

# LTPA Minutes of Meeting on 7th September 2021

## Formal Agenda items

- Meeting opened at: 7:30 PM
  - Present: Cliff McNabb, Joe Hoonhout, Logan Hamilton
  - Any apologies for today: Rae Nield
  - Accept that the minutes from our previous (formal) association meeting (3<sup>rd</sup> August 2021) are a true & accurate record. Moved: Cliff Seconded: Joe
1. Cliff McNabb has taken over the Treasurer's role, we got updates from Cliff on the ASB account balances. Thank you Cliff.  
We will shift the funds from our long-term deposit account into our current account when this matures on 22<sup>nd</sup> of September. Cliff has stopped the long-term annual auto-renewal.
  2. Follow up on action points arising from the previous minutes. Cliff has started the process to change the association's name and address with the Incorporated Society's Register. A progress update from Cliff on this please. This is in progress.  
We also needed to prepare and ratify the 2019, 2020 financial statement, this is overdue. Update from Cliff on finding a bookkeeper to assist with this.  
Rae has prepared the financial statements for 2019 and 2020, these will be signed and submitted in the next few days.
  3. Last year we discussed that the association could potentially sponsor (refund) a portion of a consultation with Rae for members. Rae today explained in an email to us that there is potential for conflict, and that this could also result in complaints (from other lawyers). This proposal has been withdrawn.
  4. Agenda items that were postponed from the previous meeting:
    - An update from John, our Secretary, on progress with the membership.
    - We need more website content to make the website useful. All practical suggestions are welcome. Please send suggested website content directly to the President and after moderation we will arrange to have it published.

We need to set a date for our next meeting.

Proposed date: 12<sup>th</sup> October, 7:30 PM

## Housekeeping:

Cliff mentioned that we need to get the membership up again, we have a list from a few years ago, Cliff will work through that to see if these are still operating.

The traders.org.nz domain name was renewed (this was the original web address for the organisation and it now redirects to our ltpa.org.nz website).

## General Business:

There was a brief discussion about the commerce commission and our position on this. We have informed the commerce commission of our stance on this in writing: pawnbrokers do not have a credit contract with their customers. To avoid confusion, members must stop using the words "interest" and "loan" in relation to pawn transactions. "Interest" should be replaced with "redemption fee" and "loan" with "advance". There can be no obligation on customers to repay. It is

always the customer's choice to pay the redemption fee, and only the redemption fee, to redeem goods.

At this stage our position on this is to wait and see how this develops. We believe that the commerce commission is targeting payday loans. With pawnbroking there is no obligation on customers to repay.

Logan was looking for clarification on goods that are reported as being stolen. Cliff mentioned that there is a training program for the correct way of dealing with those cases.

Logan suggested that if pawnbroking is considered as a fee-based activity then would GST apply? Cliff's view is that pawnbroking comes under finance so GST does not apply. Someone selling second-hand goods however is liable to pay GST.

Logan believes that when a pawn loan gets sold then GST is liable on the interest portion of that, once it goes into stock and gets sold. Cliff suggests that it would not be liable for GST if the item is sold on TradeMe through the pawnbroking shop.

Logan believes that's only if it's changed back to a pawn loan, but once it goes into stock and gets sold GST would apply. Cliff's view is that it becomes an argument of how the majority of your income is generated. If that is pawning then that takes precedence. A shop like Cash Converters would be liable to pay GST as it is primarily a second-hand shop.

Logan suggests then in his case there may be an argument to run the pawn and the second-hand sales parts of the business separately.

Meeting closed: 7:57 PM