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Next Issue:

**Challenging a Will —
 by Eugene Collins**

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 our previous newsletters
 or any of the our free
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 Trusts, Relationship*

GIFT DUTY—ABOLITION

Most clients would have seen the media release that the Government plan to abolish gift duties as at 1 October 2011.

No doubt appropriate amendments will be made to the Estate & Gift Duties Act 1968 (“the Act”).

At this particular point in time we are unable to give you any further explanation as to how the abolition will work in practice. Clearly the claw back rules in terms of your transferring the family home and other assets to your Family Trust in order to avoid rest home fees will still apply, as will the claw back rules for gifts made prior to bankruptcy in terms of the Insolvency Act 2006.

Until we see something in writing from the Government in terms of how the abolition of gift duty under the Act will take place it is not possible for us to accurately come to you with any recommendations at this stage. However as soon as something is available we will provide you with further information.

Clearly those clients who are currently on a gifting programme may wish to continue their gifting programme until such time as the Government makes further announcements.

We are conscious that clients are charged for each gift made. If you would prefer to continue your gifting programme until such time as more detail is available we would appreciate if you could complete the attached form and return it to us by facsimile or alternatively scan the form and send it to mail@collinsmay.co.nz

One thing for sure is that those clients who are still owed moneys by their Family Trust will have to complete the gifting programme in order to trigger off the last claw back period. The only difference we see at this stage is that there will be no upper limit and you should be able to complete your gifting programme with one further gift.