulings to answer more complex or technical questions, which can be found at <https://www.taxtechnical.ird.govt.nz/> by searching 'cryptoassets'.

From a policy perspective, the Government recently enacted legislation to exclude cryptocurrency from GST and New Zealand's financial arrangements rules. An explanation of these changes is contained in the Tax Information Bulletin issued on 3 June 2022, available at <https://www.taxtechnical.ird.govt.nz/tib/volume-34---2022/tib-vol-34-no5>.

Your request for information is therefore refused under section 18(d) of the OIA, as the information requested is publicly available.

Right of Review

If you disagree with my decision on your OIA request, you can ask an Inland Revenue review officer to review my decision. To ask for an internal review, please email the Commissioner of Inland Revenue at: CommissionersCorrespondence@ird.govt.nz.

Alternatively, under section 28(3) of the OIA, you have the right to ask the Ombudsman to investigate and review my decision. You can contact the office of the Ombudsman by email at: info@ombudsman.parliament.nz.

If you choose to have an internal review, you can still ask the Ombudsman or Privacy Commissioner for a review.

Publishing of OIA response

Please note that Inland Revenue regularly publishes responses to requests that may be of interest to the wider public on its website. We consider this response is of public interest so will publish this response in due course. Your personal details or any information that would identify you will be removed prior to it being published.

Thank you again for your request.

Yours sincerely



Graeme Morrison
Policy Lead