



Cooperative compliance in VAT/GST – Participating Advisor initiative: The New Zealand experience



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Presented by: Richard Screen, Technical Lead – Intelligence, Inland Revenue, New Zealand

Participating Advisor Initiative: The New Zealand experience

What

- Tax governance compliance initiative which gives “Inland Revenue recognition” to reviews of customer systems, policies, procedures and controls that customers have in place to meet their tax obligations.
- Reviews are conducted by experienced tax advisers after undergoing an accreditation process.
- Limited to GST and payroll related taxes and overall tax governance frameworks.

How

- Participating Advisor Accreditation criteria.
- Excludes opinions or reviews of correctness of tax technical positions.
- Principles based – not prescriptive.
- Customer initiated – not IR requirement.
- IR receives participating advisor report with review findings.
- IR utilises discretion of compliance resources allocation to not duplicate **scope** of participating advisor review work undertaken.
- Advisors provide quarterly insights on observed risks and trends.

Why

- Leverages advisor reach to obtain wider coverage of risks.
- Enhanced intelligence collection.
- More effective and efficient use of compliance resources.
- Transparent and collaborative relationships.

Participating Advisor Accreditation Criteria

Required standard is equivalent to a similar review undertaken by Inland Revenue.

Advisor Accreditation Criteria:

- Demonstrated expertise for a tax risk area - specialisation
- Documented methodologies/approaches for each tax risk review type including internal governance processes for undertaking specialist reviews
- Requirement that set number of the specific review types have been completed within the last 3 years
- Reasonable expectation that at least 3 of the specific review types will be carried out each year
- Undergoing dual testing on a test client with IR for each of the specific review types
- Requirement to share quarterly anonymised data on reviews undertaken
- On-going reviews of advisors to maintain accreditation
- Reliance on professional body membership (e.g. ethical requirements including integrity, conflict of interest etc)

Early outcomes

- Several firms have completed accreditation process for all review types.
- Ongoing engagement and interest including law firms in due diligence space.
- Positive feedback from advisors, customers and staff.

Outcomes (as at January 2026)	Count
Reviews – in progress	28
Reviews – completed	24
Voluntary Disclosures (by number)	11
Voluntary Disclosures (by amount)	\$9m

- Please contact participatingadvisor@ird.govt.nz with any queries.