

Submission on *Consultation on regulations for the Incorporated Societies Act 2022*

Your name and organisation

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Organisation (if applicable)	Te Kāhui Inihua o Aotearoa (The Insurance Council of New Zealand)
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Responses to questions

Part 2 of the discussion document: section 254

	Matter	Question
1	<i>Prescribing information that must be included or provided</i>	Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(a)?
	ICNZ is supportive of the proposals for regulations under section 254(1)(a). In particular, we agree with the proposal not to set regulations requiring certain information in an annual report beyond what is already prescribed by section 86(1). We believe that it is best left to each society and its members to determine what information should be provided about the society's operations and affairs.	
2	<i>Prescribing the manner in which things must be done</i>	Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(b)?
	ICNZ is comfortable with the proposed regulations under section 254(1)(b) and agrees that making communications online is the most efficient method. We are also supportive of the proposed deadlines for providing an annual return and noting a change in registered office.	
3	<i>Authorising the Registrar to determine the manner in which things must be done</i>	Do you agree with MBIE's proposal that no regulations should be made at this stage under section 254(1)(c)?
	ICNZ agrees that no regulations should be made at this stage.	
4	<i>Declaring persons to be, or not to be, officers</i>	Do you agree with MBIE's proposal that no regulations should be made at this stage under section 254(1)(d)?
	ICNZ agrees with MBIE's proposal that no regulations should be made at this stage under section 254(1)(d), particularly as this aligns with the position under the equivalent provision of the Charities Act 2005.	
5	<i>Prescribing circumstances related to independent committee members</i>	Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(e)?
	No comment.	

6	<i>Prescribing jurisdictions whose officer disqualifications we will recognise</i>	Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(f)?
	No comment.	
7	<i>Prescribing the types of changes in officer information that must be notified</i>	Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(g)?
	ICNZ believes that the proposed information change triggers for notifying the Registrar are appropriate. It is important that this information remains up to date in case there is a need for the Registrar to contact the society.	
8	<i>Regulating constitutional provisions on conflicts of interest</i>	Do you agree with MBIE's proposal that no regulations should be made at this stage under section 254(1)(h)?
	ICNZ agrees with the proposal and does not see any need for regulations relating to conflicts of interest at this time.	
9	<i>Prescribing societies that can restrict general meeting attendance to delegates</i>	Do you have any suggestions regarding regulations that should be made under section 254(1)(i)?
	ICNZ does not take a strong position either way on this point, as it is not relevant to our membership which is at a number where all members are able to attend the annual general meeting.	
10	<i>Defining the term 'total current assets'</i>	Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(j)?
	While the definition of a "small" society would not apply to ICNZ, we believe that the proposed definition in paragraph 73 seems appropriate.	
11	<i>Prescribing additional requirements for the financial statements of small societies</i>	Do you agree with MBIE's proposal that no regulations should be made at this stage under section 254(1)(k)?

	<p>ICNZ agrees that there should not be any regulations made at this stage as we agree that complying with the legislation can already be onerous for small societies and compliance obligations for those societies should therefore not be increased unless absolutely necessary.</p>	
	<p><i>Determining the class of society that must have its financial statements audited</i></p>	<p>Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(l)? For example, do you agree that focusing on the proportion of societies that should be captured is appropriate?</p>
12	<p>ICNZ supports the proposed regulations under section 254(1)(l) that will set the threshold for audits at a total operating expenditure of \$3 million or more. We agree with the commentary in the Consultation Document that, given the financial and administrative burden created by carrying out an audit, the threshold should be a higher one. While the argument could be made for different proportions of societies to be captured by the audit requirement, we believe that the proposed 1% target is appropriate.</p>	
	<p><i>Setting infringement fees</i></p>	<p>Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(m)?</p>
13	<p>As the limit under the legislation for infringement fees is \$1,000, we believe the proposed fees in paragraph 113 seem appropriate.</p>	
	<p><i>Prescribing the information to be included in infringement and reminder notices</i></p>	<p>Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(n)?</p>
14	<p>ICNZ is supportive of the proposed form of both the infringement and reminder notices.</p>	
	<p><i>Removal and restoration of societies from the register</i></p>	<p>Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(o)?</p>
15	<p>ICNZ supports the proposals regarding regulations under section 254(1)(o).</p>	
	<p><i>Prescribing certain matters relating to surplus assets</i></p>	<p>Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(p)?</p>
16	<p>ICNZ believes that the proposals regarding regulations under section 254(1)(p) seem sensible, and particularly agrees that this legislation should align with best practice under other legislation, where possible.</p>	

17	<i>Prescribing procedural requirements for surplus asset 'resolutions'</i>	Do you agree with MBIE's proposal that no regulations should be made at this stage under section 254(1)(q)?
	ICNZ agrees that there is no need for regulations under section 254(1)(q) at this time.	
18	<i>Prescribing how documents must be served on a society</i>	Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(r)?
	ICNZ agrees with the proposals for regulations under section 254(1)(r). We are pleased to see alignment with the Companies Act 1993 and are particularly supportive of the provisions relating to service via email. We believe that the regulations relating to proof of service are sensible.	
19	<i>Prescribing how documents must be served on a person</i>	Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(s)?
	ICNZ is largely supportive of the proposals for how a person may be served. However, we encourage MBIE to reconsider whether it is appropriate to include the option for service at a person's residential address (in terms of privacy and safety), especially when there are so many other options available for service.	
20	<i>Prescribing matters relating to the incorporated societies register</i>	Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(t)?
	ICNZ agrees with the proposals regarding regulations under section 254(1)(t).	
21	<i>Specifying matters concerning conversion into an incorporated society</i>	Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(u), (v) or (w)?
	No comment, as this provision would not be relevant to ICNZ.	

Part 3 of the discussion document: section 254

	Matter	Question
22	<i>Setting fees for the performance of functions or the exercise of powers</i>	Do you have any suggestions on regulations that should be made under section 255(1)(a)?

	<p>ICNZ recognises that it is reasonable to expect a fee to be paid to cover administrative costs associated with being an incorporated society. However, in setting fee levels, ICNZ encourages MBIE to consider, as far as possible, structuring fees in a way that is proportionate to the size of the incorporated society. What may seem like a nominal fee to some, could be financially burdensome for other, smaller societies. We would therefore be supportive of a fee being set, for example, using a banded structure, which takes into account different financial thresholds of all the incorporated societies, while also recognising the purposes of the legislation such as making the law of societies more accessible.</p>	
23	<i>Setting late fees</i>	Do you have any comments on MBIE's proposals regarding regulations under section 255(1)(b)?
	ICNZ agrees with the proposed late fees. While there should be a fee for non-compliance, we do not believe that this should be onerous.	
24	<i>Setting other fees</i>	Do you agree with MBIE's proposal that no regulations should be made at this stage under section 255(1)(c)?
	We do not believe that there is a need for any other fees at this stage.	

Part 4 of the discussion document: section 254

	Matter	Question
25	<i>Providing that certain rules apply</i>	Do you agree with MBIE's proposal that no regulations should be made at this stage under section 256(1)(a)?
	ICNZ agrees that regulations are not required at this stage under section 256(1)(a).	
26	<i>Providing that certain legislative rules do not apply</i>	Do you agree with MBIE's proposal that no regulations should be made at this stage under section 256(1)(b)?
	ICNZ agrees that regulations are not required at this stage under section 256(1)(b).	
27	<i>Prescribing matters for the purposes of Part 1 of Schedule 1</i>	Do you have any comments on MBIE's proposals regarding regulations under section 256(1)(c)?
	ICNZ is comfortable with the proposed regulations under section 256(1)(c). In particular, we believe that the information to accompany a reregistration application and a fee of around \$50 are appropriate.	

Other comments

<p>Please note that while ICNZ is a representative body for the general insurance sector, this submission contains views that are ICNZ's alone, as an incorporated society, and do not purport to be the views of our members.</p>
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