# Incorporated Societies Act 2022 -Introduction

On 5 April 2022 the Incorporated Societies Act (ISA) 2022 was passed, replacing the Incorporated Societies Act 1908. Under this Act, all Incorporated Societies will need to re-register to remain an Incorporated Society. You can re-register from now through to **5 April 2026.** 

**Before** you re-register you need to update your constitution to ensure it is compliant with ISA 2022. NNZ has had our lawyers create a template for clubs which is compliant with ISA 2022. It is not the only template which will be compliant. You are welcome to use other templates if they suit your situation better.

You can read more about the pros and cons of incorporation (prepared by Sport New Zealand) here: Pros and Cons of Incorporation.

# **Operating under ISA 2022**

# Running a society under ISA 2022:

- must have at least 10 members.
- You must have a governing committee (minimum 3 people)
- The society must appoint 1-3 contact people.

# The governing committee:

- Committee members must consent in writing to being a committee member
- most committee members must be members of the society
- Officers have new duties including acting in good faith and in the best interests of the society.
- must not be disqualified from bring an Officer
- New rules define conflicts of interest and a duty to disclose these

# Other important changes:

- Members must consent to being members (if you use a membership platform such as Sporty, check the terms and conditions of registration for consent).
- Register of members to be kept. Including ceased members for 7 years.
- Simplified financial reporting for "small" societies.
- If not a "small" society, XRB financial reporting rules apply
- AGM must be held within 6 months of Balance date and an annual return submitted.

#### In your constitution you must have:

- Dispute resolution processes that are consistent with the rules of natural justice.
- How each contact person is appointed or elected
- How members and officers give their consent
- Whether and how written resolutions may be passed instead of holding general meetings



# **Re-registration decisions**

#### If you do nothing:

Any society that doesn't reregister before 5 April 2026 will cease to exist. This:

- removes your right to make decision such as deciding what happens to any assets owned.
- No longer protects your name. another group can incorporate using it.
- Takes away separate legal identity meaning members can be held personally liable for debts and obligations.

#### If you decide not to re-register:

The society might decide to appoint a liquidator, or it can apply to be dissolved. In either case you will need to check your constitution – it may set out the steps you must take to deal with assets and meetings that must be held.

#### If you decide to re-register:

Prepare to operate and comply with ISA 2022:

- Update the constitution and get approved at a general meeting or special general meeting of the society. The governing committee is responsible for ensuring the constitution is compliant with the 2022 Act.
- A netball club constitution template is being drafted by the Netball New Zealand lawyers

   Sport New Zealand have released general club templates also you can find these <u>here</u>.
- Ensure you have a governing body/committee in place
- Ensure you have updated your processes:
  - To collect member consent
  - Dispute resolution procedures
- **Re-register** on the companies office website

# **Useful links**

# **NZ Companies Office:**

- Key changes
- <u>Getting ready to re-register</u>
- <u>Constitution checklist</u>
- <u>Re-registration videos and tools</u>
- <u>Reporting requirements webinar on</u> how they apply to ISA

# **External Reporting Board**

- <u>Accounting Standards</u>
- <u>New reporting requirements at a glance</u>

# **Sport New Zealand:**

- ISA support including constitution templates
- Pros and Cons of Incorporation
- ISA checklist

# **Official legal documents:**

- Incorporated Societies Act 2022
- Incorporated Societies Act Regulations



# Where to start:

- Add ISA re-registration to your Board or committee agenda.
- Update your Club Board or Committee on the key changes (such as the ones outlined in this document). And decide whether going to re-register.
- Check which financial reporting requirements will apply to your society. This may include a Statement of Service Performance and we recommend starting to consider what you will include in this if so.
- Check your constitution for compliance with ISA 2022 using one of the checklists provided. Alternatively, you can start with a fresh template which is compliant with ISA 2022 and update this (Sport NZ have club templates, and Netball New Zealand will be releasing one also).
- Establish a timeline for re-registration with when you plan to have changes to your constitution passed at AGM prior to re-registration.
- Re-register before 5 April 2026.

# **Other information – Netball Specific:**

Netball New Zealand has been working with our Centres and Zones in the first instance to attain re-registration. Our constitutions are still going through final updates and our intention from here is:

Entity	Intended approval
Netball New Zealand Constitution	AGM – February 2025 – passed
Zones	AGM – approx. March 2025
Centres	AGM or SGM during 2025

If you have any questions, please contact your local Netball Centre, Netball Zone or Netball New Zealand for more information.

Netball New Zealand has a dedicated ISA email account for queries – <u>isa@netballnz.co.nz</u>. We will assist where possible.

