



April 2025

OFFICIAL NOTICE

AMENDMENT TO HARNESS RACING NEW ZEALAND REGULATIONS

CENTRALISED STAKES PAYMENT SCHEME REGULATIONS

At its meetings on 20th February 2025 (substantive) and 15th April 2025 (minor grammatical corrections), the HRNZ Board considered and approved amendments to the Centralised Stakes Payment Scheme Regulations. These amendments were effective immediately. The amendments are as set out in the tracked version **attached**.

Background

These amendments are administrative:

- Enabling the efficient administration of slot race stakes payments to both horse owners and slot holders through the HRNZ central stakes payment system. GST is fully accounted for depending on the parties' taxable activity status. Previously, the system was manual.
- Confirming HRNZ can pay stakes to an overseas bank account. Overseas owners will no longer be required to open an NZ bank account.

The full amended Regulations will be available on our website shortly.

Brad Steele
Chief Executive

CENTRALISED STAKES PAYMENT SCHEME REGULATIONS 2020

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1. NAME AND COMMENCEMENT

- 1.1 These regulations are the Centralised Stakes Payment Scheme Regulations made by the Board under the New Zealand Rules of Harness Racing and clause 14.4 of the Constitution of Harness Racing New Zealand Incorporated.
- 1.2 These regulations come into force on 1 October 2020 and apply to stakes payments processed from that date.

2. OBJECT AND PURPOSE

- 2.1 The object and purpose of these regulations is to provide for:
 - 2.1.1 The centralised payment of the owners, trainers and drivers' percentage of the stake credited to the horse in a race.
 - 2.1.2 The payment to the club of race day payments.

3. INTERPRETATION

- 3.1 In these regulations, unless the context otherwise requires:

betting race shall have the same meaning as provided in the Racing Industry Act 2020 but does not include equalisator betting.

club has the same meaning provided in clause 2.1 of the Constitution of HRNZ.

entity number means the customer number which identifies each owner or group of owners as a unique entity for all horses owned or leased by the owner or group of owners.

GST means tax payable under the Goods and Services Tax Act 1985 or any Act passed in substitution of that Act.

HRNZ means Harness Racing New Zealand Incorporated.

owner includes where applicable a lessee or racing manager

the owner's contact unless indicated otherwise means the first person named as an owner in an application for registration, transfer or joint interest.

stake means the total stake or prize money to be credited to a horse in a race but does not include any cup, trophy, other prize, and the value of any award or right.

4. OWNERS, TRAINERS, AND DRIVERS PERCENTAGE OF STAKES

- 4.1 All stakes shall be advertised as exclusive of GST.
- 4.2 When the stake to be credited to a horse which is placed in the first five finishing places in Group or Listed races, or in the first four finishing places in races other than Group or Listed races, is \$250.00 or more the:
 - 4.2.1 owner's percentage of the stake is 85 per cent;
 - 4.2.2 trainer's percentage of the stake is 10 per cent; and
 - 4.2.3 driver's percentage of the stake is 5 per cent.
- 4.3 A trainer or driver may notify the Club, or HRNZ on behalf of the Club, that they are electing to provide their services to the Club as a trainer or driver (or as both a trainer and driver if applicable) of a horse for nil consideration. Where such a notification has been given the owner's percentage of the stake is:
 - 4.3.1 95 per cent where the trainer has notified to the Club, or to HRNZ on behalf of the Club;
 - 4.3.2 90 per cent where the driver has notified to the Club, or to HRNZ on behalf of the Club; and
 - 4.3.3 100 per cent, where both the trainer and driver have notified to the Club, or to HRNZ on behalf of the Club.
- 4.4 The owner's percentage shall be 100 per cent if clause 4.2, 4.3.1, and 4.3.2 does not apply.
- 4.5 A Club, or HRNZ on behalf of a Club, shall pay to the owner, trainer, and driver their percentage of the stake.

5. GOODS AND SERVICES TAX

- 5.1 An owner, trainer, or driver who is registered under the Goods and Services Tax Act 1985, shall within three working days after becoming registered notify HRNZ of such registration and of their Goods and Services Tax registration number.
- 5.2 An owner, trainer, or driver who ceases to be registered under the Goods and Services Tax Act 1985 shall within three days of ceasing to be so registered notify HRNZ.
- 5.3 When HRNZ is notified an owner, trainer, or driver is registered under the Goods and Services Tax Act 1985 the payment under clause 4.4 shall be calculated plus any applicable GST.
- 5.4 When HRNZ is not notified an owner, trainer, or driver is registered under the Goods and Services Tax Act 1985, or notifies they have ceased to be so registered, the payment shall be deemed to be GST inclusive and shall not be subject to GST.
- 5.5 When a Club, or HRNZ on behalf of and in the name of the Club, issues any tax invoice, credit note, or debit note required under the Goods and Services Tax Act 1985 in respect of a supply made to it by a GST registered owner, trainer or driver then it shall have the words "buyer created tax invoice – IRD approved" contained in a prominent place on that document.
- 5.6 An owner, trainer, or driver who is a person registered under the Goods and Services Tax Act 1985 shall not issue a tax invoice, credit note, or debit note in respect of any

amount payable to him or her pursuant to these regulations as a result of a stake credited by a Club. The Club, or HRNZ on behalf of a Club, shall be deemed to agree that the owner, trainer, or driver shall not issue a tax invoice, credit note, or debit note to it in respect of any such amount.

6. DEDUCTIONS FROM STAKES

- 6.1 A Club or HRNZ may deduct from any payment required to be made to an owner, trainer or driver under this Regulation any:
 - 6.1.1 amount which the Club, or HRNZ on behalf of a Club, is legally obliged to deduct for tax;
 - 6.1.2 unpaid fees;
 - 6.1.3 unpaid fines, costs, or other penalty or sanction payable under the Rules;
 - 6.1.4 other amount payable by the owner, trainer, or driver under the Rules, to HRNZ, or a Club in connection with any of its activities or operations if, and to the extent, that any such amount is outstanding; and
 - 6.1.5 other deductions or set-offs authorised by the owner's contact, trainer, or driver in writing.

7. OWNERS, TRAINERS, AND DRIVERS NOMINATED BANK ACCOUNT

- 7.1 On qualification of a horse, **or the registration of a horse** or on the registration of a transfer or joint interest of a horse, the owner or owners or the owner's contact shall nominate a New Zealand bank account **or for overseas residents an overseas bank account** (the Nominated Bank Account) to which any stakes payable under these Regulations shall be transferred.
- 7.2 The details of the owner's contact may be changed at any time electronically, or by notice in writing on the prescribed form signed by the owner's contact.
- 7.3 If all the owners included in the entity nominate electronically or in writing that their individual share of the stakes be transferred to their individual nominated New Zealand bank account, the payments will be divided between the owners according to the percentage recorded in the horse's ownership or lease papers and be paid accordingly.
- 7.4 Every trainer and driver shall nominate a New Zealand bank account **or for overseas residents an overseas bank account** (the Nominated Bank Account) to which payments under this Regulation shall **be** transferred.
- 7.5 The details of a Nominated Bank Account in clause 7.1 or 7.4, or the individual nominated bank account referred to in clause 7.3, may be changed at any time electronically, or by notice in writing on the prescribed form.
- 7.6 All payments of stakes by a Club, or by HRNZ on behalf of a Club, shall be by way of direct credit transfer to the Nominated Bank Account unless clause 7.3 applies.
- 7.7 Where the owner's contact does not provide a Nominated Bank Account under clause 7.1, each owners does not provide an individual nominated bank account under clause 7.3, or a trainer or driver does not provide a Nominated Bank Account under clause 7.4 the Club, or HRNZ on behalf of the Club, must withhold the direct credit transfer of stakes until such details are provided to the satisfaction of the Club, or HRNZ on behalf of the Club.
- 7.8 In the event of a payment being made by a Club, or HRNZ on behalf of a Club, to a person who is not entitled to it such person shall immediately return the amount of that

payment to the Club, or HRNZ on behalf of the Club. Any failure to do so is a Serious Racing Offence.

8. HOLDING OF FUNDING

- 8.1 After HRNZ has received the funding from TAB NZ (via Racing New Zealand) HRNZ may hold the funds for a further five (5) working day period.

9. TIMING OF PAYMENT OF STAKES

- 9.1 The payment of stakes to the owner, trainer, and driver shall be made as soon as reasonably practicable and no later than 30 working days after the race except the following rules apply:
- 9.1.1 Rule 806(4) and (5) which relates to when an examination, inspection, observation, or sample from a horse relation of the administration of a prohibited substance.
 - 9.1.2 Rule 881(1) which requires the stake to be held for 7 days and pending the results analysis of any sample taken from the horse under rule 214(3).
 - 9.1.3 Rule 881(2) which requires the stake to be held if:
 - 9.1.3.1 the Club or HRNZ has been advised by the Chief Executive to withhold the payment of the stake;
 - 9.1.3.2 proceedings have been commenced before an Adjudicative Committee that may affect to whom the stake is paid; or
 - 9.1.3.3 the time for filing an appeal has not expired, or the hearing of an appeal the determination of which may affect to whom the stake is paid, has not concluded.
 - 9.1.4 Where an owner notifies HRNZ in writing of a dispute as to matters the subject of these Regulations, all stakes shall be held by HRNZ pending receipt of written notification of the resolution of the dispute.
 - 9.1.5 Any other rule which permits the withholding of the payment of stakes.

10. TIMING OF PAYMENT OF RACE-DAY PAYMENTS TO CLUBS

- 10.1 The race-day payment to a club under the funding arrangement from time to time in place, less any race-day deductions, shall be made into the Club's nominated bank account as soon as reasonably practicable and no later than 30 working days after the race meeting.

11. SLOT RACES

- 11.1 These regulations apply with necessary modification to slot races.
- 11.2 Provided the slot entry fees have been transferred to HRNZ, the stakes in a slot race shall be paid by HRNZ (on behalf of a Club) in accordance with the Slot Holder Agreement Terms or any private arrangement notified to HRNZ under those terms.
- 11.3 If the Slot Holder Agreement does not provide for the stake to be paid in part to the horse owner and part to the slot holder and no private arrangement has been notified to HRNZ the stake otherwise payable shall be held by HRNZ, on behalf of the Club, until the private arrangement has been notified to HRNZ.
- 11.4 The trainer's 10 per cent of the stake and the driver's 5 per cent of the stake applies only to the first five placed horses in slot races.

- 11.5 The percentage split of the balance of stake payable by the Club and the responsibility for any other costs shall be agreed between the slot holder and the horse owner and recorded in a private arrangement under the Slot Holder Agreement.
- 11.6 Stakes payable to the horse owner by the Club are paid solely in consideration for services provided by the horse owner to the Club (and do not relate to any goods or services provided by the slot holder to the horse owner).
- 11.7 Stakes payable to the slot holder by the Club are paid solely in consideration for services provided by the slot holder to the club (and do not relate to any goods or services provided by the horse owner to the slot holder).
- 11.8 If the private arrangement between the slot holder and the horse owner increases the amount of stake payable to the trainer and or driver, the total stake payable by the club to the trainer or driver is paid solely in consideration for services provided by that trainer or driver to the club (and does not relate to any goods or services provided by that trainer or driver to the owner or slot holder).
- 11.9 Solely for the purposes of enabling HRNZ to pay the slot holder and the horse owner on behalf of the Club through the Centralised Stakes Payment Scheme, the slot holder is deemed to be an owner under these HRNZ Regulations.
- 11.10 One week prior to the race the slot holder shall submit to the Club in writing:
- (a) The full legal name of the slot holder or slot holders, their physical address, their email address and telephone number.
 - (b) The percentage share in the slot attributed to each slot holder.
 - (c) Each slot holder's bank account details, e.g. bank, branch, address, account name and account number.
 - (d) The slot holder's New Zealand GST number if the purchase of the slot is part of a taxable activity conducted by the slot holder. Determination of the taxable activity status is entirely the responsibility of the slot holder and neither the Club nor HRNZ accept any liability or responsibility for the determination of the eligibility of taxable activity status claimed.