

## Questionnaire

Name of State or territorial unit:<sup>[1]</sup>

New Zealand

For the purpose of the 13 to 15 February 2023 meeting of the EG, Members are invited to report on consideration given to and / or implementation of the following arrangements in their jurisdiction:

- a. Developments in general regarding the international transfer of maintenance funds:

In late 2021 the child support administration moved to a new computer system that also allows for automatic electronic transfers of international maintenance.

- b. Elimination of the use of cheques (see Report and C&R 2022 No 1)

Not being considered. Please explain:

Please insert text here

Is being considered. Please explain:

Please insert text here

Has already been implemented. Please explain:

Cheques are no longer accepted. The use of cheques has been phased out in New Zealand since 2021.

- c. Solutions with regard to increased transparency and cost reduction of transfers and currency conversion (see Report and C&R 2022 Nos 2 and 10)

Not being considered. Please explain:

Please insert text here

Is being considered. Please explain:

Please insert text here

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<sup>[1]</sup> In this questionnaire, references to the term "State", where relevant, are to be considered as also applicable to a territorial unit.

Has already been implemented. Please explain:

We considered this when we looked for an international banking partner. Utilising IACH where possible brought international charges in line with our domestic funds transfers and the cost became negligible.

As part of our negotiation for transparency, our FX rates use a basis point difference on Reuters FX advertised amounts on a day. This increased competitiveness and ensured an arms length approach.

In countries that do not support an IACH and only traditional Telegraphic Transfer (TT) options are available we use a "Shared Cost" approach (SHA). This means we pay the outgoing cost, and the receiver pays their cost.

d. Solutions where creditors would not bear the costs related to the transfer of funds (see Report and C&R 2022 Nos 2 and 11)

Not being considered. Please explain:

Please insert text here

Is being considered. Please explain:

Please insert text here

Has already been implemented. Please explain:

We have implemented an option for receiving organisations to receive bulk transfers once a month. When this option is selected, we hold all payments received in a calendar month and issue all funds at the end of month as a single payment and provide a schedule of all payments sent. This includes the local currency collected and the foreign amount issued and the time funds are transferred. We don't consider FX fluctuations during the month when we are holding funds.

e. Requested Central Authority arrangements with their bank to cover transfer fees or other arrangements to that effect (see Report and C&R 2022 No 3)

Not being considered. Please explain:

As noted above in our response to question c, we use a SHA model when telegraphic transfers are required as an IACH process isn't available. We have negotiated rates with our banking suppliers to reduce the cost of sending and receiving TT's. We understand that other agencies could have the same commercial dialogues with their banking partners and have better control of fees charged at either end of a standard TT.

Is being considered. Please explain:

Please insert text here

Has already been implemented. Please explain:

Please insert text here

- f. Requesting Central Authority providing confirmation to the requested Central Authority that the amounts received are the same as the amounts sent and, where applicable, information on the reasons for any difference (see Report and C&R 2022 No 3)

Not being considered. Please explain:

The foreign amount to collect is converted to our local currency at time of registration. Payments are converted to the foreign currency using the rate at day of transfer to the Requesting State/creditor. Due to exchange rate fluctuations this could potentially cause discrepancies in the long term.

We understand that the maintenance obligation is not paid in full until the full amount is paid in the currency set out in the maintenance decision. If there is a shortfall at the end of a case this can be addressed by the requesting agency advising us that more funds need to be collected. We don't currently have a process to reconcile this automatically at the end of a collection; we rely on the requesting agency to advise.

Is being considered. Please explain:

Please insert text here

Has already been implemented. Please explain:

Please insert text here

- g. Establishment of a centralised point (e.g., bank account, central bank) for international transfers dedicated to both incoming and outgoing transfer of funds (see Report and C&R 2022 Nos 4 and 5)

Not being considered. Please explain:

Please insert text here

Is being considered. Please explain:

Please insert text here

Has already been implemented. Please explain:

For cases that that we are managing and have registered in our system, we already go through a central bank account for both receiving and sending funds. As noted above at question c, we will pay for any receiving costs associated with funds being sent to our bank accounts based on the senders preferred channel.

Private cases currently do not have a centralised point and we currently have no plan to register them with IR. Therefore they don't have the ability to use our central bank account, as funds for these cases will be paid directly to a beneficiary.

- h. Use of the possibilities afforded by the *Universal Postal Union Postal Payment Services Agreement* of 6 October 2016 (see Report and C&R 2022 No 4)

Not being considered. Please explain:

Given our payment services are all electronic only, we minimise our use of any postal services.

Is being considered. Please explain:

Please insert text here

Has already been implemented. Please explain:

Please insert text here

i. Provision of payment transfer services to any debtors transferring payments within the scope of the HCCH 2007 Child Support Convention (see Report and C&R 2022 No 5)

Not being considered. Please explain:

Please insert text here

Is being considered. Please explain:

Please insert text here

Has already been implemented. Please explain:

As noted above at question g, any case where we are responsible for enforcing collection will have access to the electronic transfer methods available, where we will pay for the outbound cost of sending funds. We know that with IACH countries there are no fees to receive these payments.

j. Implementation of payment transfer monitoring systems (see Report and C&R 2022 No 6)

Not being considered. Please explain:

Please insert text here

Is being considered. Please explain:

Please insert text here

Has already been implemented. Please explain:

For cases that we are responsible for enforcing, our system automatically tracks total funds collected and sent. We don't, however, keep a track of the foreign amount sent. While our system holds this information, we only monitor payments against the original NZD amount converted for collection.

We have systematic processes to that assist us in collecting these funds which follows a standard compliance model. Any international collection we are managing also receives the benefit of this automated collection process. Where compliance is not met by the systematic processes, the case is referred back to our staff to follow up directly with individuals.

We have a series of reports available which we use to track trends of funds movements and effectiveness of our collection tools.

- k. Implementation of unique case references, known to both the requesting and requested States, attached to each transfer of funds (see Report and C&R 2022 No 7)

Not being considered. Please explain:

Please insert text here

Is being considered. Please explain:

ISO20022 Is new to New Zealand and is in the payment industry with a target date in 2026. Internally our system can hold foreign unique identifiers so we can use these when communicating with other agencies or customers now. We will continue to work with our banking partners in how we can start to include enriched data in our payments being made in the future.

At this stage we have a manual process to remit payment information. We normally send this within 2 business days to the requesting agency, providing relevant details to allow them to allocate the funds.

Has already been implemented. Please explain:

Please insert text here

- l. Implementation of currency conversion of payments done by the relevant authority in the requested State at the time of transfer (see Report and C&R 2022 No 8)

Not being considered. Please explain:

As noted earlier at question f, we do an initial conversion at the time of registration. Given the fluctuating exchange rates we are unable to make adjustments on a 'per payment' basis as this isn't possible to administer within our system processes. All enforcement actions taken within New Zealand are based on local currency. However, as explained in our response to question f, we can adjust the total amount that needs to be collected as requested or required by the requesting authority.

Is being considered. Please explain:

Please insert text here

Has already been implemented. Please explain:

Please insert text here

- m. Provision of information about international banking to creditors and debtors (see Report and C&R 2022 No 12)

Not being considered. Please explain:

Please insert text here

Is being considered. Please explain:

[Please insert text here](#)

Has already been implemented. Please explain:

[We have information available on our website about foreign banking options to make payments to Inland Revenue. When required or requested, we can provide information about transfer types used for each country.](#)

<https://www.ird.govt.nz/managing-my-tax/make-a-payment/ways-of-paying/paying-from-overseas>

n. Implementation of a legal framework enabling the Central Authority, acting both as requesting and requested Central Authority, to handle the transfer of funds – or at least major parts of the process – in as automated a manner as possible (see Report and C&R 2022 No 13)

Not being considered. Please explain:

[Please insert text here](#)

Is being considered. Please explain:

[Please insert text here](#)

Has already been implemented. Please explain:

[In New Zealand, a different government department manages the legislation for how funds are held and managed by any central organisation. This is known locally as the “Public Finance Act 1989”. We comply with this Act in managing all fund transfers domestically and internationally.](#)

o. Implementation of an arrangement with banks that are transparent in relation to their fees and / or are part of the SWIFT Global Payment Initiative (GPI) (see Report and C&R 2022 No 14)

Not being considered. Please explain:

[Please insert text here](#)

Is being considered. Please explain:

[As noted above at c, we do have commercial banking agreements in place which meet the needs to send funds to countries that are not currently sanctioned. We are continuing to work with our banking network to understand how CBDC’s will be utilised in the future. We are transparent about our international banking services and fees.](#)

Has already been implemented. Please explain:

Please insert text here

- p. Would your State consider contributing to iSupport ITMF in terms of expertise and experience?

Yes

We would be open to contributing expertise and experience as required.

No

Please insert text here

- q. Any other developments in your State including bilateral solutions put in place between States and ongoing trials between States:

We could share our experience developing international payment solutions for inbound and outbound payments.

Thank you!