

# INTERNAL AFFAIRS

Te Tari Taiwhenua

3 June 2016

120 Victoria Street, Wellington 6011

Phone +64 4 382 3510

Website [www.dia.govt.nz](http://www.dia.govt.nz)

**Re: Official information Act request for details on information sharing process between the Department and IRD and citizenship refusal based on tax residency and tax evasion**

I refer to your request received on 13 May 2016 asking for the following information:

1. *"What is the process of information exchange between IRD, DIA and INZ in relation to residency approvals and citizenship applications?"*
2. *"In each year since 2008 by application type (INZ) and for New Zealand Citizen, how many have been refused on the basis of tax residency?"*
3. *"In each year since 2008 by application type (INZ) and for New Zealand Citizen, how many have been refused on the basis of tax evasion and/or failure to pay New Zealand tax?"*

Each of the points listed above are answered below.

1. In line with provisions set out in the Privacy Act 1993, the Department of Internal Affairs (Department) does not exchange information directly with the Inland Revenue Department (IRD) in regards to an applicant's current tax status, including information of any debt an applicant may have with IRD.

Within the citizenship by grant application process, applicants are required to disclose any information that may impact on their ability to become a citizen, such as their ability to meet the good character provision of the Citizenship Act 1977 (the Act). Refusal to grant citizenship based solely on tax evasion would fall under Section 8(2)(c) of the Act, which requires an applicant to satisfy the Minister of Internal Affairs "that the applicant is of good character". If an applicant is, or has been, investigated or reviewed or has had any other legal action taken against them by IRD, they are required to disclose these details to the Department in their citizenship application and provide a letter from IRD with details of what happened.

The application process for New Zealand citizenship by grant requires that an applicant provide details of any infringements and fines and/or any legal action taken against them by any government agency. Applicants are warned that it is an offence against the Act to give information that is false or misleading. A consequence of providing false or misleading information is that an applicant may be denied/may lose New Zealand citizenship, face criminal charges or both.

Applicants for citizenship by grant are subject to police background checks, carried out by the Department directly with police. Tax evasion is a criminal offence under the Tax Administration Act 1994, and can result in penalties, including imprisonment, fines, or both. Should an applicant have a conviction for tax evasion this would appear on their police background report.

IRD provides additional information on citizenship applications where the applicant declares that they have had a debt or an investigation with IRD or where the Department believes there is a reason for genuine concern.

2. There is no provision under New Zealand legislation for declining citizenship based on tax status. As this is not a requirement for granting or not granting citizenship, the Department does not ask for, nor records any data on, the tax status of an individual. Therefore, your request for information on this point is refused under Section 18(e) of the Official Information Act 1982, as the information sought does not exist.

Information about tax obligations as it relates to residency status can be obtained from IRD or Immigration New Zealand (INZ).

3. Applications for citizenship may be refused for one or more than one reason based on an assessment of eligibility. A single reason only is recorded electronically against each application. For this reason, the Department confirms that based on information that it has available at this time, between 2012 and 2016 (inclusive), two applications have been declined under the "good character" provision of the Citizenship Act 1977, where tax convictions or tax debt held with IRD has been recorded as the specific reason.

The Department is required to assess each application against legislation and operational policy requirements. It considers each application on its individual merits and takes into account any exceptional circumstances. If concerns about an applicant's good character are brought to the Department's attention, these are investigated as required

You have the right to seek an investigation and review of this response by the Ombudsman under section 28 of the Official Information Act 1982. You can do so by writing to:

The Ombudsman  
Office of the Ombudsman  
PO Box 10152  
Wellington 6143

Yours sincerely



Briget Ridden  
Manager Business Improvement and Support  
Births, Deaths, Marriages, Citizenship, Authentications and Translations

# INTERNAL AFFAIRS

Te Tari Taiwhenua

17 June 2016

120 Victoria Street, Wellington 6011

Phone +64 4 382 3510

Website [www.dia.govt.nz](http://www.dia.govt.nz)

I refer to your request dated 27 May 2016 for information on the number of applications for citizenship refused based on tax evasion and/or failure to pay New Zealand tax for the years 2008 – 2011 (inclusive). The Department of Internal Affairs (Department) has previously provided this information for the years 2012 to date.

As noted in our previous response to you, applications for citizenship may be refused for one or more than one reason based on an assessment of eligibility. A single reason only is recorded electronically against each application.

The Department confirms that between 2008 and 2011 (inclusive) three applications have been declined under the "good character" provision of the Citizenship Act 1977, where tax convictions have been noted as the specific reason for the applicant being unable to meet this provision.

You have the right to seek an investigation and review of this response by the Ombudsman under section 28 of the Official Information Act 1982. You can do so by writing to:

The Ombudsman  
Office of the Ombudsman  
PO Box 10152  
Wellington 6143

Yours sincerely



Briget Ridden  
Manager Business Improvement and Support  
Births, Deaths, Marriages, Citizenship, Authentications and Translations



7 June 2016

Thank you for your request made under the Official Information Act 1982 (the OIA), which was received on 12 May 2016. You requested the following information:

- What is the process of information exchange between IRD, DIA and INZ in relation to residency approvals and citizenship applications?
- In each year since 2008 by application type (INZ) and for New Zealand Citizen, how many have been refused on the basis of tax residency?
- In each year since 2008 by application type (INZ) and for New Zealand Citizen, how many have been refused on the basis of tax evasion and/or failure to pay New Zealand tax?
- Since 2008 any report, memo, briefing or study on the effect upon New Zealand's tax base from immigration and specifically, issues with immigrants paying their fair share of tax.

I note that your request was also sent to the Ministry of Business, Innovation and Employment and the Department of Internal Affairs (DIA). I have contacted the DIA and have been advised that they will be addressing the first part of your request. As they have already received your request I did not deem it necessary to also transfer the request to them.

Inland Revenue does not hold any information relating to the second and third points of your request. However, I believe that this information is connected more closely with the functions of the DIA. As outlined above, the DIA also received your request; therefore, I have not deemed it necessary to transfer the request to them.

I have identified two reports that may fall within the scope of part 4 of your request. You can find these reports, titled *Understanding migrant businesses* and *Immigrant Entrepreneurship and Tax Compliance*, at [www.ird.govt.nz/aboutir/reports/research/](http://www.ird.govt.nz/aboutir/reports/research/). I am therefore refusing this part of your request under section 18(d) of the OIA, as the information is publicly available.

### **Right of review**

You have the right to ask the Ombudsman to investigate and review my decision. The Office of the Ombudsman can be contacted at PO Box 10152, The Terrace, Wellington 6143.

Alternatively, you may have the decision reviewed by a review officer. Choosing the internal right of review does not preclude you from subsequently seeking a review by the Ombudsman should you be dissatisfied with the department's internal review. If an internal review is sought, please write to the Commissioner of Inland Revenue, PO Box 2198, Wellington 6140, setting out the details of your complaint.

Kind Regards,

A handwritten signature in dark ink, consisting of a large, stylized 'C' followed by a horizontal line extending to the right.

Christina Goodall  
**Manager, Government and Executive Services**



12 May 2016

Thank you for your request made under the Official Information Act 1982 (the Act), which we received on 27 April 2016. You requested the following information:

*In each calendar year since 2008:*

1. *The number of tax residents of New Zealand?*
2. *The number of people who became tax resident in New Zealand who were/are formerly tax residents of:*
  - Australia
  - China, People's Republic of
  - United States of America
  - United Kingdom
  - Japan
  - Germany
  - Korea, Republic of
  - Canada
  - Hong Kong (SAR)
  - India
  - Singapore
  - France
  - Malaysia
  - Taiwan
  - Thailand
  - Argentina
  - Fiji
  - French Polynesia
  - Philippines
  - South Africa
  - Switzerland
  - Tonga
  - Netherlands
  - Samoa
  - New Caledonia
  - Ireland
  - Sweden
  - Denmark
  - Indonesia
  - United Arab Emirates
3. *The value of tax paid by people listed in (2) above?*
4. *Any reports/studies/analysis into the non-payment, avoidance or evasion of taxes by people who were formerly New Zealand tax residents?*
5. *Any reports/studies/analysis into New Zealand permanent residents and people newly granted citizenship, avoiding New Zealand tax resident.*

On 4 May 2016 we contacted you to discuss your request because we are unable to provide you with the information you have requested as Inland Revenue does not record information based on tax residency. I have also been unable to identify any reports, studies or analysis on the issues specified in parts 4 and 5 of your request.

I am therefore declining questions 1, 2 and 3 of your request under section 18(g) of the Act, as the information requested is not held by Inland Revenue. I am also declining questions 4 and 5 of your request under section 18(e) of the Act, as the information requested does not exist.

However, we are more than happy to discuss your request further with you to see if there is any information that Inland Revenue holds which may meet your needs. Please feel free to contact us by email to [CommissionersCorrespondence@ird.govt.nz](mailto:CommissionersCorrespondence@ird.govt.nz).

### **Right of review**

You have the right to ask the Ombudsman to investigate and review my decision. The Office of the Ombudsman can be contacted at PO Box 10152, The Terrace, Wellington 6143.

Alternatively, you may have the decision reviewed by a review officer. Choosing the internal right of review does not preclude you from subsequently seeking a review by the Ombudsman should you be dissatisfied with the department's internal review. If an internal review is sought, please write to the Commissioner of Inland Revenue, PO Box 2198, Wellington 6140, setting out the details of your complaint.

Yours sincerely



Raju Budhia  
**Group Manager, Analytics & Insights**





13 June 2016

REF: DOIA 1516 1436

Thank you for your email of 12 May 2016 requesting, under the Official Information Act 1982 (the Act), the following information:

- *What is the process of information exchange between IRD, DIA and INZ in relation to residency approvals and citizenship applications?*
- *In each year since 2008 by application type (INZ) and for New Zealand Citizen, how many have been refused on the basis of tax residency?*
- *In each year since 2008 by application type (INZ) and for New Zealand Citizen, how many have been refused on the basis of tax evasion and/or failure to pay New Zealand tax?*
- *Since 2008 any report, memo, briefing or study on the effect upon New Zealand's tax base from immigration and specifically, issues with immigrants paying their fair share of tax.*

The Ministry of Business, Innovation and Employment (MBIE) does not hold information relating to the first three parts of your request, as visa applications are not declined on the basis of tax residency, tax evasion and/or failure to pay New Zealand tax. The Department of Internal Affairs will respond to your first question and to your requests for the number of New Zealand Citizen applications declined on the basis of tax residency, tax evasion and/or failure to pay New Zealand tax.

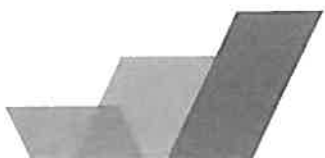
In response to the fourth part of your request, MBIE has identified the following two reports that fall within scope:

- *Fiscal impacts of migrants in 2013*
- *New Zealand Research on the Economic Impacts of Immigration 2005-2010*

I am refusing to provide both of these documents under section 18(d) of the Act, as *Fiscal impacts of migrants in 2013* will be made publicly available on the Ministry's website soon and *New Zealand Research on the Economic Impacts of Immigration 2005-2010* is already publicly available and can be found at the following web address:

[www.mbie.govt.nz/publications-research/research/migrants---economic-impacts/synthesis-research.pdf](http://www.mbie.govt.nz/publications-research/research/migrants---economic-impacts/synthesis-research.pdf)

You have the right to seek an investigation and review of my refusal to provide this information by the Ombudsman, whose address for contact purposes is:



The Ombudsman  
Office of the Ombudsman  
PO Box 10-52  
WELLINGTON 6143

Yours sincerely

A handwritten signature in dark ink, appearing to read "Christine Hyndman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Christine Hyndman  
Manager, Immigration Policy