

# AMCHAM NEWS

## American Chamber of Commerce in New Zealand

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### President Obama nominates next Ambassador to New Zealand

From Ambassador Huebner's blog – "Today the White House announced the nomination of Mark David Gilbert of Palm Beach, Florida to be the next American Ambassador to New Zealand and to the Independent State of Samoa. The nomination will now go to the U.S. Senate for consideration. If confirmed by the Senate, Mr. Gilbert would become the 22nd American Ambassador posted in Wellington.

Mr. Gilbert has worked for many years in the investment banking sector and is currently director of Barclays Bank in Palm Beach. Born in Atlanta, Georgia, he earned a degree in finance from Florida State University in Tallahassee. He has been involved in a variety of charitable and fundraising activities, and currently serves on the Sundance Institute's Utah Advisory Board.

My research reveals that Mr Gilbert would be the first Major League Baseball player ever to sit in the chair I now occupy. He was drafted out of college by the Chicago Cubs and played for several years on teams affiliated with the Cubs, Cincinnati Reds, and Chicago White Sox. His Major League debut was in 1985 as a pinch hitter with the White Sox. While in the minor leagues, he was honoured as the Cincinnati Reds (Indianapolis) AAA Rookie of the Year, and as Chicago Cubs (Quad Cities) Player of the Month, which netted him his own Topps Baseball Card.

I have spoken with Mr Gilbert on a several occasions, and I look forward to tracking his confirmation process. If confirmed, he would be joined in Wellington by this wife, Nancy. The couple has two adult daughters, Danielle and Elizabeth".

The AmCham board and several key members recently hosted a lunch to thank Ambassador Huebner for his significant contribution to relations between the two countries and his support of AmCham. We look forward to welcoming Ambassador Elect Gilbert in the coming weeks.

### US Ambassador awarded AUT fellowship

US Ambassador to New Zealand David Huebner was last night named a Fellow of the Faculty of Business and Law by AUT University in recognition of his international law expertise, achievements as Ambassador, and engagement with Kiwi students and youth.

AUT Vice Chancellor Derek McCormack conferred the honour at a reception at the Auckland Art Gallery's Mackelvie Gallery.

Ambassador Huebner expressed his gratitude for the honour, and said he was proud to share AUT's passion for engaging with diverse communities and embracing innovation. [\[read media statement\]](#)

### Trade Leaders Discuss Trade Promotion Authority - From the US Chamber

In recent days, trade leaders have underscored the importance of moving forward on legislation to renew Trade Promotion Authority (TPA). During an October 30 hearing on the proposed Transatlantic Trade and Investment Partnership, Senate Finance Committee Chairman Max Baucus (D-MT) said: "It's time to do our part. We must introduce a bill and quickly pass it." At the same hearing, Ranking Member Orrin Hatch (R-UT) said: "I hope that President Obama and his team will actively work with Congress to quickly seek its approval." Earlier in the week, U.S. Trade Representative Michael Froman told Politico: "We think it would be good to get [TPA] as soon as possible with as broad bipartisan support as possible."

In addition, Representatives Dave Reichert (R-WA) and Charles Boustany (R-LA) said on October 30 that they are engaging in an informal process to assess the support of Republican House members for a TPA bill. The Chamber has organized over 300 meetings this year with Members of Congress and staff to talk about our support for TPA and an ambitious trade agenda, and is working closely with the Trade Benefits America coalition to press forward with a strong advocacy campaign.

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## **TPP: Congress Launches Caucus, Intersessionals Scheduled – From the US Chamber**

Members of Congress on October 29 launched a new bipartisan caucus to support the Trans-Pacific Partnership (TPP) agreement. The "Friends of the TPP" was formed by Representatives Charles Boustany (R-LA), Ron Kind (D-WI), Gregory Meeks (D-NY), and Dave Reichert (R-WA). In a joint press release, Congressman Reichert said "a high-standard, comprehensive Trans-Pacific Partnership holds significant promise for Washington businesses, farmers, and workers. In fact, trade with the TPP countries already supports hundreds of thousands of jobs in my home state."

TPP negotiators are moving forward with a busy schedule of small group meetings in the lead up to the December 7-9 TPP Ministerial in Singapore. Intercessional negotiations are being held across a number of chapters, including government procurement, investment, and competition. Chief Negotiators are also set to meet in the United States in mid-November.

## **TPP Update from Medicines NZ**

There is pressure on the negotiators working on the Trans Pacific Partnership Agreement to conclude an agreement by the end of the year however there are still a number of challenging issues to resolve prior to a meaningful and comprehensive agreement being reached.

The US is expected to table US law as a standard for intellectual property on aspects such as a 12 year term for data protection on biologicals, patent linkage and patent term restoration.

We expect aspects on transparency to include an improvement to the way PHARMAC operates to resemble prior US free trade agreements with Korea and Australia. Both of these agreements have enhanced the application process in their respective countries and have set a meaningful benchmark for best practice HTA agencies.

The transparency aspects being sought by industry are closely aligned with New Zealand clinicians' views as reported in a consultation about PHARMAC undertaken by Cabinet.

## **President Obama to Announce First-Ever Federal Effort to Attract Job-Creating Foreign Investment to the United States- Expanding and Enhancing SelectUSA**

President Obama recently announced the first-ever comprehensive, all hands on deck effort led by the federal government to bring jobs and investment from around the world to the U.S. through aggressive expansion and enhancement of SelectUSA.

Making job-creating foreign investment a core priority: For the first time, domestic and overseas teams at Commerce and State will make recruiting business investment one of their core priorities, alongside their traditional focus on export promotion and commercial advocacy.

First-ever coordinated, global teams led by Ambassadors to actively work to bring jobs to U.S.: For the first time, the U.S. will organize dedicated investment teams led by Ambassadors to actively encourage and track job-creating investment into the U.S. This will begin in 32 priority markets which represent over 90 percent of foreign direct investment into the U.S.

First coordinated advocacy process to include senior-most Administration officials, including all the way up to the President: Historically, on an ad hoc basis, senior government officials have been involved in advocacy for business investment in the U.S. But going forward, the Administration is creating the first-ever coordinated advocacy process to link international teams with senior government officials all the way up to the President to recruit businesses to bring jobs to the U.S.

For the first time, there will be a single point of contact for ready investors looking to bring jobs and production to the U.S.: For the first time, SelectUSA will create single points of contact for businesses looking to bring jobs and production to the U.S. This will include greater coordination between SelectUSA headquarters in Washington D.C., in-country resources at the Embassy, and state-based economic development organizations.

First ever effort to coordinate support for states and localities to attract investment: For the first time, we will help regional, state, and local economic development organizations attract investment, improving coordination to increase their success rate and connecting them with overseas markets and investors through our Missions. [For more info see](#)

## **US-NZ agree to build on defence co-operation**

Defence Minister Jonathan Coleman and US Secretary of Defense Chuck Hagel have agreed to extend co-operation on peacekeeping initiatives.

"Our defence relationship with the US is in great shape, and provides a strong platform for working closely together in the future," says Dr Coleman.

"We have agreed to expand our co-operation on peacekeeping training initiatives. We will be looking for opportunities to support our Asia-Pacific partners to build the capacity of their peacekeeping forces.

"New Zealand will also be providing military instructors to the US-led Global Peacekeeping Operations Initiative from 2014."

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Secretary Hagel and Dr Coleman welcomed the increased co-operation on humanitarian assistance and disaster relief in the Asia-Pacific. They also noted last month's successful meeting of Pacific Army Chiefs. Co-chaired by New Zealand and the US, the conference focused on how the Pacific Armies and United Nations can improve co-operation on peacekeeping missions.

New Zealand and the US have achieved a number of significant milestones since the signing of the Washington Declaration last year, which set out regular high level dialogue and enhanced co-operation in the region.

"Our opportunities for defence engagement, joint training and exercising continue to increase and we expect the tempo to continue," says Dr Coleman.

## AmCham hosts US Congressional staffers

AmCham recently hosted a reception for the latest group of US Congressional staffers who MFAT brought to New Zealand for a famil. The group was

- ◆ Jim Brandell, Chief of Staff to Chairman Dave Camp, R-MI
- ◆ Emily Murry, Policy Advisor, House Majority Whip Kevin McCarthy, R-CA
- ◆ Jake Oster Legislative Director to Congressman Peter Welch, D-VT, Co-Chair, House Dairy Farmer Caucus
- ◆ Laura Ringdahl, Senior Legislative Assistant to Congressman Tom Reed, R-NY
- ◆ Terra Sabag, Legislative Director to Congressman Rick Larsen D-WA, Co-Chair of the Friends of New Zealand Caucus
- ◆ Kaitlyn Sighinolfi, Senior Adviser to Congressman Charles Boustany R-LA

The group had the opportunity of meeting with a diverse group of AmCham members and US companies operating in New Zealand to discuss a wide range of issues on trade, investment, tax and TPP.

AmCham would like to thank **David Flacks and Ruth Doggett at Bell Gully** for the use of their offices for this event and their assistance.

## New Zealand invests in nearly 100 countries

At 31 March 2013, New Zealand enterprises had invested in at least 97 different countries worldwide. At least 99 countries had invested in New Zealand, according to Statistics New Zealand.

New Zealand investment abroad was \$163.9 billion, with 64 percent invested in our top five destination countries – Australia, United States, United Kingdom, Japan, and the Netherlands.

Foreign investment in New Zealand at 31 March 2013 was \$315.5 billion, with 69 percent coming from our top five source countries. These were Australia, United Kingdom, United States, Singapore, and Japan.

"Having investment relationships with nearly 100 countries shows just how globally connected New Zealand is. Knowing which countries we invest in and who invests in us plays a key role in informing policy and trade negotiations," balance of payments manager Jason Attewell said.

For the first time, Statistics NZ has made these international investment statistics by country available on [Infoshare](#). Annual flows and stocks for all countries are available – from March 2001 to March 2013.

We have also summarised New Zealand's investment patterns in a short video [Countries that invest and trade with New Zealand 2013](#). The video combines investment information with overseas merchandise trade, and international trade in services, statistics to give a fuller picture of our country's international relationships.

## SUCCESS STORIES WITH USA

[Kiwi internet firm targets US](#)

[Pacific Edge shares surge 33% on US agreement](#)

[US overtakes UK as second-largest export market for New Zealand wines](#)

[Funding boost for start up](#)

[Obamacare a boon for NZ tech firm](#)

[Carilion Clinic in Virginia chooses Orion Health's Rhapsody](#)

[NZ invention wins 'Product of the Year' Award in USA  
America's Cup delivers wins for NZ Health Technologies Industry](#)

[Linear Technology Corporation & PowerbyProxi Announce](#)

[Partnership to Bring Wireless Power Transfer to Demanding Markets](#)

[US accolade with accreditation granted to Pacific Edge NZ Laboratory](#)

[New Zealand as a destination features at Fort Lauderdale International Boat Show](#)

[Meridian says Bank of New York Mellon has 3.98% stake, not 8.12%](#)

[First Commercial Sales Achieved for Pacific Edge's Cxbladder in the USA](#)

[FedEx Delivers Industry Leading Global Healthcare Solutions](#)



Supporting AmCham

## TRADE, BUSINESS and INVESTMENT OPPORTUNITIES

### Commercial News USA

The November/December issue of Commercial News USA, the official export promotion magazine of the U.S. Department of Commerce, is currently online at <http://exusa.thinkglobal.us/i/187575>

### 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](http://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](mailto:janet.coulthart@mail.doc.gov)

### US invites kiwi franchisors to FIND OUT MORE

The International Franchise Association (IFA) has invited a delegation of franchisors from New Zealand to attend its 2014 convention and learn more about the market and opportunities there. The convention runs from Saturday 22 February to Tuesday 25 February 2014 and the venue is New Orleans. [Read more.](#)

**AmCham member Stewart Germann will be leading a delegation of NZ franchisors to the IFA convention in New Orleans in February 2014. Further information on the Convention can be found at this link <http://convention.franchise.org/ScheduleProgram/Brochure>**

### How to use the World Class NZ network

The World Class New Zealand network facilitates connections that contribute to NZ's social and economic growth. If you are looking for in-market advice, board members or expertise from internationally experienced leaders, increase your chances of success by connecting with this network of over 200 influential New Zealanders. [Read more](#)

### Bridget Liddell launches women's angel investment group

World Class New Zealander Bridget Liddell is launching a woman-only angel investment group in Auckland and Wellington this month. Liddell hopes to attract over 40 dedicated female angels during the group's first year. [Read more](#)

### "Super highway" into the US

#### From Export New Zealand

This Foreign Trade Zone (FTZ) program helps shuttle global companies through a "super highway" for expedited customs and immigration inspection. It also helps with distribution, employees and the benefits of manufacturing locally – such as tax incentives, reduced fees and costs. [Read more.](#)

#### Exporters tell the Government what you think!

In the run up to the next election, what message would you like to get through to Government that would help you succeed in overseas markets? Investing 10 minutes of your time will help Export New Zealand to help you when talking to decision makers. Plus you can go into the draw to win a Samsung Galaxy Note 10.1" 16GB Wi-Fi Tablet. [Just click here to fill out our survey](#)

### FROM NZTE

#### Think big, be aggressive

Senior leaders are not just motivated by money: being part of a 'game-changing' business is also a big motivator, comments Ben Anderson, the California-based CEO of Renaissance Leadership. He explains the changing dynamics of recruitment in the US, and why Kiwi companies need to think big. [Watch video](#)

#### Great expectations

A very humble Bill Buckley, founder of 2013 New Zealand International Business Award winner Buckley Systems, shares insights from the company's international journey, including the value of thinking big and having a strong belief in what you're doing. He also talks about the company's plans to double production in the next 12 months to keep up with demand. [Watch video](#)

#### Kiwi firms can be naive when entering US market: KLP

Many companies are entering the New Zealand market with naivete, says Catherine Robinson, director of Kiwi Landing Pad (KLP) in San Francisco. [Read more »](#)

#### NZ in SF: The numbers

212 New Zealand companies. 27 NZ restaurants. 11,000 oysters. As well as a gracious local ad campaign thanking San Francisco for hosting The Cup, New Zealand Trade and Enterprise has created an infographic showing key numbers for NZ Inc during the event. [Read more](#)

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## 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

**Qatar Airways (QR)** has joined the global alliance **OneWorld**. With its base in Doha, Qatar Airways is typical of the Middle Eastern airlines with its reputation for high quality inflight service, modern fleet and a growing network. Locally, Qatar operates to Melbourne, Perth and most major Asian cities through to Doha. In North America this relatively young airline serves Houston, Chicago, New York and Washington. The gaps are filled in by the OneWorld airlines which include **American Airlines**, Qantas, LAN, BA, Malaysia Airlines and Cathay Pacific to name just a few members.

**British Airways** will be operating its fleet of newly acquired Boeing 787-8 Dreamliners on a number of new routes. The first will be a 5 x weekly service between Austin, Texas and Heathrow, opening up secondary high-tech centres such as Austin to direct European connections. BA already services Dallas and Houston in Texas. To connect to Texas **Qantas** operates daily between Auckland and Dallas, Texas via Sydney.

New security considerations at LAX mean that **Air New Zealand** passengers travelling between Auckland and London-Heathrow with a re-fuelling stop in Los Angeles will now be subjected to the passport screening process again whilst in transit at LAX. The airline emphasises that check-in luggage remains in the aircraft hold and this doesn't have to be collected and re-checked.

**Hawaiian Airlines** has a seat sale for travel booked by 30 November for NZ\$1199 to Honolulu and the Neighbor Islands (Hawaiian does not have surcharge for flights to Islands such as Maui, Kauai, The Big Island etc). Travel dates vary. Hawaiian has also announced the launch of Extra Comfort seats on their Airbus A330's from June next year. This is an economy section where the seat pitch will be a generous 36 inches. Hawaiian points out that they will not be reducing the pitch for the rest of Economy Class as many airlines do to achieve more space in this premium economy area.

Whilst in Hawaii, our friends at the **Maui Visitors Bureau** have asked us to tell you about their new '**The Outlets**' mall which is located in Lahaina and which opens on 21 November. They'll tell you that you can now skip your Waikiki visit (on the pretext that the family needed to shop!) and spend all of your time on beautiful Maui! Not a bad theory.

We like the current promotion at West Hollywood's **Elan Hotel**, which is one of our preferred properties in LA. They're including complimentary continental breakfast, \$25 USD gift card, valet parking included, 2:00 pm late checkout, complimentary Wi-Fi Internet access and evening wine and cheese reception for travel until 31 December. The Elan is a good 4-star hotel and is located at 8435 Beverly Boulevard, pretty well right between the Beverly Centre and The Grove and so is perfect for your Christmas shopping stopover on the way home from a business trip.

**InterContinental Hotels** is providing complimentary wi-fi through their hotels to all **Priority Club** members. Most hotels either charge for wi-fi or provide this free only for higher status memberships. A hotel charging for wi-fi is a quaint old-fashioned notion these days.

The **Hyatt Times Square New York** is poised to open is 480 rooms in several weeks. Situated between the 6<sup>th</sup> Avenue business district and the Broadway/7<sup>th</sup> Avenue theater district, the 54 level hotel will be a welcome contemporary addition to this area.

### Update from Discover the World

Discover the World's latest Client, Air Tahiti Nui, has recently announced an increase to their services between Auckland and Los Angeles, moving from 2 to 3 weekly services from early December.

Air Tahiti Nui Customers flying on the company's regular through flights between New Zealand and North America enjoy a swift seamless transit in Papeete of around 2 hours, making a total journey time to LA from just 14 hours 15 minutes. Unless flying direct, it makes Air Tahiti Nui the quickest way to LA.

The newly revamped Papeete terminal includes a new Café and expanded Duty Free offer, and a garden area, and a lounge for Business Class customers.

Air Tahiti Nui offers a wide range of competitive airfares in both Business and Economy Class. Contact your local Travel Agent or visit [www.airtahitinui.co.nz](http://www.airtahitinui.co.nz) for full details

Check out our website at [www.bwt.co.nz](http://www.bwt.co.nz)

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Grant Bevin Business World Travel Auckland 09-529 3700 [gbevin@bwt.co.nz](mailto:gbevin@bwt.co.nz)



*Trade & Investment (Continued from page 4)*

## From Worldwide Access

### [The Village Press Expands Olive Oil Range in the USA](#)

The Village Press, New Zealand's leading olive oil producer, has expanded the range of its olive oils available to American consumers through World Wide Access.

## MEMBER NEWS

### New Members

**Heyrex Ltd**, Auckland – **Kim Goldsworthy**, General Manager - Sales & Marketing - Heyrex is a clever monitor that fits to your dog's regular collar, building a profile of your dog's behavior. It achieves this by recording every aspect of your dog's activity in real time, transferring the information to the Heyrex receiver every time your dog comes within range. [www.heyrex.com](http://www.heyrex.com)

**EveredgeIP Global Ltd**, Auckland – **Paul Adams**, CEO - As one of the world's leading idea and technology commercialisation firms, EverEdge IP provides specialist resources and objective, insightful advice to maximise returns from your investment in new product development and intellectual property. Our unique blend of experience in technology, law and business has led us to become a supplier of innovation and expert guidance to ambitious technology entrepreneurs and the world's largest companies. <http://everedgeip.com/>

**Pitney Bowes New Zealand Ltd**, Auckland – **Misti Landtroop**, President & Representative Director - leading provider of customer communication technologies and solutions. Our software, equipment and services help organisations communicate more effectively in today's multichannel environment, so they can build long-term customer and citizen relationships and drive profitable growth. <http://www.pitneybowes.co.nz/>

**Scotty Doors Ltd**, Auckland – **Graeme Lietz**, Director - manufacturer of aluminium folding closures, roller grilles and roller shutter doors, and are the preferred supplier to architects, shop fitters, builders and chain stores. <http://www.scottydoors.co.nz/>

## Congratulations

### EY Entrepreneur of The Year 2013

At a star-studded occasion at The Langham, Auckland last night EY were delighted to announce Rod Drury, founder of Xero, as New Zealand's Entrepreneur Of The Year. Rod will now represent New Zealand at the EY World Entrepreneur Of The Year awards in Monte Carlo June 2014.

Dame Rosie Horton was also announced as the winner of the ASB Social Entrepreneur Of The Year award – recognition of her role with the national Starship Foundation and numerous other entities to which she devotes her energy.

Category winners:

- Products: Dr. John Penno, Synlait Milk
- Services: Ian Kuperus, Tax Management New Zealand
- Technology and emerging industries: Rod Drury, Xero
- Young: Cecilia Robinson, Au Pair Link / My Food Bag
- Master: Murray Holdaway, Vista Entertainment Solutions

**AmCham will again be working with EY to hold an event with Rod Drury after the EY World event.**

### Deloitte Fast 50

Congratulations to the following AmCham members for making the list:

**Eroad – 9<sup>th</sup> with 463.31% growth**

**Switch Utilities – 25<sup>th</sup> with 316.65% growth**

**World Wide Access – 50<sup>th</sup> with 161.29% growth**

### Space Coast Energy Consortium announces new member – Teknatool USA Inc

The Space Coast Energy Consortium (SCEC) announced today a new member has joined the SCEC – Teknatool USA Inc.

The SCEC will work with Teknatool USA Inc. by connecting them with companies and institutions that aim on improving their use of energy in

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**Pernod Ricard New Zealand proud supporter of AmCham.**

(Continued from page 6)

the region and across the state. Teknatool USA Inc. introduces an innovative product solution that facilitates the growing global demand for intelligent and energy efficient motors. The company has a traditional market background in DIY/woodworking but is working to become a global technology solutions provider having developed a 'next generation' computerized green electric motor with its Digital Variable Reluctance (DVR)® Motor Technology. While standard motors are energy hogs, DVR intelligent motors and embedded systems can improve energy efficiency by up to 80% - and feed real-time data into the smart grid. This highly energy efficient technology application can be incorporated into a wide range of machinery and equipment and can therefore revolutionize the market for variable speed electric motors.

[Read more](#)

## EverEdge IP Opens US Office

EverEdge IP is delighted to announce it has established its first offshore office, on the West Coast of the USA. Heading the office is Francis Rushford, one of the world's thought leaders on intangible asset monetisation and trading. Francis takes up his position as EverEdge IP's President – North America. In this role he is responsible for EverEdge IP's operations in North America. Joining him is Ray Reusser, one of leading architects of patent monetisation and licensing in the US. Between them Francis and Ray have over 60 years' experience in the IP industry and are both members of the IAM300 – the unranked list of the World's Top 300 IP Strategists. This brings to four the total number of IAM Top 300 IP Strategists within EverEdge IP.

## People on the move

**Jordy Almgren**, has left **Microsoft New Zealand** to return to the USA with Microsoft. **Michael Brick**, an American, is Microsoft's New Zealand's new Legal Counsel.

**Dr. Sue Watson** is stepping down as CEO of the **Kiwi Expat Association** to become Chief Executive of a new New Zealand arm of another not-for-profit - **the Commonwealth Education Trust**.

**Peter Rowe** has been appointed Head of Business Origination at **The New Zealand Export Credit Office**. **Tim Robertson** has left for a role as Senior Manager, Trade and Supply Chain at **ANZ Bank**, Wellington.

**Andrew Fraser** has been appointed to the newly created position of Director of Marketing at **Tourism New Zealand**.

**Niels Marquardt** has joined the **American Chamber of Commerce in Australia** as CEO taking over from Charles Blunt. Marquardt is former USA Consul General in Sydney, and previous U.S. Ambassador to Madagascar, Cameroon, and Equatorial Guinea.

**Marieke Chataigner** is the new director of business development South Pacific for **Hilton Hotels & Resorts**, based in Auckland.

**The Red Meat Profit Partnership**, a consortium of red meat sector participants completing a Primary Growth Partnership agreement with the Crown, has appointed **Malcolm Bailey** as its Independent Chairman.

**Mike Stobbs** has been appointed Managing Director of **iViis**.

## FOR YOUR DIARY

20 <sup>th</sup> November	Jeff Cole, Director of the Center for the Digital Future USA - Impact of the Internet: Trends, Fads & Transformation, breakfast, Auckland
20 <sup>th</sup> November	Auckland CEO lunch (by invitation only)
26 <sup>th</sup> November	No Frills Serious Golfers Golf Tournament, Manukau Golf Club, Auckland
28 <sup>th</sup> November	AmCham New & Sustaining Members Thanksgiving Reception, Auckland (by invitation only)
14 <sup>th</sup> February 2014	AmCham Ambrose Golf Tournament, The Grange Golf Club, Auckland

## US NZ CONNECTIONS IN NEW ZEALAND

Kiwi Expat Association – <a href="http://www.keanewzealand.com">www.keanewzealand.com</a>	Wanganui New Zealand American Association <a href="mailto:donnarush@clear.net.nz">donnarush@clear.net.nz</a>
American Club – Auckland <a href="http://www.americanclub.org.nz/">http://www.americanclub.org.nz/</a>	American Women's Network – Wellington <a href="http://www.awn.co.nz">www.awn.co.nz</a>
American Women's Club – Auckland <a href="http://www.awcauckland.com">www.awcauckland.com</a>	American Club of Christchurch – <a href="http://www.american-club-chch.org">www.american-club-chch.org</a>
NZ/American Association, Wellington <a href="http://www.nzaa.org.nz">www.nzaa.org.nz</a>	Kiwi Club of New York Inc - <a href="http://www.kiwiclubny.org">www.kiwiclubny.org</a>

## BE ONLINE WITH AMCHAM

### Online membership database plus companies trading with USA

All members should have received their passwords so please go online and make sure your information is correct so that other members can get see who you are and what you do. [www.amcham.co.nz](http://www.amcham.co.nz)



ace insurance

# Business Travel Insurance

[aceinsurance.co.nz](http://aceinsurance.co.nz)

## AmCham Role of Honour

### Founding Members:

3M New Zealand, Chartis Insurance New Zealand Limited, Air New Zealand, ANZ Bank, Fonterra Co-Operative Group Ltd, IBM New Zealand, Merck Sharp & Dohme (New Zealand) Ltd, Mobil Oil New Zealand Limited, National Bank of New Zealand

### 25 Year + members:

Ace Insurance Ltd, DHL Express (New Zealand) Ltd, Eagle Technology Ltd, Hesketh Henry, Kensington Swan, KPMG, The Langham Hotel, Dun & Bradstreet (New Zealand) Ltd, Ernst & Young Ltd, Federal Express Pacific Inc, Qantas Airways Ltd, Wallenius Wilhelmsen Logistics AS.

## TAXATION ISSUES

### New Zealand Taxation of Foreign Superannuation Schemes – Update



By Gina Wallace, Director, NZ US Tax Specialists Limited [gina@nzustax.com](mailto:gina@nzustax.com)

If there is one topic that is constantly in the media, and close to all hearts to varying degrees, it is the topic of retirement funds.

With the ageing global population this is only going to become more and more of an issue. Not only how much to invest, but where, and more worryingly, what are the tax consequences for individuals reaching qualifying age with dual tax implications arising under the legislation of New Zealand and the United States?

This article looks briefly at the new rules coming into play in New Zealand in 2014. It also comments on the impact of the income tax treaty in force between New Zealand and the United States on both foreign superannuation schemes and payments made under the social security legislation of both New Zealand and the United States.

#### New Zealand taxation of Foreign Superannuation Schemes

In New Zealand the rewrite of the rules around the tax treatment of foreign superannuation schemes is currently underway with submissions on the Taxation (Annual Rates, Foreign Superannuation, and Remedial Matters) Bill (the Bill) currently being heard by the Parliamentary Finance and Expenditure Committee. Reporting back to Parliament is scheduled to occur on 13 December 2013.

In essence, category two Foreign Investment Funds (FIFs) are being carved out of FIF taxation altogether under a forthcoming exemption to be written into the Income Tax Act 2007. Existing FIF taxpayers may, however, elect to continue, and in many cases should continue, to be taxed under existing FIF rules. Certain criteria relating to compliance with past FIF obligations will need to have been met in order to continue on with this method. Qualifying taxpayers continuing to return FIF income will in future be able to withdraw from their foreign superannuation scheme tax-free in New Zealand. However should there be a future lapse in returning FIF income under these grand-parenting provisions, the cash method of taxation under the proposed new rules will apply to future withdrawals.

Taxpayers who should have returned FIF income on their foreign superannuation schemes but did not do so, have a grace period on withdrawals made between 1 January 2000 and up to 31 March 2014 under which they may elect to be taxed on 15% of the withdrawal. The remaining 85% thus escaping NZ tax altogether. The income under this grace period will need to be returned in the taxpayer's income tax return for either the year ended 31 March 2014 or 31 March 2015. Penalties and use of money interest will be applicable from the year commencing 1 April 2014.

For United States citizens in New Zealand some of the highlights of the changes are as follows:

There is finally some guidance on whether a United States' Individual Retirement Account (IRA) meets the definition of a 'foreign superannuation scheme'. One of the uncertainties leading to this need for clarification arose out of the fact that an IRA is a custodial account in which a portfolio of stocks, bonds and cash is typically held. Due to two of the categories of FIF consisting of Category One: direct investments in foreign shares, and Category Two: rights to benefit from a foreign superannuation scheme, the question of which category applies has in the past been a headache for tax practitioners and taxpayers alike.

To read the rest of this article please visit [www.nzustax.com/foreign-superannuation-schemes-continued.html](http://www.nzustax.com/foreign-superannuation-schemes-continued.html)

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