



from IR Legal

A Specialist Law Firm Offering
Solutions and Advice on
Immigration and Tax Law

www.irlegal.lawyer
www.facebook.com/irlegal.lawyer
Phone: (04) 566 1155
Email: office@irlegal.lawyer
Level 2, 318 Lambton Quay, Wellington 6011

Ismail Rasheed
IR Legal
#IRLegal

IRD Risk Reviews

Look out for an increase in Inland Revenue risk reviews.

In years gone by, most businesses could expect to be audited every 3 to 5 years. This is no longer the case.

These days, audits are being undertaken on a more “risk based” approach and most often, the audit selection process may be a result of a database “trawl” to see whether specific taxpayers are outside of Inland Revenue’s parameters.

We have also seen that Inland Revenue is keen to target its audit activity based on a “biggest bang for buck” approach. This may be at the expense of some taxpayers getting away with things that may not be technically correct, however, clearly Inland Revenue hasn’t got unlimited resources and therefore it is impossible to audit all cases.

With the continuing significant business transformation project that is underway at Inland Revenue, some of the errors that have previously gone without audit, conceivably may be picked up in real time without the need for intervention by an auditor. This will be assisted by a ‘state of the art’ IT platform Inland Revenue will be transitioning to over the coming years.

Despite the above, Inland Revenue’s audit and review activity is not going to go away. This is part of their mandate laid down by the Government. Many clients will go about their business and never see an

Inland Revenue auditor. If, however, you are selected for an audit, or are part of the Inland Revenue’s “risk review” selection, please contact IR Legal sooner than later. Bear in mind there are some communications between you and your solicitor that you don’t have to give to Inland Revenue. This right, known as legal privilege, is allowed under the Tax Administration Act 1994. Privileged communications must be for the purpose of getting or giving legal advice or assistance and must not relate to an illegal or wrongful act. If you’re not sure whether a document is covered by legal privilege, Inland Revenue will usually give reasonable time to consult a solicitor.

You must also realise that during a risk review process, if an error has been identified, you can make a voluntary disclosure, meaning

you have more protection from shortfall penalties than may otherwise apply to increases in your tax bill. IR Legal can help you to make a proper voluntary disclosure with legal reasoning.

Ismail Rasheed, the owner and principal solicitor of IR Legal has 17 years of experience as a specialist tax lawyer.

IR Legal’s clientele is nationwide and have offices at:

Level 2, Westpac House, 318 Lambton Quay, Wellington;

Level 31, Vero Centre, Shortland Street, Auckland; and

Meetings in Lower Hutt can be arranged by appointment.

Email: office@irlegal.lawyer
#irlegal #lawyer #tax #immigration

IR Legal

Wellington
Auckland

04 566 1155

09 299 1155

