

New Zealand

GST Exemption for Overseas Purchasers

Below are some basic pointers to assist overseas purchasers at the forthcoming yearling sales series regarding the treatment of Goods and Services Tax (GST) and the options available. New Zealand Bloodstock will assist overseas buyers with arrangements to defer GST, a very simple process, should they wish to leave their purchases in New Zealand for a period.

- The current rate of GST is 15% and is charged on all bloodstock purchased at the Sales, except those horses that will be exported within 28 days of the sale.
- If the yearling is destined for export overseas and the purchaser wishes to leave the horse in New Zealand, application will need to be made to Inland Revenue to delay the export of the horse for a period up to 24 months from the date of Sale. The Finance team at New Zealand Bloodstock will help guide the purchaser through this process.
- Once accepted under the "24 month rule" the GST on the original purchase is charged at NIL%.
- In the event the horse is not exported within the 24 month period, GST at 15% will be applicable.
- Whilst the yearling horse is in New Zealand under this 24 month rule, the yearling may be educated, broken-in and can attend barrier trials as part of its education. Should the horse have a raceday start, then GST will become payable.
- It is the practice of New Zealand Bloodstock to hold onto the registration papers of the yearlings staying in New Zealand until such time as the GST on the original purchase has been paid. The purpose of this is to restrict the opportunity for horses to enter in a race, thus breaching the 24 month regulations, and making GST payable.
- Therefore, because New Zealand Bloodstock retain the registration papers it is not possible to name the horse, unless specifically requested by the horse owner, with them fully aware that GST will apply. It follows that only named horses may be entered for a formal race run under the Rules of Racing, whereas un-named horses are free to trial in New Zealand.

