

The Competent Authorities of New Zealand and Guernsey have reached an understanding on the interpretation of Articles 9 and 12 of the Agreement as follows:

Salaries, wages and other similar remuneration

For the purposes of interpretation of Article 9 of the Agreement, the Competent Authorities have reached the common understanding that the term “salaries, wages and other similar remuneration” does not include a pension.

Prejudicial or restrictive measures based on harmful tax practices

For the purposes of interpretation of Article 12 of the Agreement, the Competent Authorities have reached the common understanding that the term “prejudicial or restrictive measures based on harmful tax practices” is intended to refer to the Project on Harmful Tax Practices initiated by the Organisation for Economic Cooperation and Development in 1998 and carried on by the Global Forum on Transparency and Exchange of Information for Tax Purposes in respect of exchange of information on request and the term is not intended to refer to any international initiative undertaken after the date of entry into force of the Agreement.