

Incorporated Societies Act 2022

Comparisons between 1908 Act and 2022 Act

Topic	1908 Act	2022 Act
Minimum number of members	15	10
Internal disputes	No requirement to have internal dispute resolution procedures	A society must have adequate dispute resolution procedures, and these must be specified in its constitution
Committee requirement	Committee not required	Must have a committee of at least 3 members
Independent members of committee	N/A	Unless <u>regulations</u> ¹ prescribe otherwise, majority of committee must be society members
Concept of an officer	Not explicitly defined	Includes all committee members, as well as others, for example, treasurer, CEO
Officers' duties	Duties are not clearly articulated	Six broadly expressed duties modelled on directors' duties in the Companies Act 1993 to: <ol style="list-style-type: none"> 1. Act in good faith and in the best interests of the society 2. Exercise powers for proper purposes only 3. Comply with the Act and the constitution 4. Exercise reasonable care and diligence 5. Not create a substantial risk of serious loss to creditors 6. Not incur an obligation the officer doesn't reasonably believe the society can perform
Annual General Meeting (AGM)	No guidance	Must be held within 6 months of the society's financial year end
Financial statements filed with Registrar	Must be filed annually	Must be filed within 6 months of the society's financial year end
Annual return	No requirement to file an annual return	Must be filed annually <u>as outlined in section 109</u>
Manner of preparing financial statements	A society is not required to apply XRB accounting standards, unless it's also a registered charity	Only a ' <u>small society</u> ' not registered as a charity is exempt from using XRB accounting standards
Distribution of <u>surplus assets</u> ² after winding up	Surplus assets can be given to any party	Surplus assets can be given to any party
Amalgamations	No legislative framework for amalgamations of 2 or more societies	Amalgamations can take place as outlined in the Companies Act 1993, but follow a more simplified process
Criminal offences	Generic offences set out in the Crimes Act 1961	Six offences that target egregious conduct including: <ol style="list-style-type: none"> 1. Making false statements 2. Fraudulent use or destruction of property 3. Falsification of documents 4. Defrauding of creditors 5. Improper use of 'incorporated' or its Te Reo version 'manatōpu' 6. Breaching of a banning order

1. The regulations are expected to be finalised before October 2023
2. Surplus assets are all assets remaining after the society's outstanding debts are paid.