

As you noted, international B2B training contracts delivered in NZ will be exempt from GST. Additionally, this means input tax credits cannot be claimed on expenditure related to these taxable supplies.

To promote business-to-business cross border neutrality, the Taxation (Livestock Valuation, Assets Expenditure, and Remedial Matters) Bill “expands” the registration system and input tax definition. Suppliers of international B2B training will not have to return any output tax (because supplies are exempt); however, they can claim the input tax on expenditure in New Zealand related to these taxable supplies.

Going one step back, for a person to claim input tax, the person must be “registered”. Unfortunately this is a compulsory aspect of New Zealand’s GST regime and is unavoidable. This in some cases we accept that it can be compliance heavy but this should be better than it was before.

This “expanded” registration system and input tax definition is similar to the method used in Australia.

Accordingly, we note this appears to simplify the concerns you raised.

Thanks
Steve

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