



## :: Welcome

Welcome to the 2007 Winter edition of Low Down. In this addition we cover critical **Law Changes** in force, as well as impending changes **In the Works**. We also **Celebrate the Success** of more of our clients and update you as to **Our People**.

## LJ NEWS

### KidsCan

Lowndes Jordan is proud to be leading light sponsor and exclusive legal provider for KidsCan Charitable Trust [[www.kidscan.org.nz](http://www.kidscan.org.nz)]. KidsCan provides food, raincoats and shoes to children in low decile New Zealand schools. We also sponsor cyber-safety organisations NetSafe [[www.netsafe.org.nz](http://www.netsafe.org.nz)] and Hector's World [[www.ectorsworld.com](http://www.ectorsworld.com)]. For advice concerning charities and not-for-profits, contact **Rick Shera** [[rjs@lojo.co.nz](mailto:rjs@lojo.co.nz)] or **Ben Morrison** [[brm@lojo.co.nz](mailto:brm@lojo.co.nz)].

### New Website

We recently re-launched our website [[www.lojo.co.nz](http://www.lojo.co.nz)] after a comprehensive design process. Take a look and let us have your feedback.

### Premises

We have recently completed the upgrade of our premises. We now occupy the entire floor and enjoy a smart, efficient space and cutting edge facilities. Please feel free to visit if you are in the vicinity.



Lowndes Jordan's renovated offices

## LAW CHANGES

### Trusts & Foreign Investment

From 1 April 2007 all investments in international shares (whether directly or through managed funds) are now taxed under the Fair Dividend Rate regime. Taxable income on such investments is assessed at 5% of the daily opening value of the portfolio (less management expenses). Importantly, foreign investments of up to \$50,000 will not be subject to FDR tax if they are held directly by the individual, whereas foreign investments held in trust will be subject to FDR regardless of their value. For further advice please contact **Kevin House** [[kph@lojo.co.nz](mailto:kph@lojo.co.nz)].

### Insolvency

The **Companies Amendment Act 2006** was passed on 7 November 2006, amending the Companies Act 1993 and introducing a regime of voluntary administration for companies in financial difficulty. The new regime aims to maximise the opportunity for continued existence of a company or its business or, if that is not possible, for the company to be administered for a better return for creditors and shareholders than from immediate liquidation. The regime is expected to come into force in late 2007. For further advice, contact **Vanessa Anderson** [[vla@lojo.co.nz](mailto:vla@lojo.co.nz)].

### Charities Register

Charities considering registration may wish to apply now. The Charities Commission expects to receive a very large number of applications for registration between September 2007 and July 2008, and we understand that applications are already taking approximately 8-10 weeks to process. From 1 July 2008 registration will be required in order for charities to enjoy exemptions from income tax and duties, and a failure to register will have serious implications for some charities. The benefit of applying early should be balanced against the benefit of applying after your AGM, to ensure the Charities Commission receives up-to-date details. For further advice, see <http://www.charities.govt.nz> or contact **Ben Morrison** [[brm@lojo.co.nz](mailto:brm@lojo.co.nz)].

### Finance & Securities

The Ministers of Finance and Commerce have announced new rules which will significantly affect financial service providers in New Zealand, including:

- q finance companies, building societies and credit unions (known as non-bank deposit takers or NBDTs) will be required to be licensed by the Reserve Bank and obtain and publicly disclose a credit rating; and
- q financial advisers will be required to be registered on a publicly searchable database and to be a member of one of a number of Approved Professional Bodies that will in turn be overseen by the Securities Commission.

It is proposed that the reforms will be implemented in two stages, with phase one (registration of all NBDTs and provision for more comprehensive regulatory oversight of financial advisers) expected to be introduced later this year and passed into law in 2008. For further advice, please contact **Leela Menon** [[llm@lojo.co.nz](mailto:llm@lojo.co.nz)] or **Mike Busch** [[mwb@lojo.co.nz](mailto:mwb@lojo.co.nz)].

## IN THE WORKS

### Inquiry into monetary policy framework

The government's Finance and Expenditure Committee is conducting an inquiry into the future monetary policy framework. Public submissions are sought, the closing date being **Thursday, 19 July 2007**. The inquiry is to include consideration of such matters as: causes of inflationary pressures; the effectiveness of current monetary policy in controlling inflation; the interaction of monetary policy with other elements of the economic policy framework including fiscal policy; the New Zealand economy's capacity for non-inflationary growth and how that can be improved; the joint Treasury and Reserve Bank of New Zealand's report entitled Supplementary Stabilisation Instruments; and additional measures that could enhance monetary policy in New Zealand. For further information, see <http://www.parliament.nz>.



## IN THE WORKS Continued

As at 30 June 2007, you can still make submissions on the following bills:

- q **Taxation (Annual Rates, Business Taxation, KiwiSaver, and Remedial Matters) Bill.** This bill seeks to make several crucial amendments to taxation law relating to such matters as the reduction in the company tax rate, the Kiwisaver scheme, annual income tax rates for 2007-08 and tax relief for donations. (Submissions due by **12 July 2007**).
- q **Crimes (Repeal of Seditious Offences) Amendment Bill.** This bill proposes the repeal of sections 81-85 of the Crimes Act, which relate to such crimes as incitement, conspiracy and publication of seditious material. (No closing date for submissions has yet been set).
- q **Farmers' Mutual Group Bill.** The purpose of this bill is to incorporate the Farmers' Mutual Insurance Association as a Mutual, rename it the Farmers' Mutual Group, give it the same capacity and powers as a company, and establish a modern governance regime for the Mutual. (Submissions due by **6 July 2007**).

Please contact us if you would like further information in respect of any of these Bills.

## OUR PEOPLE

### Kevin House Partner



Kevin has been with Lowndes Jordan for 14 years during which time the firm has established itself as a leading niche business law firm, due in no small part to Kevin's leading roles as partner and expert in the areas of business structures, trusts and tax.

Kevin holds a Master of Laws, is the author of the Trusts and Partnership and Joint Venture sections in the Lexis Nexis forms and precedents materials and has presented seminars on trusts, business structures, business law and corporate law. He also supervises our asset planning practice.

### Moving On

**Jennifer Murphy.** Jennifer recently left the Lowndes Jordan partnership, having been a huge contributor to the growth of our highly successful litigation team which continues to thrive in 2007 under the excellent leadership of our newest partner, **Michael Morrison** [[mhm@lojo.co.nz](mailto:mhm@lojo.co.nz)]. We wish Jennifer all the very best for the future.

**Kerri Dewe.** Kerri recently left us to seek her fortune in Dubai. We wish her all the best with her overseas experience.

## CELEBRATING SUCCESS

### A-Ward Attachments Limited

At the recent ANZ Auckland Exporter of the Year awards dinner, held on Friday 22 June at the Hyatt Regency hotel, **A-Ward Attachments Limited** picked up the prize for Deal of the Year, and was a finalist for Exporter of the Year. Formed in the late 1990s by brothers Simon and Peter Ward, A-Ward designs and produces innovative attachments and other products for use in the demolition, recycling and construction industries and in the 2006 financial year had exports of over \$8,000,000 to nine countries around the world.

Lowndes Jordan (**Ben Morrison**) has played a key role in assisting A-Ward with streamlining its corporate structure and contractual arrangements, and in negotiating manufacturing, distribution and supply agreements both in New Zealand and with foreign interests.

### Orakei Marina

Lowndes Jordan (**Graham Jordan, Leela Menon and Ben Morrison**) have acted for the developers with respect to the consent process, structuring, promotion, financing and construction of **Orakei Marina**. This world-class marina facility located in Auckland's Okahu Bay caters for predominantly larger boats, and provides the quickest and easiest access from downtown Auckland and the inner eastern suburbs to the Hauraki Gulf and Gulf islands.

Orakei Marina is an attractive investment with almost all berths sold prior to opening day on 21 December 2006 and, when Emirates Team New Zealand brings home the America's Cup, prospects for Orakei Marina will be rosy indeed.

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