

## Important Information for INCORPORATED SOCIETIES

Are you involved in an incorporated society, if so the society was probably incorporated under the rules laid down in the 1908 Act. In October 2023 a new act came into force and this means you will have to make some substantial changes to your rules and then reregister. Failure to reregister by April 5<sup>th</sup> 2026 will result in your organization being removed from the register, in other words it will no longer legally exist.

Decisions to be made include:

Are you an incorporated society?

If unsure then go to the NZ Companies Register web site, <https://companies-register.companiesoffice.govt.nz/> (hover over link, ctrl + left click mouse to open)

click all registers (top right),



then scroll down to incorporated societies.



Click on this button, then enter the Society name in the search box.

The below link takes you directly to the Incorporated Societies page. <https://is-register.companiesoffice.govt.nz/> (hover over link, ctrl + left click mouse to open))

If you are not listed you are not an incorporated society and no further action is required

If you are listed, then you have to ask yourselves is our purpose still relevant and do we want to continue?

If you do wish to continue, then you have the choice of remaining an incorporated society or changing to some other body such as a charitable trust or amalgamating with a like organization. Remember that changes in legal status will not just require new rules but changes to other matters such as reporting requirements, governance, and banking.

Those who decided to remain an incorporated society will still need a new set of rules, called a constitution. Help is available on the NZ Companies Office web site, click all registers. Click incorporated societies, click law changes for societies. This gives lots of useful information on what is required in your new rules and how to proceed, including a webinar on the subject. A draft constitution is also provided.

For your interest the following are the changes made to the 1908 Act

	1908	2022
Minimum number of members	15	10
Committee	Not required	Minimum of 3
Officer	Not defined	Included all committee members
Officer duties	Not articulated	Six broadly expressed duties the same as those in the Companies Act
Dedicated contact person	No requirement	At least one should be appointed
AGM	No guidance	Must be held within 6 months of balance date
Financial statements	Filed annually	Filed within 6 months of balance

		<b>date</b>
<b>Preparation of Financial statements</b>	<b>Not required to apply XRB accounting standards</b>	<b>XRB standards required for most Incorporated Societies</b>
<b>Rules document</b>	<b>Called Rules</b> The Act sets out what must be included, but it's a relatively small list of mandatory rules.	<b>Called Constitution</b> The Act and Regulations set out what your constitution must contain and includes different mandatory provisions than the 1908 Act.
<b>Name</b>	<b>Must have a name that ends with the word 'Incorporated'.</b>	<b>Must have a name that ends with the word 'Incorporated', 'Inc' or the word 'Manatōpū'.</b>
<b>Review of draft constitutions (rules documents)</b>	<b>The Registrar of Incorporated Societies may (at their discretion) review any proposed rules or alteration of rules where such rules or alterations have not yet been enacted by a society.</b>	<b>The Registrar of Incorporated Societies is not required to review draft constitutions. The society's officers must ensure the constitution complies with the Act.</b>
<b>Use of te reo Māori in records and documents</b>	<b>Documents must be written in English.</b>  <b>All records must be kept in English.</b>	<b>Documents, such as the constitution and bylaws or documents required under the Act can be written in te reo Māori or English.</b>  <b>All records, including financial records, can be kept in te reo Māori or English.</b>
<b>Resolving disputes</b>	<b>The Act doesn't specifically require societies to have procedures for resolving disputes.</b>	<b>All societies must have procedures for managing internal disputes in a way that's consistent with natural justice. These must be documented in a society's constitution.</b>
<b>Distribution of surplus assets after winding up</b>	<b>Surplus assets can be given to any party in accordance with the rules of your society, this includes distribution to members</b>	<b>Surplus assets must be given to an identified not-for-profit organisation or class of organisation that is identified in your constitution.</b>
<b>Amalgamations</b>	<b>No legislative framework for amalgamations of 2 or more societies.</b>	<b>Amalgamations can take place in a similar way to the Companies Act 1993, but follow a simplified process for Incorporated Societies.</b>
<b>Criminal offences</b>	<b>Generic offences set out in the Crimes Act 1961.</b>	<b>Six offences that target egregious conduct including:</b>  <b>Making false statements</b>  <b>Fraudulent use or destruction of property</b>  <b>Falsification of documents</b>

		<b>Defrauding of creditors</b> <b>Improper use of 'Incorporated', 'Inc'</b> <b>or its te reo version 'Manatōpu'</b> <b>Breaching of a banning order.</b>
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**REMEMBER** You will have to consult your membership about any changes so it is best to start the process as soon as you are able .

Help is also available from seminars run by the Taranaki Community Law Office

The Wheelhouse

Volunteering New Plymouth

As well as the websites noted above.