

OPERATIONAL STATEMENT | HE TAUĀKĪ WHAKAHAERE MAHI

Authority to Act for Tax Agents, Representatives and Nominated Persons: Access to a Client's Inland Revenue Information

Issued | Tukuna: 17 April 2025

OS 25/03

Operational statements set out the Commissioner of Inland Revenue's view of the law in respect of the matter discussed and deal with practical issues arising out of the administration of the Inland Revenue Acts.

This statement prescribes how a tax agent, or a representative can obtain the authority to act from their clients and the process for a person to get another person to act for them in relation to their tax affairs and/or their social policy entitlements and obligations. In these guidelines these people will collectively be referred to as "tax agents", "representatives", "nominated persons" or "agents" as the context may require.

All legislative references in this Statement are to the Tax Administration Act 1994, unless specified otherwise.

START DATE - END DATE | RĀ TĪMATA - RĀ MUTUNGA

This statement will apply from the date it is signed. To the extent that Agents may need update some of the authorities to act from existing clients, immediate compliance with this Statement is not required. Inland Revenue will accept that new authorities to act may be obtained as agents engage with their clients over the following 2–3-year period.

REPLACES | WHAKAKAPIA

- **OS 22/03:** Authority to Act for Tax Agents and other Intermediaries and Nominated Person, issued on 6 July 2022.

Part 1 General Discussion | Matapaki

Verifying the identity of the person giving authority

1. The identity of the person providing the authority to act must be established to a high degree of certainty to ensure that they are entitled to provide that authority. That is, the agent must be satisfied that the information they are authorised to access belongs to that person or that the person can authorise access of information on behalf of a non-individual (for example a director or other appropriately delegated person of a company).
2. Many agents will be members of groups or bodies which, as a condition of membership, have rules require certain customer due diligence practices to be followed. Where those rules include a robust verification process that would meet the Anti-Money Laundering and Countering Foreign Act 2009 (AML-CFT Act) Inland Revenue will not require a further verification process to be applied.
3. It would be prudent practice for an agent to check that they have been properly appointed. At the time an agent is first linked to a client the agent should verify a signatory's authority as part of the identity verification process. This may include viewing a copy of the trustee resolution that gives authority to a particular trustee to act on behalf of the other trustees, or, where necessary, sighting an authority for a parent/guardian to act on behalf of a minor or incapacitated person. That authority to act remains in place until such time as the taxpayer elects to end the relationship with the agent.

Who can give an Authority to Act

Individuals

4. An authority to act must be obtained from the person to whom the information belongs.
5. An authority to act for an individual does not extend to that person's related entities, for example, a company of which the client is a director. If agents are acting for their client's personal tax affairs as well as the affairs of their related entities and obtaining authorities to act at the same time, they may use a single authority to act for all entities. All the entities and their respective IRD numbers that the authority is intended to apply to must be clearly listed in the authority to act. If it is not clearly listed, then separate authorities to act will be required for each entity.

Non-individuals

6. An authority to act for a non-individual must be provided by a person or persons with the requisite authority to bind that non-individual.
 - **Companies:** A person or persons who hold(s) the authority to bind the company to an agreement must provide the authority to act. This would normally be a director or a manager, or a person with delegated authority.
 - **Ordinary partnerships:** The authority to act must be signed by a partner or by a person who has the delegated authority to bind the partnership.
 - **Limited partnerships:** The authority to act must be signed by a general partner or a person who has the delegated authority to bind the limited partnership.
 - **Trusts:** The authority to act must be signed by all trustees, or by the trustee or trustees who have been authorised by the other trustees to act on all of their behalf.
 - **All other entities:** A person or persons with the requisite authority must sign the authority to act.
7. The rules governing the particular entity will determine how many persons need to sign the authority to act. For example, if one person holds the delegated authority to sign on behalf of the other members of the non-individual then only that person needs to sign. The person signing the authority to act must ensure that they are authorised by the non-individual to appoint the agent.
8. Where an authorised person who signed an authority to act leaves that entity, it is not necessary to get a new authority to act. Where there has been a change to the ownership of a non-individual entity such that the person who provided the original authority can no longer bind that entity a new authority to act will be required.
9. A company can change a director without changing ownership. Although where there has been a change in the ownership or control the new owners may need to consider whether a new authority to act may be required. e.g. the incoming owners decide to change tax agents.

Children under 16

10. Children under the age of 16 need a parent or guardian to complete the authority to act on their behalf. When a child of an existing client turns 16 and they become a client, the child will need to complete their own authority to act.

Incapacitated persons

11. Incapacitated or cognitively impaired customers, including children, receiving income (for example: from ACC to employ carers) will have tax obligations. If the incapacitated customer is unable to meet these obligations themselves, they can be met by a parent or guardian who has been given the appropriate authority to act.
12. However, if that representative (which may be a nominated person) dies or is otherwise incapacitated, or is unable to continue to assist the incapacitated customer, the process for providing an alternative authorised person with the necessary authority to act may not always be straight-forward. This will be the case where the incapacitated customer may lack the legal capacity to nominate another person under section 124F.
13. Often the death or incapacity of an authorised parent or guardian will result in a different guardian being appointed for the incapacitated customer with whom Inland Revenue can liaise with regarding the customer's tax affairs (or who may affirm the continuing role of a nominated agent). However, in limited circumstances this will not occur.
14. To the extent there is a period between the ending death or incapacity of a sole guardian and the appointment of another guardian for the incapacitated customer Inland Revenue should liaise with the person taking responsibility for the day-to-day care of the incapacitated person. This would not breach the confidentiality obligations on Inland Revenue.
15. There may be a gap between the death or incapacity of a parent or guardian and the appointment of a new guardian. For example, where:
 - there is a sole parent or guardian who dies without naming a testamentary guardian; or where both parents/guardians die at the same time or in close proximity; or
 - where the parent/guardian is incapacitated to such an extent they can no longer fulfil their obligations, and it is assumed the guardian has not prepared an enduring power of attorney dealing with the guardianship and the testamentary guardian does not take the role.
16. In such situations the court will appoint a guardian or become the guardian itself (using an agent of the court). However, this does not happen automatically without the intervention of the court and the process may take some time. In the meantime, the customer will continue to have tax obligations to meet.

17. Upon getting an application for guardianship, the court may make an order for an interim agent of the court to act on its behalf in guardianship matters in order that the court can then consider a more permanent solution. That person or agency will be a de facto guardian until guardianship can be legally resolved. For Inland Revenue this means that there is a person to deal with in respect of the incapacitated person's tax affairs.

18. This means that in the limited circumstances:

- where a sole guardian dies, or is incapacitated or otherwise unable to continue as guardian; and
- there is no 'replacement guardian' (appointed as testamentary guardian or under an enduring power of attorney); and
- the Court has not yet appointed a guardian or an agent of the Court (where the court itself is the guardian); then
- Inland Revenue will adopt a pragmatic approach and deal with the person who is fulfilling the duties of a de facto guardian and parent.

19. In the above circumstances, Inland Revenue is prepared to recognise the practical realities of the circumstances and recognise that the person is acting with apparent authority in a situation where no other person has actual authority. This will mean getting that person to deal with the tax issues or to appoint or affirm a nominated person Inland Revenue can deal with. Because Inland Revenue is liaising with the de facto guardian to carry into effect the revenue law, this would be a permitted disclosure of sensitive revenue information under s 18D.

Deceased persons

20. If a client passes away, the agent must obtain a new authority to act to file both the return to date of death and any subsequent returns for the estate. That authority needs to come from an appropriately authorised person, such as the executor or administrator of the estate.

Deceased Agent / Representative

21. If an agent who holds an authority to act on behalf of a client passes away, that authority to act will end with the agent's death if the authority is given to a specified agent. This means that the authority to act given to the deceased agent does not pass through to that agent's executor or other partners.

22. On the other hand, where the authority to act is given to an agent's business or partnership, which will continue after the death of one of the agents, it is likely that the existing authority to act will continue.

Information needed on the authority to act

23. For Inland Revenue to be satisfied that sufficient authority to act has been obtained, the following must be clearly addressed in the authority:

- The client's full name and IRD number.
- The authority to act must be dated and signed by the client.
- Where the client is a non-individual entity, the name, and the position of each signatory in the non-individual entity must be clearly stated.
- The full name of the agent.
- Where the agent is in the name of an individual, the authority should also include the words "and staff or contractors", as applicable.
- The tax accounts the agent will be acting on behalf of the client for or state "ALL" if the client gives authority to act for ALL tax accounts. **Note:** a tax account can include student loan and social policy entitlements. However, an agent cannot link to Child Support, Paid Parental Leave or KiwiSaver accounts.
- Authorise the agent to obtain the client's information from Inland Revenue through all channels, including Inland Revenue's online services.

24. If applicable, the authority to act should also:

- Authorise the agent to sign tax returns on behalf of the client.
- Specify the time for which the authority to act endures. If no timeframe is specified, then the authority will apply until it is terminated.
- Specify how and when the authority to act can be terminated by either party.
- Where necessary, state that authority is given for any refunds and other credits to be released to the agent's trust account.
- Where necessary, authorise the agent to outsource part of their work to a third party (either within New Zealand or offshore) and authorise the agent to allow access to the client's information from Inland Revenue to that third party to the extent

necessary for the completion of the agreed services. This would include identifying any client information that the third-party may need to access. **Note:** Inland Revenue will not accept responsibility for any improper use of a client's information because of the client agreeing to the agent outsourcing work to a third party.

25. If a client has been delinked (other than accidentally by the agent) or the nature of an existing authority changes for any reason, a new authority to act needs to be obtained before the agent can re-link and access the client's information. **Note:** if the accidental delinking is due to an Inland Revenue error a new authority to act will not be required.
26. Examples of circumstances a new authority to act is required for existing clients are:
- The client requires the agent to act for a tax type that the agent was not originally authorised for.
 - The client engages the services of another agent and unknowingly ceases the previous agent's authority.
27. An agent should ensure that their clients understand that linking to a tax account will allow that agent to have full access to the information held by Inland Revenue relating to the tax types or entities that the authority to act specifies, and the agent will have the ability to modify client details, relating to the tax accounts they are linked to.
- Note for tax agents only:** A tax agent can have authority across the whole customer account and is able to do certain things at the IRD number level (referred to as the 'Customer Master link'). This includes receiving correspondence that contains content about multiple tax accounts. This does not mean necessarily the tax agent is filing for all the tax accounts.
28. A client's agreement to the agent's terms and conditions or contract may not necessarily mean the client has given authority to act for Inland Revenue's purposes. The authority to act clauses must be explicit in the agreement or agreed to separately.

Related taxpayers

29. Where a group of related taxpayers (who are not already recognised by Inland Revenue as a Group under other provisions) are onboarded at the same time, Inland Revenue will only accept one authority to act for all related taxpayers, where the following additional requirements are complied with:
- The name and IRD number of the individual and/or entities are clearly listed in the authority to act.

- The authority to act is signed by all applicable individuals and persons with the requisite authority to bind the non-individual entities.
- The positions of the signatories in the non-individual entities must be clearly stated.

30. Any new related entities or individuals that the agent will act for in the future will require a new authority to act and cannot be retrospectively added to an existing authority.

Requirement to keep a record of the client's authority to act and identity document

31. The agent must keep a copy of the client's authority to act. It would also be prudent to retain a copy of any identity document provided in case the clients' identity becomes an issue at some point in the future.
32. Client authorities to act that are obtained electronically must be kept in a manner that allows Inland Revenue to readily access and review that authority and the identification documents of the person who provided the authority.
33. Please refer to Standard Practice Statement [*SPS 21/02: Retention of business records in electronic format, application to store records offshore and application to keep records in languages other than English or Te reo Māori*](#) (or any subsequent replacement) for the standards to which records must be kept.

Consequence of not obtaining sufficient authority to act

34. The authority received by the agent must be adequate for them to act for the client's tax affairs and social policy entitlements and to access information held by Inland Revenue.
35. Not obtaining sufficient authority to act means that the agent is unable to receive the client's information from Inland Revenue.
36. Accessing a client's information without authority or in breach of the authority could result in the removal of the agent from the list of tax agents or the cancellation of the agent's representative status.

Inland Revenue may audit authority to act documents

37. To ensure the requirements set out in these guidelines are met, from time to time, Inland Revenue will ask to view a random sample of the authorities to act from an agent.

38. Part of this review may include viewing samples of the identity documents held and to ensure that reasonable checks have been undertaken to establish the identity of the person giving authority, as well as checking if an electronic signature had been submitted in accordance with these guidelines.
39. If an authority to act is held by an agent but does not meet the requirements of these guidelines, adequate time will be given to the agent to correct this.
40. If no authority to act is held for a client at all, that client will be delinked.

Note: At the end of this Statement is a template of an authority to act. As there is no scripted authority form, this is an example only.

Nominated Persons

41. Section 124F allows a person to nominate another person (a nominated person) to act on their behalf with Inland Revenue in relation to their tax affairs and/or their social policy entitlements and obligations.
42. To nominate a person to act on their behalf, the nominating person must notify the Commissioner of that by completing form IR597, or by following the process set out on the Inland Revenue website: Let someone act on your behalf (ird.govt.nz)
43. A nominated person will be able to engage with Inland Revenue for all of the nominating person's tax affairs or social policy entitlements and obligations unless the nomination is clear that the nomination is only for some of those matters.
44. The nominated person will have access to the nominating person's tax information to the extent that the nomination provides. That access will remain in place until an agreed end date passes, or Inland Revenue is advised that the nominating person no longer requires another person to act with Inland Revenue on their behalf.

Refusal, Removal, or Disallowance of status as Tax Agent, Representative or Nominated Person

45. Notwithstanding a customer's right to choose who they wish as their representative to deal with Inland Revenue, the Commissioner has a role in deciding whether a tax agent, representative or a nominated person poses a risk to the integrity of the tax system.

Inland Revenue may refuse to allow a person to be a tax agent, representative or a nominated person where they do not meet the eligibility requirements in the TAA, or if by allowing the person to act for others it may adversely affect the integrity of the tax

system. Inland Revenue recognise that it is a serious step and refusal or removal will only happen once all relevant and material risks are weighed up and considered.

Part 2 – onboarding electronically

Onboarding electronically means signing up clients via the agent's website rather than meeting these clients face-to-face. There is usually little to no contact between the agent and the client, except for the process involved providing information and in filing a return on behalf of the client. **Note:** receiving an email consent from your client is not considered onboarding your client electronically.

46. With many businesses conducting more of their services online, onboarding clients electronically, is becoming more prevalent.
47. The information requirements for an authority to act in [23]-[24] may be met electronically, for example by using an online electronic platform, so long as all the required information is clearly set out in the electronic authority to act and that the authority to act is readily accessible for review when requested by Inland Revenue.
48. It is important that new clients are aware and understand what they are authorising the agent to do. To that end, an agent should adopt a "tick box" approach to ensure that the clauses of the authorisation are read and explicitly agreed to.
49. As a minimum all the following points for Inland Revenue are to be satisfied that sufficient authority to act has been obtained.
50. The authority to act must:
 - authorise the agent to obtain the client's information from Inland Revenue through all channels, including Inland Revenue's online services.
 - state the name of the tax agency and/or individual agent's name, plus whether staff or contractors may be acting on behalf of the client.
 - state what tax accounts the agent will have access to on behalf of the client (the online agent may wish to specify "ALL" tax accounts to ensure a full understanding of the client's tax position).
 - state to the client that linking allows the agent to have full access to information held by Inland Revenue and have the ability to modify client details relating to the tax accounts they are linked for.

- state where correspondence for linked tax accounts will be directed, either to the online agent or the client.
- specify the time for which the authority to act will endure and how and when the authority to act can be terminated by either party.
- state that authority is given for any refund credits to be transferred to the agency's trust account prior to refund to the client (if applicable).
- authorise the online agent to prepare, submit and sign tax returns on behalf of the client (if applicable).

51. Where necessary, each point above should have its own "tick box" so the client is fully aware of the agreement they are entering into when authorising authority to act to the agent. The authority to act points must be agreed to separately from the online agent's terms and conditions or contract agreement.

52. A copy of the client's authority to act must be held along with the verification of identity.

Electronic signature

53. Inland Revenue will accept an electronic signature on an authority to act if the electronic signature meets the following requirements:

- the electronic signature must adequately identify the signatory and adequately indicates the agreement to the authority to act.
- the means of creating the electronic signature must be linked to the signatory and to no other person.
- the means of creating the electronic signature was under the control of the signatory and of no other person; and
- any alteration to the authority to act or to the electronic signature after the time of signing must be detectable.

54. Electronic signatures can be used in circumstances beyond electronic onboarding. For further information refer to [Standard for the use of a valid electronic signature on documents provided to the Commissioner \(ird.govt.nz\)](https://www.ird.govt.nz/standard-for-the-use-of-a-valid-electronic-signature-on-documents-provided-to-the-commissioner)

Requirement to verify the identity of the person giving authority when onboarding via the internet/website

55. For NZ based clients, when electronically onboarding via the internet/website, it is important that the process of verifying the identity of the person giving authority is robust. Inland Revenue must be satisfied that the information to be accessed belongs to the person giving the authority, and that the person granting authority to the agent to access information on behalf of a non-individual (for example, a director of a company) has the power to do that.
56. When onboarding overseas based clients, agents must have a robust procedure to verify the client's identity. This may require asking for certified copies of some form of photographic identity, such as an overseas passport or overseas driver's licence.
57. Inland Revenue acknowledges that many of the agents will already have customer due diligence processes in place to verify the identity of new clients. Inland Revenue will accept the identity of the person providing the authority will have been established to a high degree of certainty.

Where an agent does not have due diligence processes or obligations under the AML-CFT Act notwithstanding the requirements in [56]-[57] above they must follow the process set out below in [59]-[65] to verify the identity of their client.

- If the agent is a member of a professional body, they are not required to follow the process set out in [59]-[65] where that body's rules are sufficiently robust under the AML-CFT Act and so provide the agent with assurance that they have properly verified the identity of the client and that the person giving authority has the authority to do so.
- If the agent is not a member of any professional body, then they must follow the process set out in [59]-[65].
 - Payments made by an employer to reimburse an employee for that employee's private expenditure are generally taxable as income of the employee. This is because these payments reduce the need for the employee to incur those costs themselves.

Use of an online identity verification provider – (Only verifies NZ Resident clients)

58. Where an agent is unable to confirm the identity of their client they may need to get certified copies of photographic identity documents. Alternatively, they may consider the use of an electronic identity verification provider. The identity verification provider must

be reliable and independent and compliant with the AML-CFT Act identity verification requirements.

Driver's licence	NZ Passport
First name	First name
Middle name (if given)	Middle name (if given)
Last name	Last name
Driver's licence number	Passport number
Version number	Expiry date

59. For the identity to be accepted as verified, all five points must match. The identity verifier provider is required to send the agent a confirmation report advising whether verification has been successful. The confirmation report must state accepted or rejected next to each key point and include the name of the third-party verifier, and the time and date the verification report was requested and completed.
60. The confirmation report is to be held on file by the agent as verification of the client's identity. The agent must be able to provide a copy of the verification report at the request of the Commissioner.
61. As the agent does not receive an actual copy of the client's photo identification using this process, a bank account match must also be completed. The client must provide the agent with a bank account under the name submitted as part of the identity verification. Joint bank accounts are acceptable, where the joint account name includes that provided during the verification process. Details of bank account name and number must be held on file alongside the verification report of client identity. The process of bank account matching reduces the risk of identity fraud.
62. Where a confirmation report comes back as unsuccessful, a second attempt may be made. If in the second instance a confirmation report comes back as unsuccessful, the agent must then request and keep a copy of the client's photo ID.
63. The following are acceptable forms of photo ID:
 - New Zealand passport.
 - New Zealand driver's licence.
 - Overseas passport issued by a foreign government.
 - New Zealand certificate of identity (issued by Ministry of Business, Innovation and Employment or Department of Internal Affairs).

- New Zealand firearms licence or dealer's licence.
- New Zealand 18+ card or Kiwi Access card.
- International Drivers' Permit (issued by a member country of the UN Convention on Road Traffic).

64. If the client is a child under 16 years of age, the child's parent or guardian is required to provide the following documentation:

Proof of their own identity as parent or guardian by providing one legible copy of an identity document which must contain a photo as listed in [64], plus, either

- The child's New Zealand birth certificate or overseas birth certificate, or
- A legible copy of a document which shows the relationship between them and the child, such as adoption papers or Court Order.

This Statement was signed on 17 April 2025

Rob Falk
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Example of an authority to act:

Authority to act

Authority is given to *(insert name of business here)* and staff and contractors (if applicable) to act on behalf of the entities listed below to obtain information from Inland Revenue about (tick one):

☐ ALL tax types or
☐ The following tax types: *(list tax types here)*

This includes authority to obtain information from Inland Revenue through all channels (including electronic)

☐ For tax agents only – authority is given for overall permission across my tax information
☐ Authority is given to redirect any refunds to the agents trust account for the entries listed below
☐ Authority is given to sign on behalf of the entities listed below

Individual:

Full name	IRD#	Signature	Date

• An adult is able to sign on behalf of a child under 16, when the child turns 16, they are required to sign an AZA themselves

Non-Individual:

Entity's name	Entity's IRD#	Representative's name	Representative's position	Signature	Date