

PLAYING RUGBY OVERSEAS

We strongly recommend you get your financial situation professionally assessed prior to playing overseas so your tax obligations are under control in both New Zealand and the country you are intending to play in. Every player has different circumstances and these need to be assessed so you are clear what your tax obligations are in each country. Some planning before you leave could save you hassle and money. Some things to think about are:

Topic	Contact Point
<p>Tax Residency Status</p> <ul style="list-style-type: none"> How long do you intend on being away from NZ? What ties are you <u>retaining</u> in NZ and what ties are you <u>developing outside</u> of NZ? <p><i>"Ties" include: home, rental property, immediate family, investments, memberships, etc.</i></p>	<p>You should speak with:</p> <ul style="list-style-type: none"> A New Zealand based accountant or tax advisor who is familiar with the tax residency rules and the current legislation and case law. An accountant or tax advisor based in the country you are playing in who understands the domestic tax legislation.
<p>Banking Arrangements</p> <ul style="list-style-type: none"> Do you have a NZ Bank Account that needs to remain open, do you have NZ loan repayments, do you need an overseas bank account? 	<p>You should speak with:</p> <ul style="list-style-type: none"> Your NZ based banker or your player agent who may have overseas relationships.
<p>Record Keeping</p> <ul style="list-style-type: none"> It is important to keep adequate records to allow your accountant to prepare your income tax return in NZ and/or the country you are playing in (for example: payslips supporting rugby income and tax paid, records to support other income including rent, interest, dividends, etc). 	<p>You should speak with:</p> <ul style="list-style-type: none"> An accountant who can provide you a comprehensive list of records to be kept (depending on your circumstances) and outline ways of doing this (including software tips).
<p>Contractual Arrangements</p> <ul style="list-style-type: none"> There are ways to structure a rugby contract for the player to obtain a tax efficient outcome, particularly where "image rights" or other extraordinary terms are included in a contract. 	<p>You should speak with:</p> <ul style="list-style-type: none"> Your agent to understand what the contractual terms mean. An accountant or tax advisor to understand where tax efficiencies can be generated when your contract is being negotiated.
<p>Advisory Team</p> <ul style="list-style-type: none"> As your career advances, it is important to build a network of 'trusted advisors' who have expertise in different areas (ie: investment advice, lawyers, banking, accounting and tax, relationship property, etc). 	<p>You should speak with:</p> <ul style="list-style-type: none"> Your player agent and personal development manager (PDM) to get introductions or references of advisors in different areas of expertise.

These comments have been provided by Mitch Rutherford who is a tax advisor at Deloitte. If you have any questions please contact:

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Disclaimer

Deloitte is a global professional services firm providing New Zealand's widest range of high quality professional services. This summary provides high level comments of a general nature. Players differing personal circumstances can result in different tax residency outcomes. We recommend that players seek specific professional advice before heading overseas.