



## COVERSHEET

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|-------------------------------|--|-----------------------------|-------------------------------|
| <b>Minister</b>               | Hon Kris Faafoi  | <b>Portfolio</b>            | Commerce and Consumer Affairs |
| <b>Title of Cabinet paper</b> | Proposed Insolvency Practitioners Regulations: Policy Approval | <b>Date to be published</b> | 15 April 2020                 |

### List of documents that have been proactively released

| <b>Date</b>      | <b>Title</b>  | <b>Author</b>   |
|------------------|---|---|
| 12 February 2020 | Proposed Insolvency Practitioners Regulations: Policy Approval  | Office of the Minister of Commerce and Consumer Affairs |
| 12 February 2020 | Appendix 1 – Regulatory Impact Assessment: Insolvency Practitioners Regulations                                     | MBIE  |
| 12 February 2020 | Appendix 2 – Regulatory Impact Assessment: Insolvency Practitioners Reporting Requirements                          | MBIE  |
| 12 February 2020 | Appendix 3 – Cost Recovery Impact Statement: Regulations to Introduce Insolvency Practitioners Scheme Fees and Levy | MBIE  |
| 12 February 2020 | Appendix 4 – Tables Relating to the Proposed Fees And Levy  | Office of the Minister of Commerce and Consumer Affairs |
| 12 February 2020 | Appendix 5 – Memorandum Account Impact for Proposed Costs, Fees and Levy  | Office of the Minister of Commerce and Consumer Affairs |
| 12 February 2020 | DEV-20-MIN-0002   | Cabinet Office – Cabinet Economic Development Committee |

### Information redacted

**NO**

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

## APPENDIX 4 – TABLES RELATING TO THE PROPOSED FEES AND LEVY

Table 1 below provides a summary of the forecast cost and who is affected by the proposed fees and levy under the insolvency practitioner regulation scheme. The proposed costs, fees and levy in this paper are expressed as GST exclusive except where stated otherwise.

*Table 1 – Proposed cost of insolvency practitioner regulation scheme*

| Function                | Activities  | Cost (\$m)   | Impacted by fee  | Recovered through                         |
|-------------------------|---|--------------|--|---|
| Register                | Maintaining and updating the register   | 0.017        | 100 insolvency practitioners licences and annual confirmation in subsequent years                  | Proposed fees on insolvency practitioners |
| Oversight of the scheme | Accreditation assessment<br>Scheme compliance: <ul style="list-style-type: none"> <li>• Education/awareness</li> <li>• Monitoring/data analytics/reporting</li> <li>• Enforcement</li> </ul> General management | 0.605        | 560,000 companies filing annual returns and 55,000 net growth in company registrations (per year)* | Proposed levy on companies                |
| <b>Total cost</b>       |   | <b>0.622</b> |  |   |

\*New registrations minus deregistrations

Table 2 shows how much it costs to cover each of the activities (cost to service), calculated by total cost divided by forecast volumes, compared to the proposed fees. The proposed fee has been rounded. The fee in the regulations will be stated as exclusive of GST.

*Table 2 – Proposed fees and levy*

| Proposed fees/levy (\$)                             | Cost to service | Cost to service<br>GST incl | Proposed fee and levy -<br>Regulations | Proposed fee and levy -<br>Regulations<br>GST incl |
|---|-----------------|-----------------------------|--|--|
| Licence registration fee                            | \$169.30        | \$194.70                    | \$165.00                               | \$189.75   |
| Licence confirmation fee (annual)                   | \$108.66        | \$124.95                    | \$105.00                               | \$120.75   |
| Levy on new incorporation and company annual return | \$0.98          | \$1.13                      | \$1.00                                 | \$1.15   |