

Greetings from the team at QuinLaw and best wishes for the coming year ahead. We look forward to meeting with you and assisting you with any legal matters that you may have during 2019.

INTRODUCING JASMINE MORRISON



Jasmine is the newest addition to our Quinlaw team. She has a Masters in Law (Hons) specialising in Maori land and Governance and currently lives and works in Hamilton. She

previously worked in the banking industry for 5 years and established a popular small beauty business in Hamilton. Jasmine has been working alongside Nan Jensen supporting client needs in the area of Disability Law and facilitating workshops on disability – related topics including Wills, Welfare Guardianship and Education Law. Jasmine has four children including a young son on the Autism Spectrum which has fostered a passion in supporting other families and disability initiatives within the community. Jasmine was recently admitted to the NZ Bar in Hamilton.

GIFTING FOR TRUSTS



The first question is why you are establishing a Trust? There used to be tax reasons to establish a Trust. They do not

exist **NOW**. There are three main reasons to establish Trusts and unless you come within one of those reasons you need to wonder why you are being advised to set up a Trust. Trying to obtain a Rest Home Subsidy is not a reason to

set up a Trust. It will not work, except for one exception which is pretty limited to its specific facts.

GIFTING & REST HOME SUBSIDIES

WINZ current policy allows gifting at \$6,500 per annum for five years before you apply for a subsidy. The limit is \$27,000 per annum for the five years before that date. The asset threshold as at 2018 is \$227,125.00 for single or widowed person in care, \$227,125.00 for couple in care and \$124,379.00 for couple, one person in care (house and car not included as an asset). You can also have a Funeral Account of \$10,000.00 on top of that asset threshold. See us for further information.

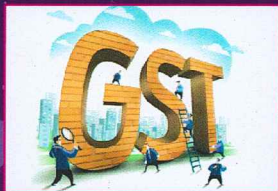


GST ON LAND DEALS

In a recent Court Case the Vendor was not GST registered when she signed to sell her property. The purchase price was recorded as “inclusive of GST”. The sale went through. The purchaser then sought the claim of second-hand goods input tax credit of \$365,000.00 approximately.

IRD looked into it and determined that the Vendor should have been registered for GST at the time she signed the agreement. That is, she

was “liable” to be registered. It was found in the High Court and later the Court of Appeal that the vendor being a person liable to be registered meant that she fitted the definition of “registered persons”. She was then ordered to pay the Purchaser \$390,000.00 being the equivalent sum for GST credit, together with Accountant’s fees, interest and plus solicitor’s costs.



This case illustrates why we are very boring and asking every time whether you are registered for GST or whether the entity that is selling the property is registered for GST. The same also applies when you are buying property.

This is only one example of the issues around GST on the sale and purchase of properties. We do want to know that you have discussed this with your Accountant and it may be that we need to ring your Accountant and double check on aspects particularly related to GST. Another time that we do want direct involvement of your Accountant is in any case when the **Bright Line Test** applies. Often this applies to a rental property. This means that you probably do have an Accountant and they can do the appropriate calculations.

So please indulge us when we ask for information about GST and the Bright Line date.

CONFIDENTIALITY – What and When Not



Duties of confidentiality for lawyers are extremely high. We ensure and do remind our staff that no-one must mention any client or his or her business outside of the office.

For those of you who know us and our families, we have a rule that we will never tell anyone that we have seen you or even that we know you unless you specifically have said words to the effect of “give my regards to your mother/ brother/husband/partner”.

Talking about clients outside of work is an offence which is taken very seriously by the Law Society.

It also works in our clients’ favour in another way as well. The only complete confidentiality that you as a client, have is information given to your lawyer (or your priest in confession). This means that you can tell your lawyer (or your priest in confession) that you have committed a serious crime and we cannot tell anyone. There are of course a few exceptions. These are if you do confide a plan to do serious criminal harm to someone as in actual planning of a murder, the Anti-money Laundering and Counter Terrorism Legislation requires us to disclose real suspicions. The IRD can also ask for certain information. The IRD cannot have access through to our file notes or discussion notes.

Our thanks to Professional – Beaven Realty for our fabulous tree to share with our clients in the build-up to Christmas 2018.

