

Frequently Asked Questions



Incorporated Societies Act

Last updated: November 2024

All incorporated societies need to re-register under the Incorporated Societies Act 2022 by April 2026. These FAQs are designed to help you with this process.

CHANGES AND SUPPORT

What do we need to do as a national organisation?

If your Board hasn't already, it should identify a board member to lead this work (this should not be delegated to your CEO or management team) and get underway with the process.

A [national level constitution template](#) is available, alongside a checklist to guide your organisation.

If you are following a phased approach through your federated structure, consider what level of assistance you can give your regional organisation and/or clubs. Share your thinking, approach and timeline with them. This will help reduce duplication and maximise the alignment and consistency of clauses in constitutions where relevant.

What do we need to do as a regional/club organisation?

Regional organisations and clubs should check with their national organisation first (where relevant). If the national organisation is not able to assist, it is time to get your own process underway.

One of the first questions to consider is whether you start afresh with a new constitution or amend your current constitution.

Check out our [regional and club level constitution templates and checklists](#), and [recorded webinars](#).

Must national organisations support all clubs/regions to re-register – where relevant?

It is up to individual national organisations to decide what level of support they can provide to their network.

For example, we expect many national organisations to provide some guidance to regional organisations and clubs to achieve consistency throughout their system, especially when sharing their own constitutional changes. Another approach is to create templates for regional organisations and clubs to help save money on legal costs within your system.

A national organisation might consider an aligned disputes resolution process to apply through all levels of the sport/recreation. While this is not required for re-

registration now, it could be beneficial. Clear and consistent dispute processes that are understood and properly applied should lead to time and cost savings for everyone involved and a reduced risk of challenges to the process.

Are the templates applicable to recreation and education partners as well as sporting organisations?

Our [templates](#) have been designed with recreation and education partners in mind.

Will there be templates for sport and recreation hubs?

While the [templates](#) are aligned to organisations at national, regional and club levels, the regional level template will be helpful to a sport and recreation hub which has other clubs as its members. If a hub has individuals as its members, then the club level template may be more appropriate. All templates need to be adapted to the individual needs of each organisation.

Will Sport NZ be supporting national organisations to identify potential constitutional changes that would help them strengthen their constitutions to meet good governance criteria?

The [templates](#) produced don't solely focus on the changes to incorporated societies, they include other constitutional changes and guidance that support good governance practice.

Will there be support provided for sporting clubs which do not sit under a regional or national sports organisation?

Sport NZ has published a [template, guidance and checklist](#) suitable for an organisation at club level, but all templates need to be adapted to the individual needs of each organisation. There will be consequential changes that result from being a 'standalone' organisation, such as deleting the references to the parent organisation.

If a sport or recreation organisation is new and wants to become an incorporated society, should they wait for more information/updates? What would be your recommendation?

Registration is open for new organisations to become an incorporated society. Sport NZ has published [templates and guidance](#), so you can get started now. If your organisation will become a member of another incorporated society (e.g. a national or regional organisation) then you should check with that organisation first to see if they can provide any assistance. They may also have requirements that must go into your own constitution.

Has Sport NZ liaised with the Incorporated Societies Registrar so they are aware of this recommended phased process, with the focus on the national level first?

Sport NZ has been engaging for over two years with the Incorporated Societies Registrar (Ministry of Business, Innovation and Employment) and they are aware and supportive of the phased sector approach that Sport NZ is recommending.

Will there be any ability to have Sport NZ (or someone) to 'peer review' a constitution or set of constitutions?

Sport NZ will not be able to peer review or provide legal advice on individual constitutions, but this is a great opportunity for collaboration among your networks. The [constitution templates](#) produced by Sport NZ are publicly available to view and contain guidance that support good governance practice.

How do we approach getting our members to support the changes to our constitution?

You may undertake a consultation process and/or host Q&A/feedback sessions with your members. During these you can present the proposed changes to your constitution and explain the rationale behind them i.e. the changes are to comply with the Incorporated Societies Act 2022 (**IS Act**), to update areas of your constitution that are now obsolete or to promote good governance.

Give members sufficient time to consider the changes to the constitution. Allow them to raise questions and seek explanations.

The level of consultation you will need to do with your members depends on the nature and extent of the changes that you are proposing. The more substantial the changes, the more consultation and discussion may be required.

If at the AGM there are clauses we need to modify following the general discussion, can the AGM by formal resolution adjust the proposed constitution and then vote on the modified proposed constitution?

If you need to make *substantial* changes to the constitution at the AGM, it will be too late to make those changes at the AGM itself. You would be breaching the requirement in your constitution to give advance notice of the proposed changes to your members. If you pass a constitution which is substantially different from the one circulated prior to your AGM, you also open yourself up to being challenged by members.

You need to provide sufficient notice of constitutional changes so members can consider those changes and choose to attend and vote at the general meeting.

Making *minor* changes to the constitution at the AGM is more likely to be acceptable if the changes are not substantive and members will not be prejudiced by the changes.

Can we move to accept all the proposed changes to the constitution at once or do we need to go through these item by item at our AGM?

Following an opportunity for members to discuss the constitutional changes at your AGM, ideally you want to vote on all the proposed changes at once. It is not an efficient use of time to go through the constitution line by line at the AGM. It can be helpful for the committee/board to report on the consultation process at the AGM – that they have heard and fully considered differing opinions but having done so, still favour the proposed changes.

By giving members an opportunity to engage with the constitutional change process ahead of the AGM, you can be more confident they have had time to consider the new constitution, ask questions and seek clarification.

LEGAL ADVICE

Do templates need to undergo legal review once adopted by organisations?

While not essential, we recommend that any constitutional changes are checked by a lawyer with specific constitutional and sector expertise. Some national organisations may be able to assist their regional organisations or clubs with legal support and may be able to adapt the constitution templates to be more specific to their code.

Is Sport NZ able to provide a list of lawyers to be used?

This isn't something that is appropriate for Sport NZ to do. We also recognise that organisations may have an existing legal relationship. You can search for lawyers with experience in the sport and recreation sector.

DISPUTE RESOLUTION AND INTEGRITY

Will the new constitution include disputes over athlete selection?

Our view is that selection appeals can be dealt with under a separate procedure outside of the constitution, provided that the disputes process for selection appeals is consistent with natural justice. The Sport NZ [constitution templates](#) have a structure for this to occur.

In addition to disputes between members, will the constitution cover disputes in competition and in tournament?

The dispute resolution procedure must cover disputes between and among members, officers and the organisation. If an incident occurs under the 'rules of the game', our view is that these disputes can be dealt with under a separate procedure outside of constitution, provided that such disputes process is consistent with natural justice. You will need to consider all policies and regulations sitting outside of your constitution that contain dispute resolution procedures.

Is there an opportunity for aligned sports to set up a shared Disputes Resolution Framework e.g. aquatic sports?

Yes, we think there is an opportunity that will need to be coordinated between the aligned sports.

Is there an update on the Integrity Code?

The Sport Integrity Commission is working on a single Integrity Code for the whole sport and recreation sector. From 23 September to 15 November 2024 the Integrity Code was open for public consultation.

The [national constitution template](#) provides an example of how a national organisation might enable the effective application of an integrity code across a sport/recreation.

The clauses do not predetermine that an organisation will adopt any specific integrity code but provide a framework for consistent application where organisations choose to adopt. The clauses may need adjustment to be consistent with the requirements for adoption of the Integrity Code and your membership structure.

If you are a regional organisation or club, you should check first with your national organisation if they are planning to adopt the Integrity Code.

ADDITIONAL

As this is an opportunity to review the structure of our organisation, what are the pros and cons of being incorporated?

Please refer to this [guidance](#) which provides information on the pros and cons of different legal structures.

Is the incorporated society structure recommended for sporting clubs? Will NSOs be changing to something different (IE trust) and should a club follow?

The right structure will be what is right for your organisation. We don't expect that NSOs will be changing their structure and will remain as incorporated societies. We have published [guidance](#) on the differences between incorporated societies, non-incorporated groups and a hybrid model.

Is anyone exempt from the new Incorporated Societies Act and Regulations?

All organisations wishing to retain their incorporated status must re-register under the IS Act by 4 April 2026 – there is no exemption to this.

The Incorporated Societies Regulations 2023 allow some limited exemptions from the application of some of the requirements of the Act.

For example, an exemption for societies which do not comply with section 45(3) of the IS Act, which requires a society's committee/board to be made up of a majority of officers who are members or representatives of bodies corporate that are members (clause 6 of Schedule 1). The exemption runs for five years, until 5 October 2028.

If you wish to have the benefit of this exemption, when you re-register your constitution online you are required to give notice to the Registrar that your society will not comply with section 45(3) (i.e. that your constitution permits a majority of your committee/board to be made up of non-members or independents).

It's important you notify the Registrar so MBIE can understand the number and nature of societies that have this level of independence on their board and support Sport NZ in advocating for a permanent exemption from the section 45(3) requirement.

Another example is a limited ability to restrict attendance at the AGM. If your organisation has more than 1,000 members at the time the AGM is called, you may

restrict attendance to delegates or other representatives of members. There is a five-year exemption (until 5 October 2028) if, as at 4 October 2023, your current constitution included a restriction on AGM attendance to delegates or other representatives. These possibilities are noted in our [constitution templates](#).

MEMBERS

Is it possible to have a model of membership where it is a combination of club to national organisation membership, as well as individual to national organisation membership? Is each type of member entitled to the same rights (e.g. voting) or can the constitution specify that they have different rights?)

Yes, it is possible that a national organisation has both clubs and individuals as its members. You can specify in your constitution what rights each type of member is entitled to.

Is it possible to have commercial providers (who are not incorporated societies) affiliated to the national body as a member or as a separate category with different rights such as an Associate Member?

Yes, it is possible, and they can be in a separate membership category entitled to different rights.

Can a member notify a change to their contact details into a digital membership database portal?

Yes, there is nothing preventing an organisation from having an electronic membership database and requiring their members to keep their contact details on that database up to date. This can be recorded as the arrangement for keeping the member register up to date as required by the IS Act.

Do we have to keep records of when people became members?

Under the IS Act you are required to keep a register of members, including the date on which a person became a member. For current members if there is no record of the date they joined, you can state 'unknown'.

Once you re-register, you should put a system in place to record when people joined as members. This becomes important when you need to determine when a person became a member e.g. for voting rights and disputes.

Can national organisations require in their constitution that as part of membership their regional organisations and clubs must be registered as an incorporated society?

Yes, it is reasonably common to see the requirement to be an incorporated society in constitutions in a federated structure. Our [national and regional templates](#) include that as a requirement to obtain and retain membership.

Our organisation has participants who are under 18 – can they be members?

Your constitution is a contract between your organisation and your members. The IS Act is silent on whether minors can be members of your organisation.

Under the Contract and Commercial Law Act 2017 a contract entered into by a minor (a person under 18) will not be enforceable unless the court thinks the contract is fair and reasonable. The court will consider how the contract was made, what the contract is meant to do, the age and financial situation of the minor, and all other relevant information before deciding to either cancel or enforce the contract.

Practically you would not want to go to court to enforce a contract against a minor. Instead, some organisations require a parent/legal guardian of a minor to both sign for the child to be a member and themselves to be a member of the organisation. This allows an organisation to enforce breaches of the constitution and policies (e.g. code of conduct) by the child against their parent/guardian. In your constitution, you need to clearly set out the parents/guardians' obligations in respect of their child and themselves. You may allow parents/guardians to vote on behalf of their children.

An incorporated society is required to have 10 members – what if we don't meet that requirement?

The requirement is for 10 or more members on incorporation/registration. After that an organisation must maintain at least 10 members. A body corporate (an entity incorporated by law – common examples are a company, a society and a charitable trust) is treated as the equivalent of three members for the purposes of determining the number of members a society must have.

If the Registrar of Incorporated Societies is satisfied that an organisation has less than 10 members the Registrar can issue a notice requiring the organisation to increase to at least 10 or risk liquidation. An organisation has six months to comply with the notice.

If your organisation is struggling to meet the membership requirement, there are some wider considerations:

- Can you seek more members or create new categories of membership to attract members (e.g. honorary members who may not necessarily be actively involved in the sport/recreation but may wish to support the club to continue as an incorporated entity)? You should make a concerted effort to get to 10 members, as that should be achievable if the club is viable, otherwise your organisation should discuss its future.
- Can your operations continue under some other model which still gives members similar opportunities / protections / status that are afforded to an incorporated entity? You may have this discussion with the parent entity. Could you be a subcommittee of your parent entity or be combined with another club or not incorporated at all? Please refer to this [guidance](#) which provides information on different legal structures and their pros and cons.

If our club offers more than one sporting discipline, which each have a separate national organisation, how do we recognise multiple NSOs? E.g. a racquets club that is a member of both Tennis NZ and Squash NZ; a multisport club that is a member of both Triathlon NZ and Canoe Racing NZ.

Careful consideration is required, and it will depend on how the club and its membership operates. Does the club have separate discipline membership for their individual members (i.e. does a member elect to be involved as a member only in

relation to a certain discipline) or can a person have a generic membership which entitles them to participate in all disciplines offered by the club?

Your constitution could state that the discipline-specific rules can be applied in relation to the discipline that the club member is involved in at the time. If a person became a member in relation to only one discipline, then that person becomes subject to all the rules that apply at club level to individuals in a manner consistent with that required by national organisation (and international federation) e.g. competition, selection, codes of conduct, disciplinary processes etc.

If a person can be involved in more than one discipline ('multi-discipline member'), the situation can become uncertain and difficult. This is particularly in relation to issues that arise outside the discipline activity itself, for example behaviour and misconduct issues. It may be difficult to determine whether these issues are in respect of a person's involvement in one discipline or another. Whether this is a practical difficulty depends on whether the club's (and parent organisations') processes, codes of conduct and method of handling the issue between the multiple disciplines are different or not.

This is a potentially complicated area where you will need to obtain specific advice.

COMMITTEE AND OFFICERS

Are the officers' duties in the new Incorporated Societies Act 2022 new?

No, they already exist for officers at common law, but they are now specifically recorded.

What happens if no one puts their name forward to be elected as a committee member at the AGM?

Every society must have a committee of at least three people – if you do not, the society is not complying with the IS Act and may ultimately be de-registered.

Practically (and if your constitution allows) you may want to call for nominations for committee members ahead of the AGM to get a sense ahead of time who has been nominated. If there is still an insufficient number of nominees, you may want to allow people to apply at the AGM.

It can be helpful if the current committee understands what skills/experience they are looking for in new committee members and you advertise widely to encourage people to apply. Think about making your committee an attractive group to join, e.g. how is the workload shared among committee members, can meetings be held online so it is easier for people to attend, do people understand their responsibilities and potential liability as a committee member?

If members want the society to continue to exist, there needs to be a concerted effort to get to three committee members. That should be achievable if the organisation is viable, otherwise your organisation should consider its future. Can your operations continue under some other model which still gives members similar opportunities / protections / status that are afforded to an incorporated entity? You may have this discussion with your parent organisation. Could you be a subcommittee of your parent organisation or be combined with another club or not incorporated at all? Please refer

to this [guidance](#) which provides information on different legal structures and their pros and cons.

FINANCIAL

For a small society is a financial review necessary or can they simply upload their end of year accounts so long as they comply with the reporting requirements in the Incorporated Societies Act 2022?

If your operating payments meet the threshold to be a 'small society' as defined under the IS Act, you will only need to have your financial statements reviewed if your constitution requires it. There are different tiers and methods of financial reporting depending on the size of the society. For information about this refer to the [MBIE website](#) or the [XRB website](#).

Can a board determine whether an audit or review is undertaken each year, or must that be contained in the constitution and changes sought from members at the AGM?

It depends on your financial reporting obligations at law (which will have changed for some organisations under the IS Act) and what is required under your constitution. One approach is to provide in your constitution that the Board must undertake an audit or review as required by law or if the Board requires it.

Some, but not all, funders have requirements about the financial information you need to provide for a funding application, but you should check this.

For information about this refer to the [MBIE website](#) or the [XRB website](#).

What is an example of when a resolution in lieu of a general meeting might be used?

This is an optional provision in our [templates](#). It could be useful if a matter arises which is extremely urgent or has been overlooked at a recent general meeting but is expected to have wide support. It allows the organisation the option to save the time and costs of calling and holding a general meeting. It may be useful for small organisations with few members, where the views of members are easily obtained informally, and a resolution is quickly approved by this method.

However, using this method comes with a risk that members have not fully considered or understood all the implications of an important matter. They have not had the benefit of discussion and debate with other members at a general meeting, and if that had occurred, they might not have approved the resolution in writing. For that reason, this method should be rarely used. If it is included, the Board should exercise good judgment about when it is appropriate or inappropriate to use it.

It cannot be used to pass resolutions in lieu of an AGM.

How do I stay up to the date with information and resources?

Visit [Sport Governance | Administration | Sport New Zealand - Ihi Aotearoa](#) for the latest information regarding the Incorporated Societies Act.