

# Authority to Act guidelines for Intermediaries

These guidelines do not override any legislation, operational statements, standard practice statements, publications or forms that have been released.

## About an authority to act

To be linked to a client you must have written or electronic authorisation from them. This authorisation allows you or your agency to act on the client's behalf and access their information for the specific tax types covered.

An authority to act for an individual client does not automatically cover any related entities. If you need authority for multiple entities, you must have proper authorisation for each one. You can use a single authority form, as long as it clearly lists all the entities involved, their IRD numbers, and includes a signature confirming the authority applies to each of them.

For non-individual clients (like companies or trusts), the authority to act letter must be signed by someone who has the necessary authority to bind that entity to an agreement.

- **Companies** - a person or persons who hold(s) the authority to bind the company to an agreement must sign the authority to act. This would normally be a director or a manager.
- **Ordinary partnerships** - the authority to act letter 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 letter 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 letter 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 letter.

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.

If you wish to act for a child who is under the age of 16, you will need an authority signed on the child's behalf by a parent or guardian. Once that child turns 16, and if you are going to continue to act for them, they will need to sign a new authority.

If a client passes away, you must obtain a new authority to act from an authorised person for the estate, such as the Administrator or Executor.

## Information needed on the authority to act

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 for the non-individual entity must be clearly stated.
- That authority is given to obtain information for all or specific tax types.
- Authorise the agent to obtain the clients' information from Inland Revenue through all channels.
- The full name of the agent - not a specific person or partner.
- Where the agent is in the name of an individual, the authority should also include the words 'and staff/contractors as applicable.'
- Where the client is a non-individual, the name and authority of each signatory to the authority to act must be clearly stated, for example, director.

### Where 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 is intended to apply. 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.
- State that the authority is given for any refunds and other credits to be released to the agent's trust account.
- Authorise the agent to outsource part of their work to a third party (either within New Zealand or offshore) and give that third party access to the client's Inland Revenue information to the extent necessary for the completion of the agreed services.

### Delinking a client

If a client has been delinked or the nature of an existing authority changes for any reason, a new authority to act needs to be obtained before the agent can relink 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.

Examples of circumstances when 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 ceased the previous agent's authority.

### Onboarding clients 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. As there are different authority requirements for this type of electronic onboarding, refer to the **Operational Statement (OS) 25/03: Authority to Act for Tax Agents, Representatives and Nominated Persons: Access to a Client's Inland Revenue information**. You'll find this on our website [taxtechnical.ird.govt.nz](https://taxtechnical.ird.govt.nz)

**Note:** You cannot link clients for child support tax types. The client must give written authority to Inland Revenue by either writing a letter or completing an **Elect someone to act on your behalf - IR597** form.

Here is an example of an authority to act:

## Authority to act

Authority is given to (*insert name of business here*) \_\_\_\_\_ and staff and/or 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 (*delete if not applicable*)
- ☐ Authority is given to sign on behalf of the entities listed below (*delete if not applicable*)

### 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 A2A themselves

### Non-Individual:

| Entity's name | Entity's<br>IRD# | Representative's<br>name | Representative's<br>position | Signature | Date |
|---------------|------------------|--------------------------|------------------------------|-----------|------|
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