

Incorporated Societies Act 2022

Introduction

With almost 25,000 incorporated societies in New Zealand, ranging from small special interest groups to large organisations controlling significant assets, compliance with the new Incorporated Societies Act 2022 ("the Act") is crucial. The Act replaces the outdated 1908 legislation, introducing modern governance standards to ensure transparency, accountability, and sound management of societies.

Existing societies have until April 2026 to re-register, and most will need to adopt a new constitution to comply with the Act. Societies that fail to re-register by the deadline, risk being automatically de-registered.

KEY REQUIREMENTS UNDER THE ACT

Membership

Incorporated societies must maintain a minimum of 10 members at all times. If membership falls below this threshold, the society risks being de-registered. Societies must also keep an up-to-date membership register, recording essential details such as names, addresses, and membership start and end dates.

Written consent to membership is now required for all members, whether individuals or corporate bodies. This consent is a crucial part of maintaining the society's transparency and accountability.

Governance

The governance of all societies must be overseen by a committee consisting of at least three natural persons, with a majority being the members of the society. Committee members must meet qualifying criteria under section 47 of the Act and are subject to officers' duties under sections 54 to 61, which include acting in good faith, avoiding conflicts of interest, and exercising due care and diligence.

Each society's constitution must outline the powers and responsibilities of the committee, the process for electing and removing officers, quorum requirements, and voting procedures at committee meetings.

Financial Reporting

Financial reporting requirements vary depending on the society's size and assets. Larger societies may need to have their financial statements audited. The committee is responsible for approving the society's annual financial statements and filing copies with the Registrar.

Meetings

The society's constitution must detail the procedures for holding general meetings and annual general meetings (AGMs). The committee must present an annual report and financial statements at each AGM. The constitution should also define the interval between AGMs, but they must occur no later than six months after the society's balance date and within 15 months of the previous AGM.

Amending the Society's Constitution

The process for amending the constitution must be clear. Normally, amendments require written proposals and approval at a general meeting. However, minor technical amendments may be made without a meeting.

Dispute Resolution

The constitution must provide a clear dispute resolution process for members. This procedure must adhere to the principles of natural justice, or the default procedure outlined in the Act can be used.

Winding Up the Society

The constitution must detail how surplus assets will be distributed on winding up. These assets must be transferred to a nominated non-profit organisation or similar class of non-profit. They cannot be distributed to members.

Get in Touch

With the April 2026 deadline fast approaching, now is the time to review your society's constitution and governance processes to ensure compliance with the new Act.

You will need to be mindful that the review, amendment or new constitution must be presented at the next AGM, or you will need to call a special meeting to approve the changes and to re-register your society, **all before April 2026**.

Don't wait until the last minute - contact the team at BlackmanSpargo for expert advice on re-registration and updating your constitution to meet the new standards.