



Mahony Horner Lawyers

INCORPORATED SOCIETIES UPDATE

25 OCTOBER 2023

RE-REGISTRATION AND GOOD GOVERNANCE

On 5 October 2023 the window opened for incorporated societies to re-register under the new Incorporated Societies Act 2022.

The new Act substantially increases what needs to be covered in your society's rules or constitution.

New rules are required for dispute resolution. Record keeping and reporting requirements are heightened, while officer's duties have been enshrined in statute.

New rules are required for dispute resolution, and record keeping requirements are increased, all while the obligations of committee or board members have been set out clearly in the Act.

Re-registration must be completed by 5 April 2026. The process of updating your rules will involve time and planning, and a General Meeting, so make sure not to leave it too late.

We are here to help if you need assistance ensuring you comply.

What are the big changes?

The focus of the new Act is on ensuring incorporated societies receive high-quality governance, that the law is accessible, and that societies are not carried on for the financial gain of their members. The changes include:

Ensuring good record keeping

Incorporated societies already need to keep membership registers, but the new Act requires contact information be kept for members.

Avoiding conflicts of interest

Legislative requirements are imposed around disclosing, recording, and managing conflicts of interest.

Ensuring transparency

Members have access rights to information held by the society.

Preventing distributions to members

The Act makes clear that the property of the society does not belong to its individual members. The society cannot be operated for the financial gain of its members, and if it is wound up its assets cannot pass to the members.

Setting out officer duties clearly

The Act spells out clearly the obligations of officers to act in the society's best interests - and imposes penalties for breaches of those duties.

Requiring dispute resolution processes

All societies must have dispute resolution processes set out in their rules that provide for principles of natural justice.

And much more!

Get in touch if we can help:

Tom Mahony, Principal
Chris Scarrott, Senior Associate



Tom.Mahony@mhlaw.co.nz
Chris.Scarrott@mhlaw.co.nz



04 974 4703 / 029 454 4005
04 974 4175 / 022 361 0151

What do you need to do?



So that's what needs to change, but how do you go about making the changes?

First you will need to amend your constitution or rules to comply with the new requirements. If you have not already done this, we are here to help. We can assist by preparing or reviewing bespoke rules suiting your society.

The rules themselves can only become binding on your society by being passed at a general meeting. Your existing rules might also contain heightened requirements for passing amendments.

At the same general meeting you will need to pass a resolution directing that the Society be re-registered under the new Act.

By default applications for re-registration need to be completed through the registry's online portal, and that requires the person completing the form to have a 'RealMe' account. There is no cost to re-register.

The following further information is required when applying for re-registration:

1. The name of the society;
2. The name, address and phone number of a contact person (as determined under the rules - it need not be one of the officers);
3. A copy of the constitution;

4. NZBN and Incorporated Society Registration number;
5. The physical address of the registered office;
6. Confirmation of the balance date (31 March if none is specified);
7. The following information in respect of proposed officers:
 - a. Their names;
 - b. Their physical address;
 - c. Their consent in writing to be an officer;
 - d. Certification from each named officer that they are not a disqualified person;
8. Confirmation from one of the named officers that the society has at least ten members; and
9. Confirmation from one of the named officers that the constitution is compliant.

Timeline

5 April 2023 – New Act passed;
September 2023 – Regulations finalised;
October 2023 – April 2026 – Re-registration period under the new Act (2.5 years).

At any time during this period, you can re-register and at that point of reregistration, you'll switch from being governed by the 1908 Act to being governed by the new 2022 Act - just bear in mind the time it takes to make the amendments, convene the necessary meetings, and submit the paperwork.

Get in touch if we can help:

Tom Mahony, Principal
Chris Scarrott, Senior Associate



Tom.Mahony@mhlaw.co.nz
Chris.Scarrott@mhlaw.co.nz



04 974 4703 / 029 454 4005
04 974 4175 / 022 361 0151