

Submission

to the

Finance and Expenditure Committee

on the

Taxation (Annual Rates for 2025– 26, Compliance Simplification, and Remedial Measures) Bill

23 October 2025



About NZBA

1. The New Zealand Banking Association – Te Rangapū Pēke (**NZBA**) is the voice of the banking industry. We work with our member banks on non-competitive issues to tell the industry's story and develop and promote policy outcomes that deliver for New Zealanders.
2. The following seventeen registered banks in New Zealand are members of NZBA:
 - ANZ Bank New Zealand Limited
 - ASB Bank Limited
 - Bank of China (NZ) Limited
 - Bank of New Zealand
 - China Construction Bank (New Zealand) Limited
 - Citibank N.A.
 - The Co-operative Bank Limited
 - Heartland Bank Limited
 - The Hongkong and Shanghai Banking Corporation Limited
 - Industrial and Commercial Bank of China (New Zealand) Limited
 - JPMorgan Chase Bank N.A.
 - KB Kookmin Bank Auckland Branch
 - Kiwibank Limited
 - Rabobank New Zealand Limited
 - SBS Bank
 - TSB Bank Limited
 - Westpac New Zealand Limited

Contact details

3. If you would like to discuss any aspect of this submission, please contact:

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Introduction

4. NZBA welcomes the opportunity to provide feedback to the Governance and Administration Select Committee (**Select Committee**) on the Taxation (Annual Rates for 2025–26, Compliance Simplification, and Remedial Measures) Bill (**Bill**). NZBA commends the work that has gone into developing the Bill.
5. We are generally supportive of the Bill. However, we have concerns in relation to the following proposals:
 - 5.1. The proposed amendments to the Unclaimed Money Act 1971 – specifically, the proposed data reporting requirements to Inland Revenue.
 - 5.2. Timing of implementation of new reporting requirements
6. We expand on these points below.

Amendments to the Unclaimed Money Act 1971 – reporting requirements

7. Section 5B of the Unclaimed Money Act requires holders that provide money to the Commissioner as unclaimed money to report certain specified information that is “readily available”.
8. The Bill proposes, at clause 178, to amend s 5B to require holders to include in their reports, where applicable, the “date the account was opened” and “date of the owner’s last interaction with the account”.
9. These new, more specific data reporting requirements are not typically included in our members’ reporting extracts. Although this information may be stored within systems, incorporating them into members’ reporting would require IT development and prioritisation, which may be challenging when balanced against competing priorities and resource constraints.
10. We also question the practical value of these two data points in achieving IRD’s objective of more efficiently reuniting owners with their funds, especially when more relevant identifiers such as account number and owner details are already provided, and are also being further expanded upon in the proposed amendment.
11. Accordingly, we submit:
 - 11.1. **Clarification of “Readily Available”:** We request guidance on whether this term accounts for system limitations and resource constraints, for example distinguishing between data that is system-accessible and data requiring development effort.
 - 11.2. **Relevance of Specific Data Points:** We submit that the two data points referred to at paragraph 8 above be removed. It is unclear how the “date an



account was opened” will support owner identification or source of entitlement. The “date of an owner’s last interaction with the account” will be implicitly known due to the five-year inactivity requirement after which the money becomes “unclaimed”. This data point may therefore be redundant, and it is unclear how it will assist in matching owners with their money.

12. For completeness, we support the inclusion of the other specific data points included at clause 178, which predominantly focus on owner identity and contact information.
13. Additionally, we understand that some members have previously sought clarification from IRD as to whether cash found at bank branches are considered to be unclaimed money. A similar question is raised in respect of receipts of payments from third parties with no readily traceable owner. Difficulties can arise in assessing whether funds meet the definition of unclaimed money when a bank does not have any information regarding the purpose or nature of the cash, or what arrangement it related to (if any).
14. We submit that it would be useful to receive further clarity on how such outliers should be treated in principle (i.e. whether they are captured by the statutory definition of unclaimed money). We do acknowledge that this could also be addressed through a statement / guidance issued by IRD.
15. We submit that this type of unclaimed money, if it is in fact categorised as unclaimed money, should be exempt from the new information requirements in the Bill, because such information would not be readily available.

Implementation timing

16. We note the new reporting requirements under the Bill are proposed to commence from 1 April 2026. As shown by the example above, achieving compliance with some of the new reporting requirements may be substantial, particularly where development effort is required to automate the compilation of the new requirements from various systems.
17. NZBA therefore submits that the commencement of new reporting requirements under the Bill should be deferred to 1 April 2027.