



David Johnston

Partner

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David Johnston is an experienced tax lawyer, with a particular focus on mergers and acquisitions, restructuring, New Zealand's treatment of inbound and outbound investment and tax disputes with the Inland Revenue. David also has considerable experience of advising on the tax treatment of funds and employee/management share plans.

David has acted on a variety of transactions, including conducting tax due diligence, providing transactional tax advice, and reviewing and negotiating transaction/legal documentation. David regularly assists clients with their interactions with the Inland Revenue, including making voluntary disclosures, obtaining tax rulings and during tax enquiries. David has appeared in the Taxation Review Authority and the High Court.

David assists a range of clients, from significant multi-nationals to start-up companies. He has broad industry exposure and has provided tax advice to companies in a number of different sectors, including private equity, banking, insurance, agriculture, forestry, retail, pharmaceutical and technology.

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- Advising Accel-KKR and its portfolio company, Seequent Holdings Ltd in relation to the tax aspects of its sale of Seequent Holdings Ltd to Bentley Systems, Inc.
 - Advising Discovery Inc. in relation to the tax aspects of its purchase of MediaWorks' TV business.
 - Tax advice to McGrathNicol as liquidators of CBL Insurance
 - Advising Sean Parker on the New Zealand tax implications of his investment in Weta Digital
 - Tax due diligence of the Zespri Group in advance of its 2018 share offer
 - Tax due diligence and advising on the acquisition of Helicopter NZ by PHI Inc.
 - Advising JRJ Group on its acquisition of Marex Spectron
 - Advising Caryle Group on the United Kingdom tax implications of its IPO
 - Advising on the tax implications of the restructuring of the Fitness First Group worldwide
 - Assisting clients with tax disputes, including preparing formal dispute documentation, attending meetings with the Inland Revenue and agreeing settlements

- Assisting clients with the tax aspects of liquidations and restructurings
- Assisting clients with drafting and implementing employee share schemes and employee share option plans (ESOPs), including confirming the tax treatment

CREDENTIALS

Professional Qualifications

- Barrister and Solicitor of the High Court of New Zealand

Education

- Victoria University of Wellington, LLB
- Victoria University of Wellington, LLM
- Victoria University of Wellington, BSc

Memberships

- Barrister and Solicitor of the High Court of New Zealand, 2002
- Solicitor of the Supreme Court of England and Wales, 2008
- Member of the Law Society Tax Committee
- Member of the Restructuring Insolvency and Turnaround Association of New Zealand (RITANZ)
- David has presented at the New Zealand Law Society Tax Conference, the International Fiscal Association (New Zealand Branch), the International Fiscal Association Australian Tax Conference and the ITR Asia Pacific Tax Conference

INSIGHTS

Publications

New Zealand's tax treatment of software development and sale

2 December 2021

With several high-profile software businesses being sold in New Zealand (including a number of transactions in which DLA Piper New Zealand has acted) and with continued investor interest in software businesses, the tax treatment of software development and sale has become increasingly topical. Inland Revenue have indicated this is an area they will review.

Asia Pacific Tax Newsletter July 2021

6 August 2021

Welcome to the third issue of our AsiaPac Tax Newsletter. In this issue, we continue to bring you the latest tax developments in the Asia-Pacific region including governmental policies and updates on case laws.

New Zealand Introduces New Tax Loss Carry-Forward Rules

2 July 2021

Asia Pacific Tax Newsletter March 2021

7 April 2021

Welcome to the second issue of our AsiaPac Tax Newsletter. In this issue, we bring you the latest tax developments in the Asia-Pacific region including governmental policies and updates on case laws.

Taking steps to prepare for the 39% tax rate

9 February 2021

As the increase in New Zealand's top personal tax rate approaches, it is important to consider if there are steps that should (or should not) be taken to reduce its immediate impact.

Labour delivers on its promise to increase the top personal tax rate, along with consequential changes to the ESCT, RWT, FBT and other rates

21 December 2020

Many will be aware that the Labour Government has introduced a new top personal income tax rate of 39% which will apply to personal annual income that exceeds \$180,000 from 1 April 2021.

New Zealand relaxes its rules for offshore employers with globally mobile cross border New Zealand workers

14 October 2020

2020 has been an extraordinary year. One of the most significant features of 2020 has been the number of people who have worked remotely because of Covid-19 restrictions. For tax, this has created challenges as an employee, working remotely for an offshore employer, can trigger tax risks for their offshore employer such as permanent establishment (**PE**) and employment tax risks. In New Zealand, this has been particularly acute, with a significant number of people either physically unable to leave New Zealand or coming to New Zealand due the relatively Covid-19 free environment, while continuing to work for their offshore employer. This number is estimated to increase. In response to these challenges, the New Zealand Inland Revenue have made two changes.

New Zealand Inland Revenue releases criteria for the new Small Business Cashflow (Loan) Scheme

13 May 2020

From Tuesday 12 May New Zealand businesses can apply for the Small Business Cashflow (Loan) Scheme (SBCS) from the Inland Revenue.

New Zealand government announces further tax changes in the wake of coronavirus

16 April 2020

The New Zealand government has announced further tax changes to support New Zealand businesses during Covid-19, including a temporary tax loss carry-back and proposed changes to the tax loss carry-forward rules. These changes follow the earlier announced (and now enacted) tax changes, which are summarised below.

Important clarifications to Wage Subsidy and Leave Payments for New Zealand employers

31 MARCH 2020

On 27 and 28 March 2020 the Minister of Finance announced further changes to two of the main coronavirus Covid-19 relief measures, the Wage Subsidy and Leave Payments. Work and Income have also made significant updates to the guidance on their website and provided additional requirements in the employer declaration.

Coronavirus New Zealand government rescue package

18 March 2020

With Finance Minister Grant Robertson warning that coronavirus COVID-19's economic consequences may exceed those of the last global financial crisis, the New Zealand government has announced a NZD12.1 billion package to cushion the pandemic's economic impact.

Coronavirus New Zealand government rescue package

Wednesday 18 March

GST on management fees - Inland Revenue releases issues paper

27 FEBRUARY 2020

The Inland Revenue has released an officials' issues paper which includes possible changes to the GST treatment of management fees charged to managed funds.

Government amends KiwiSaver to increase flexibility

29 JAN 2020

The Government will shortly be finalising a number of changes to KiwiSaver. KiwiSaver has now been operating in New Zealand for over 12 years and is becoming an increasingly important feature of the New Zealand market. While the changes introduced do not reflect a significant change in the overall KiwiSaver framework, they do support the general trend of KiwiSaver becoming an increasingly flexible vehicle for savings and personal wealth planning, as well as for retirement. We expect further refinements to KiwiSaver over time and see a number of trends emerging including KiwiSaver providers considering how KiwiSaver funds can be better invested, for example in private equity or in infrastructure.

Inland Revenue issues paper on purchase price allocation

11 DECEMBER 2019

The New Zealand Inland Revenue has released an Officials' Issues Paper on Purchase Price Allocation setting out its proposals to ensure that parties to a business sale or property sale agree to, and adopt for tax purposes, a consistent allocation of the purchase price to the various assets (for example, land, buildings, fixed assets and trading stock).

Events

Previous

Tax treatment of software development and sale: Perspectives from the US, Australia and NZ

28 October 2021
Webinar

NEWS

DLA Piper advises Accel-KKR in Unimarket investment

13 August 2021

DLA Piper advises OSF Digital on acquisition of Adept Group

19 May 2021

DLA Piper wins two awards in the beaton Client Choice Awards 2021 (New Zealand)

23 March 2021

As voted by our clients, DLA Piper in New Zealand has been named the winners of two categories in the prestigious **beaton** Client Choice Awards 2021.

DLA Piper advises Accel-KKR and Seequent on the sale of Seequent Group

16 March 2021

DLA Piper has advised Accel-KKR and its portfolio company, Seequent Holdings Limited on the sale of Seequent Holdings Limited to Bentley Systems, Incorporated (Nasdaq: BSY) for ~NZD 1.46 billion (USD 1.05 billion).

DLA Piper (New Zealand) recommended in the 2021 edition of the Legal 500 Asia Pacific

18 January 2021

DLA Piper New Zealand has been recommended across a broad range of practice areas in the latest edition of the *Legal 500 Asia Pacific*, retaining Tier 1 rankings in both Investment Funds and Insurance.

DLA Piper appoints three new partners in New Zealand

28 August 2020

DLA Piper has promoted three new partners, Emma Moran, Nick Valentine and David Johnston.

