

Patron, Sir Don McKinnon

10 July 2017

Transparency International New Zealand

TINZ applauds the decline in foreign trusts

Government implementation of tougher disclosure requirements for foreign trusts have led to around 75% discontinuing or exiting New Zealand. Where there were 11,675 registered foreign trusts in April of 2016, as of the 1 July 2017 deadline only 3,000 have registered under the tougher disclosure laws

As a result of recommendations advocated by Transparency International New Zealand (TINZ), foreign trusts are now subject to more stringent registration guidelines. The deadline for compliance to the updated registration requirements which went into effect in February 2017.

"By adding tougher disclosure requirements, New Zealand sent a strong signal that we are unwilling to be a conduit for corrupt money and property purchases" says Suzanne Snively, Chair of Transparency International New Zealand. "The sharp decline in registrations seems to indicate that there are number of foreign trusts involved in activities that couldn't stand scrutiny."

Of the trusts who have not re-registered - and currently unable to operate legally in New Zealand - approximately 3,000 have indicated to the IRD that they will no longer be registering. The IRD has not heard from the remaining 5,000 many of which may yet register.

"There is no way to determine the number of foreign trusts relocating or closing to avoid the additional scrutiny. It is likely that a number elected to shut down because they were already inactive or the trustees decided to kill them off rather than complete the necessary paper work and pay added fees. It is also hard to imagine that fees, reporting requirements and delinquencies alone are the reason for the severe drop off," adds Snively.

TINZ continues to champion a transparent and corruption-free New Zealand. Preventing the use of New Zealand's reputation to legitimize ill-gotten funds is important in that effort.

Background information for journalists

1. Media contact:

Suzanne Snively
+64 21 925 689
suzanne.snively@tinz.org.nz

2. Transparency International

Transparency International is a global civil society coalition leading the fight against corruption. It compiles a number of measures of different aspects of corruption including the Corruption Perceptions Index, the Global Corruption Barometer, and the Bribe Payers Index. Information on Transparency International can be found at www.transparency.org and detailed information on the Corruption Perceptions Index can be found at www.transparency.org/cpi.

3. About TINZ

Transparency International New Zealand (TINZ) is the local chapter of the global organisation - <http://www.transparency.org.nz/>. TINZ works to actively promote the highest levels of transparency, accountability, integrity and public participation in government and civil society in New Zealand and the Pacific Islands.

Transparency International New Zealand provides a free [Anti-Corruption Training Tool](http://transparency.org.nz/Anti-Corruption-Training) (transparency.org.nz/Anti-Corruption-Training) designed by leading experts in the field, and enables organisations to provide training for their personnel. This was developed in partnership with the Serious Fraud Office and BusinessNZ

Transparency International New Zealand published the [Integrity Plus 2013 New Zealand National Integrity System Assessment](#) and is actively engaged in the implementation of its recommendations.