

AMCHAM NEWS

American Chamber of Commerce in New Zealand

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Volume 12 Issue 4

May 2013

5th US-NZ Pacific Partnership Forum 19-21 May, Washington, DC.

The "highly successful" 2013 US-NZ Pacific Partnership Forum was recently held in Washington DC, with more than 300 registered attendees.

Among the highlights were:

- * An interview with former World Bank President Robert Zoellick by Bloomberg TV correspondence Peter Cook;
- * A discussion with six former USTRs – Charlene Barshefsky; William Brock; Carla Hills; Michael Kantor; Susan Schwab; Clayton Yeutter;
- * Remarks by U.S. Deputy Sec. of State Burns, Under Sec. of State Hormats, NZ Foreign Min. McCully, and NZ Trade Min. Groser;
- * High-level panel on TPP and business - Gabriel Makhlof (NZ Treasury), Cal Cohen (ECAT), Simon Power (Westpac), Johanna Shelton (Google), John Wilson (Fonterra), Tami Overby (US Chamber);
- * High-level panel on security / foreign policy – Edgard Kagan (State Dept), John Allan (MFAT), Lt Gen Rhys Jones (NZ Defence), Stan Roth (Boeing), Randy Schriver (Armitage Intl), Vikram Singh (US Dept of Defence), Carolyn Tremain (Customs NZ).
- * Remarks by Co - Chairs of the Friends of New Zealand Congressional Caucus: Congressman Kevin Brady (R-Texas) & Congressman Rick Larsen (D-Wash.)
- * Sessions on security, Christchurch, creativity & innovation, food security, sustainability, and life sciences with top kiwi panellists.

20 Future Leaders from the US and NZ attended and were fully integrated into the programme.

[Click here for NZInc's coverage of speeches, panels, twitter feeds and photos](#)

[Wellington showcased in Washington](#)

Delegates who travelled on the NZ Airforce plane to DC also took part in "NZ Week" in Los Angeles including a visit and event at Paramount Pictures, a business seminar on Doing business in LA and a tour of the Port of Los Angeles.

LA Serves as Hub for New Zealand Entrepreneurs to Enter U.S. Market

Larta's CSO, Carlos Gutierrez, has played an integral role in the development of many Larta Global Bridge™ programs designed to bridge international entrepreneurs to the U.S. market. He shared his expertise in this field during the New Zealand Week in Los Angeles Business Seminar, aimed at exploring ways in which New Zealand businesses can establish themselves and thrive in the U.S. market. www.larta.org

AmCham would like to recognise the great work of Ambassador **Mike Moore**, Hon **Peter Watson**, **Bill Maroni** and Consul General **Leon Grice** in arranging these events.

Research shows US remains critical trade partner - NZUS Council

In the lead-up to a high-level meeting of political, business and community leaders from New Zealand and the United States, research released today highlights the strong economic and trade bonds between the two countries. [Read more ..](#)

Joint Statement: U.S.-New Zealand Strategic Dialogue

US Deputy Secretary of State William J. Burns opened the 2013 US-New Zealand Strategic Dialogue with New Zealand's Secretary of Foreign Affairs and Trade John Allen; Chief of Defence Force Rhys Jones; Secretary to the Treasury Gabriel Makhlof; and Deputy Secretary of Defence Bede Corry today at the US Department of State as part of our countries' ongoing bilateral discussions.

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Deputy Assistant Secretary of State for East Asian and Pacific Affairs James P. Zumwalt led the discussion and welcomed the productive efforts of the United States and New Zealand to jointly tackle key challenges. The two sides discussed issues of global concern and challenges in the Asia-Pacific region. They reiterated their commitment to continuing to strengthen the strategic partnership between the United States and New Zealand. [\[read the statement\]](#)

TPP: Opportunities for further engagement and input

The Ministry of Foreign Affairs and Trade is planning to hold a further series of TPP stakeholder sessions in major centres from June to August.

Stakeholders will be able to hear a first-hand update from New Zealand's Chief Negotiator on progress in key areas of the negotiation as we work towards conclusion of an agreement this year. Officials also plan to hold further dedicated meetings on intellectual property and health-related issues in the negotiation.

Dates and venues have yet to be confirmed but we would welcome expressions of interest to attend a stakeholder session or requests for an individual meeting to tpp@mfat.govt.nz. Please note your specific area of interest in your email to the team.

Trans-Pacific Partnership Negotiations Maintain Strong Momentum - From USTR

During the 17th round of Trans-Pacific Partnership (TPP) negotiations, which ended today, officials reported that they continued to forge ahead toward their goal of concluding an ambitious 21st-century agreement in the timeframe envisioned by President Obama and the Leaders of the other ten TPP countries. Through the TPP, the United States is seeking to advance a next-generation trade and investment agreement that will enhance U.S. competitiveness, expand U.S. trade in the Asia-Pacific region, and support the creation and retention of U.S. jobs, while at the same time promoting labor rights, environmental protection, and transparency.

In their work during this 10-day round, negotiators were guided by the plan of action agreed by the trade ministers from the United States and the other TPP countries – Australia, Brunei Darussalam, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam – when they met last month on the margins of the Asia-Pacific Economic Cooperation (APEC) meeting in Surabaya, Indonesia. In line with that plan and the direction of ministers to find pragmatic solutions to outstanding issues, the negotiators made progress across the agreement. The negotiating groups covering services, government procurement, sanitary and phytosanitary standards, trade remedies, labor, and dispute settlement moved their work forward significantly. The TPP countries also successfully advanced work on the other legal texts, including technical barriers to trade, e-commerce, rules of origin, investment, financial services, intellectual property, transparency, competition, environment and other issues. On the more challenging issues of intellectual property, competition, and environment, negotiators had productive discussions and agreed on next steps to continue their work.

In addition, negotiators made further progress on building the comprehensive packages that will provide access to their respective markets for industrial, agricultural and textile and apparel products, services and investment, and government procurement. They moved forward in constructing tariff packages and rules of origin, reflecting input from stakeholders on how best to promote trade and regional integration that would benefit the companies and workers in the United States and the other TPP countries.

The 11 TPP countries discussed plans for smoothly integrating Japan into the TPP negotiations. Japan will join the negotiations following the successful completion of current members' respective domestic processes. With Japan's entry, TPP countries will account for nearly 40 percent of global GDP and about one-third of all world trade.

Ministers from the TPP countries will continue to engage regularly over the coming months to guide the negotiators' work, find solutions to outstanding sensitive issues, and ensure that the negotiations achieve the TPP Leaders' objective of a high-quality, ambitious, and comprehensive agreement this year. Meanwhile, the negotiating teams agreed on detailed intersessional work plans so that the momentum achieved during this week's round in Lima can be maintained.

The 18th round of TPP negotiations will be held in Malaysia from July 15th-25th.

[Business Leaders Across Asia Pacific Call for Redoubling of Efforts to Conclude Comprehensive TPP Accord by Year's End](#)

[TPP Has the Potential to Revitalise Japan's Agriculture Sector](#)

Last chance to enter Awards for companies trading with the USA

Entries for the 2013 American Chamber of Commerce – DHL Express Success & Innovation Awards, held in conjunction with Hawaiian Airlines close on Friday 14th June. The awards celebrate business achievement between New Zealand and its third largest trading partner, the United States.

The winners receives a return economy Class ticket on Hawaiian Airlines from Auckland to either, Honolulu, Maui, The Big Island, Kauai, Los Angeles, Las Vegas, San Diego, Seattle, San Francisco, San Jose, Oakland, Portland, Phoenix, Sacramento or New York.

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Award winners will be announced at a gala dinner at the Pullman Hotel Auckland on 8th August.

Companies interested in entering the 2013 awards can find further information at www.amcham.co.nz or email mike@amcham.co.nz or phone 09 309 9140. Entries close at 5.00 pm on 14 June. Finalists will be announced on 10 July and the winners announced at the black tie awards dinner on 8th August.

Previous winners of the Supreme Award have included ZESPRI International, Peace Software, Airways Corporation, HumanWare, Tenon, Orion Systems International, Zeacom, Specialist Marine Interiors, Fonterra and Christchurch Engine Centre, Buckley Systems and Vista Entertainment.

In addition to AmCham, DHL Express and Hawaiian Airlines, the awards are supported by: [Baldwins](#), [Fonterra Co-operative](#), and [Prescient Marketing & Communications](#)

ISSUES

[US lawmakers introduce apps privacy bill](#)

New legislation introduced in the US would require mobile application developers to obtain consent from consumers before collecting their personal data [US lawmakers introduce apps privacy bill](#) New legislation introduced in the US would require mobile application developers to obtain consent from consumers before collecting their personal data

[Patents Bill amended to clarify software issue](#)

New Supplementary Order Paper seen as clarifying non-patentability of software; Responses from IITP, Orion Health, Open Source Society, Jade Software, InternetNZ

Survey ranks Cyber threats as number one issue for business

AIG has launched the CyberEdge mobile app for iPads in response to demand for improved information on cyber risk and how to respond to it.

A survey of perceptions about cyber risk by AIG found that more senior executives are concerned about cyber threats than any other major business risk.

More than 85 percent of the 323 decision-makers surveyed said they were very or somewhat concerned about cyber risks to their organisations, compared with the group's response to six other areas of risk, including income loss, property damage and investment risk. [Read more..](#)

NZICT broadly welcomes new govt procurement guidelines

NZICT Group CEO Candace Kinser says government's new procurement principles are "very much in line with good international best-practice standards". She applauds the emphasis on the long-term value of a proposal rather than its up-front price. [Read more...](#)

NEWS ITEMS

Kiwis World Robotics Champions five years in a row

New Zealand teams dominated the 2013 VEX Robotics World Championships for the fifth year running, with an alliance from Auckland's Lynfield College and Tauranga's Otumoetai College crowned world champions in Sack Attack! [Read more...](#)

World's top travel editors set to experience Auckland in 2014

Auckland has won the rights to host the Travel Classics writers' association bi-annual conference in May 2014, thanks to a bid by Tourism New Zealand, ATEED (Auckland Tourism Events and Economic Development) and Air New Zealand.

Around 50 top travel editors and freelance writers from North America will attend the four-day conference on Auckland's waterfront, as well as being given the chance to experience tourism attractions and activities around New Zealand.

In previous years the conference has been attended by editors from prestigious travel publications such as Conde Nast Traveler, National Geographic Traveler and Travel+Leisure.

Tourism New Zealand General Manager Brand & International PR Catherine Bates says that hosting the conference in New Zealand offers a unique opportunity to showcase our country to some of North America's most highly influential travel media.

"North America is a key visitor market for us and this is a very select group of media writing for travel publications that reach millions of people. Delegates will have the opportunity to travel the country through pre and post-conference tours, carefully tailored to profile the range of experiences on offer.



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California Design 1930-1965 on show at Auckland Art Gallery

Living in a Modern Way opens at Auckland Art Gallery on 6 July 2013. California Design - the first major examination of modern California design - demonstrates the impact of California's artists, craftspeople and designers on the products, furnishings and houses of mid-twentieth-century America.

The exhibition features more than 250 objects, including original furniture by Charles and Ray Eames, the world's first Barbie doll and graphics by legendary designer Saul Bass. A number of landmark industrial designs, ceramics, jewellery, metalwork, architectural drawings and photography will also be on show. [For details see..](#)

SUCCESS STORIES WITH USA

[Yelp arrives in NZ](#)

[Kiwi app makers buzzing as downloads soar](#)

[US biofirm to build factory near Feilding](#)

[IBM's first New Zealand delivery centre opens in Auckland](#)

[Telecom New Zealand and Ruckus Wireless Transform](#)

[Traditional Phone Booths into Super Fast Wi-Fi Hotspots](#)

[Pizza chain hotter than hell](#)

[AMI buys US insurance package](#)

[Kiwi software honoured in New York](#)

[Tenon shares soar as mouldings maker flags return to US profit](#)

[Top U.S. DIY Security Brand Launches in New Zealand](#)

[Mako Networks Announces Expanded PCI DSS Certification](#)

[NZ fashion firm raises \\$170k on Kickstarter](#)

[Westie takes a big bite of Big Apple](#)

[Top U.S DIY Security Brand launches in New Zealand](#)

[Google stacks on jobs at NZ service centre as ad sales grow](#)

[Gallagher Group joins NZ push to boost US earnings](#)

TRADE, BUSINESS and INVESTMENT OPPORTUNITIES

Commercial News USA

The July/August issue of Commercial News USA, the official export promotion magazine of the U.S. Department of Commerce, is currently online at <http://cnusa.thinkglobal.us/i/134837>

Trade-Leads for Importing and Exporting

You are invited to register your company at America's new online trade leads matchmaking platform for importers and exporters. ThinkGlobal is the world's first B2B matchmaking platform to integrate multimedia, localization, virtual trade show technology, and social media. Just register online at [ThinkGlobal](#)

International Buyer Program – Trade Show Schedule 1 Jan to 31 Dec 2013 – for details and support contact Janet Coulthart: janet.coulthart@mail.doc.gov

From Worldwide Access

[Go-Go-Station Going to the USA](#)

The New Zealand-invented Go-Go-Station desktop organiser is going to the USA with World Wide Access.

[First USA Sale For Primal Earth](#)

The first sales in the USA have been made for New Zealand men's skincare brand Primal Earth. This milestone comes just a few days after the first shipment of Primal Earth products arrived in the USA. The company behind Primal Earth is Mix Limited, who signed on with World Wide Access less than a month [...]

[Should I Use Short EAN Barcodes?](#)

EAN-8 'short' barcodes are intended for small products where an EAN-13 barcode would be too large to fit conveniently on the product or packaging. Are EAN-8 barcodes suitable for e-commerce in export markets?



Pernod Ricard New Zealand proud supporter of AmCham.

BUSINESS TRAVEL & TRAVEL NEWS

News, views and information for Amcham business travellers from **Grant Bevin**, Managing Director Business World Travel.

Business World Travel is a member of GlobalStar Travel Management

United Airlines is now flying non-stop between **San Francisco and Paris**. Conveniently timed to connect from the United / Air NZ code share flight up from Auckland, after a couple of hours layover you'll be winging your way for some French flair. Flight UA990 departs San Francisco daily at 2:45 p.m. and arrives at Paris Charles de Gaulle Airport at 10:45 a.m. the next day. For the return, flight UA991 departs Paris at 10:05 a.m. and arrives in San Francisco at 1 p.m. the same day. (All times are local.) If connecting straight to Auckland there's a bit of a layover on the return but most interesting and successful people will see the opportunity to jump onto BART, San Francisco's amazing airport to city train system and take in a decadent late lunch at one of San Francisco's sensational restaurants or in fact fit in a bit of brilliant US shopping for the family before heading back to the airport for the flight back to Auckland.

Whilst chatting about **United**, the airline has upgraded its very smart coast to coast **San Francisco and Los Angeles to New York** flights with retro-fitted aircraft and updated service. Branded as P>S service (Priority Service), from this week the route specific Boeing 757s will have 28 flat-bed seats in United BusinessFirst, 48 seats in United Economy Plus and 66 seats in United Economy. The BusinessFirst cabin includes 15.4-inch touchscreen monitors for personal on-demand entertainment, electrical and USB outlets, iPod jacks and five-course meals with fine wines. Seats in Economy Plus offer 36 inches legroom to stretch out and relax. Each Economy seat in United Economy features a 9-inch touchscreen with personal on-demand entertainment. United is offering a very smart US domestic service here! All the aircraft dedicated to this route will be completed by year-end, but at the moment half a dozen have been re-fitted.

We seem to have an unusual volume of business travel from a wide range of business sectors to San Francisco between 04 July and 26 August on our books. Those travellers might also be interested to know that the **America's Cup** is about that time – the **Louis Vuitton** is from 4th of July and the Grand Finale America's Cup is 21- 26 August.

Following your next US business trip, take a week out and a side trip to Ecuador and the fascinating **Galapagos**. Lying just off the western coast of South America, the Galapagos archipelago is inaccessible to most, yet this isolation has allowed nature to develop in ways exclusive to the islands. Experience it during your luxurious Galapagos cruise on board **SilverSea's** new 100 passenger expedition cruiser and enjoy complimentary activities including Zodiac cruises, snorkelling and nature hikes led by Silversea's experienced guides. This is a **bucket list** destination and this is the way to do it. Call **Agota Watt**, one of New Zealand's pre-eminent cruise specialists. Agota is on hand in our Wellington office – awatt@bwt.co.nz or 0800-508 582.

Hawaiian Airlines now operate wide bodied aircraft with one stop in Honolulu directly to 11 US Cities: Los Angeles, Las Vegas, San Jose, Sacramento, Oakland, Portland, Seattle, San Francisco, Phoenix, San Diego & New York. Hawaiian operates new Airbus A330 aircraft from Auckland. We like Hawaiian's generous baggage allowance of 2 pieces per person and up to 32kgs each! Business Class is competitively priced at around the premium economy on other airlines. Hawaiian Airlines is promoting a combination of business and pleasure by taking the family for a Hawaii break on your way home from a US business trip. They also combine Business and Economy class fares in each direction.

Qantas has been judged as having the **Best Cellar in the Sky** in the 2012 UK Business Traveller Awards. Second place went to **Singapore Airlines** and third to **Qatar Airways**. To be parochial, New Zealand wines feature in the Cellars of many airlines and they scored well for their airlines. First place for a red wine service in First Class went to **Malaysia Airlines** with Schubert Marion's Vineyard Pinot Noir, 2010, Martinborough. Third place for Best Business Class red went to **Cathay Pacific's** Villa Maria Single Vineyard Southern Clays Pinot Noir, 2010, Marlborough. **Air New Zealand** took 3rd place in the Business Class fortified and dessert wine section with Winter Solstice Glacier Wine, 2010, Marlborough and the airline also picked up the prize for the best presented Business Class wine list. Qantas had the best presented First Class wine list.

US Service Security Update

US sites to see for updated information visit www.dhs.gov and www.safetravel.govt.nz <http://www.tsa.gov/travelers/index.shtm>

Major milestone for Air New Zealand's Boeing 787-9 programme

The first of Air New Zealand's Boeing 787-9 aircraft to be constructed has achieved a major milestone this week with the arrival of the first major part of the new aircraft at Boeing's Everett factory in Seattle three weeks ahead of schedule.

The aircraft is approaching the crucial final assembly phase which means the horizontal stabiliser section that arrived this week from another US based Boeing facility is the first of many that will be delivered to Seattle over the coming weeks to form the world's first ever 787-9 aircraft.

Air New Zealand is the launch customer for the 787-9 – which is longer than the 787-8 currently in operation – and the airline will welcome 10 of these new generation aircraft into its fleet between 2014 and 2017.

Air New Zealand Chief Executive Officer Christopher Luxon describes the 787-9 as a game changer for the airline.

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Check out our website at www.bwt.co.nz

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**BUSINESS
WORLD TRAVEL**



TRAVEL NEWS (Continued from page 5)

"It's hugely exciting to see the first ever 787-9 taking shape because of the significant growth opportunities these aircraft present for our business. Having 10 new long haul aircraft enter our fleet over the next four years means we will be able to add more capacity and greater frequency to existing destinations, as well as explore new destination opportunities throughout the Pacific Rim.

"Not only does this herald a significant growth phase for us, we'll be able to do it with super efficient new aircraft. These aircraft use 20 percent less fuel than similar size alternatives which means they're both cost effective to operate and environmentally sound."

The Vice President of Marketing at Boeing Commercial Airplanes, Randy Tinseth says, "Receiving the first major part is an exciting and visible sign of the progress we're making on the 787-9. We look forward to the first flight of the 787-9 later this year and the first delivery in early in 2014 to Air New Zealand, our valued partner."

Air New Zealand expects the first of its new fleet of 787-9 aircraft to operate on the airline's international network from mid 2014.

2013 & 2014 Pebble Beach Package

PaR nz Golfing Holidays have access to some special tee times and accommodation packages at Pebble Beach during December 2013, 19-29 and April 2014, 17-20. Offers include US \$50 dining credit when staying at The Inn at Spanish Bay or The Lodge at Pebble Beach and one complimentary round at The Links Spanish Bay when booking a round at Pebble Beach or Spyglass Hill Golf Courses. For options and packages refer kim@parnz.co.nz

MEMBER NEWS**New Members**

Bibby Financial Services, Auckland – **John Blackmoore**, National Sales Manager - is the UK's leading independent invoice finance specialist, currently providing cash flow funding for nearly 3,940 businesses, handling annual client turnover of £3.9 billion and advancing in the region of £342 million. Export funding/factoring, bad debt protection, and business funding. <http://www.bibbyfinancialservices.com>

Eastland Group, Gisborne – **Aaron Snodgrass**, Chief Financial Officer - a collection of businesses that span the logistics, aviation and energy industries, with its heart in Gisborne but with bases throughout the nation and investments in the USA. <http://www.eastland.co.nz>
Aaron has recently returned from living in New York and was President of the Kiwi Club of New York.

Teknatool International Ltd, Auckland – **Roger Latimer**, Chairman – designers and manufacturers of Nova woodworking machinery with an office in Florida that is working to firmly establish their DVR technology and will be used as a key facility to export to South America and Europe. <http://www.teknatool.com/>

The Executive Connection, Australia/Auckland – **Grant Hamer/Wayne Neal** - TEC offers its members access to a unique suite of benefits that can transform both their professional and personal life through sharing the knowledge and experience of your business peers; gaining confidence to address challenging business issues and opportunities; connecting and engaging in candid and challenging discussions about your business; receiving one-to-one business coaching; learning from world leading business speakers; links to international business networks; access to the latest thought-leadership ideas and materials. www.tecnz.co.nz

Mt. Beautiful Winery Founder David Teece to Be Honored for Receiving a Companion of the New Zealand Order of Merit

United States-based internationally acclaimed professor of economics and founder of Mt. Beautiful Wines/Teece Family Vineyards, David Teece, is "absolutely delighted" that efforts to promote U.S. – New Zealand relations have been officially recognized. Professor Teece, who is also a successful entrepreneur and consultant, has received a Companion of the New Zealand Order of Merit for services regarding New Zealand-United States relations.

IBM NZ grows revenue by six percent

IBM New Zealand grew revenue in 2012 by six percent year on year, its third consecutive year of revenue growth. Pre-tax profit also grew, up 13 percent to \$50.8 million. Operating revenue of \$429.7 million was up \$24.8 million on the previous year. After-tax profit was \$36.8 million compared to \$32.3 million in 2011.

[Read more.](#)

People on the move

Christopher Bishop has left **Philip Morris New Zealand** to return to the Beehive to be Senior Advisor to **Minister Steven Joyce**. **Anna Stefanatos** is moving from Australia to take over Chris's role.

Bryan Gundersen has retired from **Kensington Swan**

DLA Phillips Fox is pleased to announce the appointment of **Hanne Janes** as a partner.

Kristen Foster has joined **Visa** in the role of Director of Government Relations, Australia, New Zealand and South Pacific.

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Supporting AmCham

MEMBER NEWS (Continued from page 6)

New Zealand Trade and Enterprise has appointed **David Downs** as General Manager Services and **Quentin Quin** as General Manager Capital.

Stewart Germann Law has appointed a new Associate in Auckland – **Harshad Shiba**.

Clive and Dawn Jeffrey who founded **Print Matters** have decided to sell up and move back to the USA. **Rob McCorkindale** will be taking over the helm

Public relations consultant **Lucy Powell** has become a Partner in Christchurch-based consultancy **Carter Price Rennie**

FOR YOUR DIARY

- 11th June **Auckland CEO roundtable lunch (invite only)**
- 20th June **Auckland - Cavit & Co Ltd and Constellation Brands New Zealand Ltd showcase, Auckland (invite only)**
- 27th June **Wellington – Ernest Bower, Senior Adviser and Sumitro Chair for Southeast Asia Studies at The Center for Strategic and International Studies (CSIS) lunch, Wellington**
- 9th July **Auckland CEO roundtable lunch (invite only)**
- 24th July **Wellington CEO roundtable lunch (invite only)**
- 8th August **AmCham-DHL Express Success and Innovation Awards, Auckland**
- 21st August **Business War Games with Palladium Group, Auckland**
- 29th August **Craig Heatley, 2012 Ernst & Young Entrepreneur of the Year, Auckland**
- 24th Sept. **Lunch with Mark Adamson, Chief Executive Officer and Managing Director, Fletcher Building, Auckland.**

US NZ CONNECTIONS IN NEW ZEALAND

Kiwi Expat Association – www.keanewzealand.com

Wanganui New Zealand American Association donnarush@clear.net.nz

American Club – Auckland <http://www.americanclub.org.nz/>

American Women's Network – Wellington www.awn.co.nz

American Women's Club – Auckland www.awcauckland.com

American Club of Christchurch – www.american-club-chch.org

NZ/American Association, Wellington www.nzaa.org.nz

Kiwi Club of New York Inc - www.kiwiclubny.org

[American Club 4th July](#) Click to register and find out whats on.



TUESDAY JUNE 18TH 2013
AUCKLAND, NZ

What does it take to compete on a global stage?

The Innovest Conference will bring together a host of local and international business specialists to provide an objective, hard-hitting assessment on what needs to change to create a flourishing SME sector at a business, industry and national level. The programme has an exciting line up of speakers, both local and from overseas - in particular from the USA including:

David Berkus (Boston) - Kodiak Ventures, L.P. and Berkus Technology Ventures, LLC

An entrepreneur for over fifty years, David formed and managed successful businesses in the entertainment and software arenas. He is Managing Partner of two private equity investment funds and is an Inc. Magazine Super angel; he is Chairman-Emeritus of the Tech Coast Angels

David Drake (New York) - LDJ Capital, The Soho Loft

A New York based private equity fund manager and owner of The Soho Loft, a capital events business, David is a strong force behind the crowd-funding industry and contributing author for Forbes Magazine and many other industry magazines.

Bob Burke (Boston) - Natural Products Consulting

A Boston-based expert in bringing natural, organic and specialty products to market across most classes of trade. Bob's clients extend to large multi-nationals such as General Mills, Kraft Foods, Pfizer and Kellogg's to a wide array of small and emerging businesses.

Michael Davies (Boston) - Endeavour Partners + MIT + London Business School

An entrepreneur and strategist, with deep business and technology expertise in mobile and digital domains, Michael is an expert in technology and business ecosystems, competition and collaboration, and the management of innovation.

Rob Trice (San Francisco) - Venture Partner, Swisscom Ventures; Managing Partner, Jackson Partners

Rob is an established international venture capital investor, having invested in companies in the US, Asia, and Europe for over a decade. He is a co-founding partner of Nokia Growth Partners, Senior Managing Director of Swisscom Telecom Ventures and partner of Jackson Partners, a San Francisco based private equity firm.

[For more info see ...](#)

Do you have a Sustainable Business?

Initiated in 2009, [Sustainable 60](#) is designed to assist New Zealand companies and organisations develop a sustainability strategy aligned with their business. Part of the programme is an awards evening to recognise and celebrate excellence in sustainable business practices.

Each year, the awards attract over 100 individual entries, with a number of entries shortlisted as finalists.

Entry into the Sustainable 60 Awards also provides a unique opportunity for businesses to measure their performance and connect with others who are doing the same.

Robust, resilient and future-focused - is this your business?

Entry is **open now** and will **close on Friday 5 July** visit www.sustainable60.co.nz to have your business recognised.

World's Oldest Hip Hop Dance Group from New Zealand to Honour the USA – Even if it Kills Them!

The World's Oldest Hip Hop Dance Group, consisting of 37 senior citizens aged 66 to 96 years old from a small island off the East Coast of New Zealand plans to honour the USA Hip Hop scene with a special performance at the World Hip Hop Championships in Las Vegas in August.

The dance troupe of octogenarians, called The Hip Op-eration Crew, have been officially invited to do a tribute performance at the global hip hop event due to their passion and respect for hip hop and the country that invented it.

Because of their age, this will be the last performance for many of the dancers.

"My dance Crew wants to complete this mission so bad, some members are risking their health and literally their lives to fly the long distance to the USA. We have even gone to the extent of pricing out the costs of cremation in the USA just in case. However, regardless of the risks, my Crew are determined to pay tribute to the people and country that invented hip hop and to go out with a bang," says The Hip Op-eration Crew Manager, Billie Jordan.

The World Hip Hop Championships is available for broadcast in over 40 countries around the world and attracts contestants from more than 43 countries. The Hip Op-eration Crew are already picked as the 'show stoppers' for the event and have attracted interest from the BBC World Service, Wall Street Journal, Ruptly News and a feature documentary film crew who are following them for 8 months in their mission to get to the USA to form strong cultural relations with this country and its people.

"The dance routine we plan on performing at the World Hip Hop Championships is going to be impressive. My Crew will be giving it everything they've got, as it's probably the last thing they will do in this lifetime. "We want to show that no matter what your age, you can still live life to the fullest and embrace, respect and celebrate the American born culture of Hip Hop. Our motto is 'Never Say Die'," says Jordan.

The Hip Op-eration Crew members include Violet, a 96 year old in a wheelchair; four people who use other types of mobility aids (including a zimmer frame and walking sticks), 14 members in their 80s and early 90s, many people who are deaf, and one member who is legally blind. The average age is 79 years old and there are eight men and 29 women in the Crew - including a mother (96 years old) and her son and daughter-in-law (both 69 years old).

The Hip Op-eration Crew recently performed at the New Zealand National Hip Hop Championships; receiving cheers, screams and a standing ovation from the hundreds of youth in attendance at the event. Even the judges were on their feet.

The Hip Op-eration Crew are a registered charity and **need to raise NZ\$250,000 (US\$210,000) to travel to the USA.**

"Time is running out, if we don't raise the money by mid June we won't be able to book flights in time to be able to travel to the USA - so will have to turn down the once-in-a-lifetime invitation we have received to perform at the World Hip Hop Championships. It's a nail biting exercise and we are offering ourselves up for sponsorship, to work as talent for advertising campaigns or to perform at private celebrity events to raise the money we need. However, we have only managed to raise NZ\$8,000 so far – so are way off our target," says Jordan.

All donations to the charity, no matter how small, will receive a tax rebate and will be gratefully received. 10% of all public donations go into The Hip Op-eration Crew's Otara Youth Programme.

Meet The Hip Op-eration Crew in a 'behind the scenes' video made by **Saatchi & Saatchi for the Commonwealth Bank (ASB)** during the making of a music video (<https://www.youtube.com/watch?v=n26W-OWcjC4>).

For more information, pictures, videos and photos about The Hip Op-eration Crew, please visit us on Facebook at: www.facebook.com/thehipoperationcrew or on our website at www.hipop-eration.com

Donation Line: www.givealittle.co.nz/org/hipoperation **Pledges of Support:** www.pledgeme.co.nz/1087

Online membership database plus companies trading with USA

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TAXATION ISSUES

United States Income Tax implications of Real Property Transactions

By Gina Wallace, Director, NZ US Tax Specialists Ltd

When it comes to real property investments, there are several traps to be aware of from a United States federal income tax perspective.

Individuals who are residents or citizens of the United States with real property in New Zealand need to be mindful of, amongst other things, exposure to the impact of foreign currency fluctuations when disposing of property.

A recent case involved a United States citizen who had purchased a property in New Zealand in 2006 and transferred it to her family trust, formed in New Zealand.

She held it for several years and disposed of it for a small, non-taxable capital gain in New Zealand of approximately NZD \$1,000.

However, the realization of the property resulted in a gain of USD \$57,000 due to the movement in the US dollar value of that property from the time that she purchased it until the date that she disposed of it in 2012.

This is a United States tax principle referred to as the Quijano rule. Foreign currency denominated assets – whether real property or other property – have basis converted to US dollars at the spot rate at the date of acquisition, and the sale price converted to US dollars using the foreign exchange rate at the date of sale. The difference is a US dollar gain or loss. A gain in one currency does not always result in a corresponding gain in the other currency, ie it is possible to have a loss in NZ dollars and a gain in US dollars or vice-versa.

Under the grantor trust rules, the New Zealand trust was looked through for United States income tax purposes. The United States citizen was deemed to be the owner of her portion of the property that she had transferred to the trust, and, thus the corresponding income derived from that property. Since she had been the sole transferor of the property to the trust she was taxed on the US \$57,000 gain on disposal in her United States tax return at the capital gains rate of 15%.

The Quijano rule also applies to the repayment of a foreign-denominated mortgage. Foreign currency gain or loss is calculated by converting the spot rate at the date of acquisition of the mortgage and the exchange rate at the date that the mortgage was repaid.

Particularly relevant to mention what with the white-hot Auckland property market at the moment, is that anyone taxable in the United States on worldwide income disposing of property after a long term holding period of many years may well be facing a United States tax liability in the year of disposal. For residential property the Section 121 qualified home residence gain on sale exclusion of up to US\$250,000/US\$500,000 filing jointly will frequently provide relief. To qualify the home must have been owned and lived in for at least two years in total out of the five years prior to sale, and the exclusion of gain can be availed of no more often than every two years. Partial exclusion of gain is available should part of the home have been used for business purposes at any stage during ownership, or should disposal occur due to permanent relocation arising out of new employment.

Taxpayers holding depreciable property need to ensure that a depreciation deduction is claimed in their United States income tax return every year. This is in contrast to the recent removal of the depreciation deduction on residential property under the New Zealand Income Tax Act. Taxpayers who do not claim the depreciation deduction allowable on real property must still reduce their basis in the property as if depreciation had actually been claimed. This potentially increases the taxable gain irrespective of the fact that depreciation was never claimed. Depreciation on property located outside the United States is calculated under the Alternative Depreciation System (ADS) with residential real estate depreciable on a straight-line basis over 40 years, and other depreciable property on a straight-line basis over 12 years.

It is therefore advisable to seek expert tax advice before buying or selling assets denominated in a foreign currency in order to avoid unexpected United States tax liabilities.

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