



NZTS *update*

Enduring Powers of Attorney

You never know what to expect in life. That's why an Enduring Power of Attorney (EPA) is such a vital legal document. We are pleased to announce that we now provide EPA services in partnership with Perpetual Guardian.

An EPA is a bit like a Will except it works to protect you while you are alive. It allows you to appoint someone else – called an attorney – to act on your behalf if you can't or don't wish to. For instance, if you fall ill and are no longer able to make your own decisions, an attorney can legally make those decisions for you. It is your attorney's responsibility to act in your best interests and it's important to appoint someone you trust deeply.

There are two types of EPA:

- **Property:** for managing your financial affairs and assets. You can appoint a professional trustee company or a person you trust to act as your attorney for property. This attorney can manage your property, collect rent, pay bills and handle investments etc.
- **Personal Care & Welfare:** for managing your personal health and wellbeing. This person will make decisions around accommodation, medical care and purchasing personal items.

Why do you need an EPA?

If you become incapacitated and you don't have an EPA in place, it will cause a lot of difficulty for your family and loved ones. They will need to apply to the Family Court, so they can help you manage your affairs. This is a costly and time-consuming process and the Court may appoint someone that you wouldn't have chosen yourself.

If you need help choosing an attorney, we can help you identify suitable people who you know and trust.

Don't leave things to chance. Contact us today to set up your EPA.

Welcome

At New Zealand Trustee Services, our mission is to educate clients about how they can best protect and preserve their assets. And, with decades of experience, it's something we're very good at.

We know that managing a Trust is hard work. That's why our knowledgeable experts are there to walk you through the process and make sure your wishes are fulfilled.

In this issue, you can read about our TrustGuard service – an innovative proposition where we review existing Trusts to see if they stand up to scrutiny.

We also fill you in on our latest offerings and need-to-know industry updates.

We're always here and happy to help.

The NZTS team

Buy/Sell Agreements

In New Zealand, we have an abundance of SMEs with two to five directors. Issues regularly arise when one of these directors dies or is permanently disabled and the remaining directors need to buy this individual's shares in the business. This causes immense financial problems for the business and can ultimately lead to the business' collapse.

That's why we have developed a process which allows businesses to continue after the death or permanent disability of a director/shareholder. This is through a document called a Buy/Sell Agreement. Although this is not a new concept, our robust approach to it is.

The Buy/Sell Agreement is where the parties involved in the business that hold shares (including Trustees as Family/Business Trusts) agree on a process involved on the occurrence of certain predetermined events.

As this Agreement is funded by insurances, the placement of this insurance should be implemented by a qualified insurance advisor. New Zealand Trustee Services (Stakeholder) Limited is a company specially formed to hold stakeholder appointments primarily where a Buy/Sell Agreement is in place.

Why use New Zealand Trustee Services (Stakeholder) Limited as a professional stakeholder?

- We have no vested interest in funds held;
- We provide security for the proceeds of the insurance claim until the funds can be distributed;
- We are removed from the pressures affecting your business; and
- We provide protection for all parties until the Agreement can be signed

Want to find out more? Contact us today on 0800 698 787 or info@nztrustees.co.nz

TrustGuard

When used properly, Trusts are an effective way of separating and protecting your assets. Unfortunately, however, many Trusts are not managed correctly and would not stand up to scrutiny.

That's why we offer TrustGuard – a unique service which reviews the current situation of a Trust and makes recommendations to help ensure the Trust delivers what it was set up to do.

This service is for clients who already have a Trust, where New Zealand Trustee Services or Perpetual Guardian are not a Trustee and haven't been involved in the Trust administration to date.

We will thoroughly review the Trust including its documentation, the reasons it was created and its present requirements. At the end of the review process, we'll provide specific recommendations to assist with the administration of the Trust.

You can give your Trust a quick self-check by answering a few easy questions at www.nztrustees.co.nz/trustguard-review

New financial reporting standards

In response to offshore tax evasion, the Organisation for Economic Co-Operation and Development (OECD) has developed the Common Reporting Standard (CRS) for Automatic Exchange of Financial Account Information in Tax Matters (AEOI) to provide a global framework for the collection, reporting, and exchange of information about persons that invest outside of their jurisdiction of tax residence.

CRS was incorporated into New Zealand law on 1 July 2017. This has resulted in an increase in due diligence and reporting obligations for all financial institutions, banks and investment companies. This means that you may be required to provide more information about your Family Trust and its tax status, including ID and tax declarations for all trustees, settlors and the directors of New Zealand Trustee Services as well. If you have been asked to provide this information, please let us know and we can help.

H&S requirements for professional trustees

The Health and Safety at Work Act 2015 imposes increased obligations on New Zealand Trustee Services as a professional trustee. It is now a requirement that we ensure a comprehensive health and safety plan is in place and fully implemented for all Trust properties that conduct business. This includes commercial/residential property (commercial businesses that are run in the family home e.g. hair salon, craft workshop, sole traders and consultants and holistic services), industrial property, working farms and forestry blocks.

If you have Trust property that falls into any of these categories, please get in touch with us to discuss the health and safety requirements further. If you already have a health and safety plan in place, we will be required to ensure it is implemented correctly. If no plan is in place, we will be able to refer you to an external health and safety specialist who can assist in getting an adequate plan prepared.

