

Executive's Report to the 2005 AGM of the Estate and Taxation Planning Council (NZ) Inc.

May 2006

When I look back over the past 12 months, I believe that members have been well rewarded for their time invested and their modest membership fee. We had to cancel one function because of a lack of numbers, largely due to two functions that involved council members of different disciplines. We hope to be able to re-schedule that speaker for later this year.

We continue to use electronic mail to communicate with members, despite the fact that we haven't issued as many newsletters as in previous years. The webpage is largely up to date, with the exception of updating the membership list. Below is a brief overview of events over the past year.

June 2005 Is New Zealand still a Haven for Foreign Trusts?

Mike Reynolds, Managing Director of Anchor Trustees discussed the growing "cottage industry" over the past few years of Offshore or Foreign Trusts in New Zealand. As with any successful business the Inland Revenue is looking to get "a piece of the action". Mike gave more detailed information about what a Foreign Trust is, and how they operate, and discussed what the impact might be of the proposed legislation on this area.

Mike has specialised in corporate and trust structuring and administration for seventeen years. He is a foundation member of the New Zealand Trustees Association and is the New Zealand correspondent for several international publications. He was awarded the national Trustee of the Year 2000 award by the New Zealand Trustees Association. Mike is also a member of STEP and is a committee member of the New Zealand branch.

November 2005 Christmas Function – Your Money Diet

Bruce Wallace gave an interesting address to members who attended our Christmas function at the Auckland Club. Unfortunately The Corporate Challenge took place on the same evening, which meant a number of members were unable to attend. Bruce discussed his latest book called Your Money Diet and results from his conversations with friends, colleagues and listeners to his radio programme Your Money on National Radio.

Bruce is passionate about the need for improved financial literacy across all New Zealanders. His address was well received and resulted in a lengthy question and debate on a variety of financial issues. Bruce has reported on international events for both British and New Zealand television, been a leading political editor in New Zealand and spent seven years working for Fletcher Challenge as corporate affairs manager.

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New Proposals for the Taxation of Offshore Investments

Our most recent breakfast seminar was the best attended for several years with 55 members and guests attending a presentation on the proposed changes to the taxation of offshore portfolio investments expected to be introduced in a May Tax Bill. The Bill is expected to contain an exclusion from income tax for capital gains derived by Collective Investment Vehicles, the Earnings per Share basis for taxation of foreign portfolio investments (or such alternative as announced) and the reduction of the grey list to one country (Australia).

Iain is a partner in the Taxation Services division of BDO Spicers in Auckland. Iain has extensive experience advising New Zealand companies for the past 15 years on their taxation affairs. Iain's address was both informative and humorous, and given the contentious issues around the proposed legislation there was much debate and lots of questions, that couldn't be answered due to lack of information other than press releases at this point in time.

As this Council year draws to a close, I would also like to thank the rest of my Executive Committee members for their support and hard work, namely Gary Fitzpatrick (vice President), Gary Morgan (Past President), Deeanah Winders (Secretary), Robert Knox (Treasurer), Hugh McGuinness, and John Tonkin. I would also like to thank BDO Spicers who have kindly provided a venue for the regular Executive Committee meetings.

As with any organization we need to ask ourselves, how can we do things better? How can we add more value to members? How do we attract new members? This year our focus will be attracting and retaining new members. We are looking for new members, but not just to increase our financial base, we are looking for members who will be active members and attend our Council functions. For the voluntary members of the Executive nothing is more frustrating than arranging a guest speaker, organizing the venue, but having to cancel or postpone because of a lack of numbers.

Currently we have around 85 members, with several applications pending. This year's goal is to increase the Council membership back over 100 active members, and to add a further 20 to 25 new members in the following year. We will be targeting a number of Legal and Accounting firms during the year to raise awareness of the Council and what it has to offer. With this in mind we have recently had 1,500 brochures professionally designed and printed that will be used as promotional material in future. We have recently purchased a very stylish pop-up banner that will be used at all future Council seminars and functions.

I'm sure I speak for all on the Executive Committee when I say that we once again look forward to the challenge of meeting the needs of members, and the objectives of the Council over the coming 12 months.

Jeff Matthews

President