

Storage of Business Records

Background

Customs-related business records are required to be stored for seven years. Records must be stored in New Zealand unless you are authorised by Customs to keep records outside New Zealand, or the records are stored outside New Zealand with a Customs authorised third party storage provider. This applies to business records in paper or electronic form.

If you retain a backup of the business records in New Zealand, or the records stored outside of New Zealand are a backup of the records held in New Zealand, the requirement to store the records in New Zealand is satisfied and an authorisation is not necessary.

What's new

The Customs and Excise Act 2018 introduces the ability for individuals, businesses and data storage providers to store Customs-related business records outside of New Zealand, including in the 'cloud'. This allows businesses to take advantage of modern and cost-effective storage methods.

Customers and third party storage providers who wish to store records outside of New Zealand must make an application to Customs and meet certain criteria to be authorised. An individual company does not need to apply if they use a Customs authorised third party storage provider.

How it works

You can complete an application form to store business records outside New Zealand and email or post your application to Customs.

Customs will confirm receipt of your application. Once your application has been considered we will send you a letter advising if your application has been approved or declined.

We will advise the reason(s) for declining any application. If approved, Customs may also set conditions about how records must be stored and how access can be obtained.

Some examples of conditions that can be set are how records must be stored (e.g. the format or file type), how Customs' access to records can be obtained (e.g. through an electronic device based in New Zealand), and the timeliness for providing information (e.g. information requested by Customs must be provided within a defined period of time).

Customs uses the same criteria as the Inland Revenue for assessing whether a person or third party should be authorised to store records outside New Zealand. These criteria are outlined in the application form.

If a person fails to comply with any terms, conditions or restrictions Customs places on an authorisation Customs may withdraw the authorisation to store records outside of New Zealand.



» Criteria for storing business records outside New Zealand

The same standards of record keeping practice apply to records stored within or outside New Zealand, on your own storage systems, or on outsourced systems.

Electronic records must meet the requirements of the Contract and Commercial Law Act 2017 which requires that:

- » the integrity of the information contained in the records is to be maintained, and
- » the information is readily accessible so as to be usable for subsequent reference.

You must provide your Customs-related business records and/or allow Customs access to those records on request, whether stored within or outside of New Zealand. You must provide them or make them available within a reasonable timeframe, in a usable format, and at no cost to Customs in obtaining that information.

Customs considers a reasonable timeframe for accessing records stored outside New Zealand is within 24 hours for a transaction less than three months old, and within five days for a transaction which occurred three months ago, or more.

You are also responsible for ensuring that you can provide Customs with access to your records in the event that the contractual relationship ends, or the third party ceases to operate.