



REMOVAL OF GIFT DUTY

The Minister of Revenue Peter Dunne confirmed in November 2010 the Government's intention to abolish gift duty. The gift duty rules were resulting in a high level of compliance costs and were no longer raising any significant revenue. The protection that gift duty offered in the areas of income tax, creditors and social assistance had only ever been incidental and very limited but carried significant compliance cost.

The abolition of gift duty will be effective from 1 October 2011. This means the annual gifting programme undertaken by most people who settled trusts to transfer assets to can make one gift to end their gifting programme after 1 October 2011.

The majority of trusts are created for asset protection reasons in circumstances where the people who settle the trust transfer their assets to the trustees of the trust for the benefit of the beneficiaries of the trust.

In view of this law change, Govett Quilliam encourages those people who do not have or who want to learn more about the benefits of trusts to contact us. We offer our Guide to trusts on www.thelawyers.com or directly at http://www.thelawyers.co.nz/uploaded_images/Guides/Family-Trust.pdf or by talking with our experienced team.



Written by
Ross Fanthorpe
Partner

DDI: (06) 768-3729
Email: Ross.Fanthorpe@gqlaw.co.nz