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Working Paper 2018/04

Legislation
Shaping the
Reporting
Framework:
A compilation

MCGUINNESS INSTITUTE
TE HONONGAWAKA

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Introduction

Working Paper 2018/04 – Legislation shaping the reporting framework: A compilation is designed to contribute to the Institute’s *Report 17 – Building a Reporting Framework Fit for Purpose, a comprehensive review of New Zealand’s reporting framework*, as part of the Institute’s policy project *ReportingNZ*, and flagship *Project 2058*. The legislation excerpted in this working paper is often referred to in the report. Specifically, Tables 3 and 4 and Appendix 5 were developed from this research.

This working paper is also intended to be read alongside *Working Paper 2018/01 – NZSX-listed Company Tables* and *Working Paper 2018/03 – Analysis of Climate Change Reporting in the Public and Private Sectors*.

Part A: Acts

1. Charities Act 2005

Section 4 – Interpretation

(1) In this Act, unless the context otherwise requires,—

Board means the board established by section 8

charitable entity means a society, an institution, or the trustees of a trust that is or are registered as a charitable entity under this Act

chief executive means the chief executive of the department

collector means a person who, on behalf of a charitable entity, requests funds, canvasses for subscriptions, sells raffle or lottery tickets, or appeals for donations

department means the department that, with the authority of the Prime Minister, is for the time being responsible for the administration of this Act

document has the meaning set out in section 2(1) of the Commerce Act 1986

entity means any society, institution, or trustees of a trust

Inland Revenue Acts has the meaning set out in section 3(1) of the Tax Administration Act 1994

Minister means the Minister of the Crown who, under the authority of any warrant or with the authority of the Prime Minister, is for the time being responsible for the administration of this Act

officer—

- (a) means, in relation to the trustees of a trust, any of those trustees; and
- (b) means, in relation to any other entity,—
 - (i) a member of the board or governing body of the entity if it has a board or governing body; and
 - (ii) a person occupying a position in the entity that allows the person to exercise significant influence over the management or administration of the entity (for example, a treasurer or a chief executive); and
- (c) includes any class or classes of persons that are declared by regulations to be officers for the purposes of this Act; but
- (d) excludes any class or classes of persons that are declared by regulations not to be officers for the purposes of this Act

parent entity has the meaning set out in section 44

register or register of charitable entities means the register of charitable entities established under section 21

Section 5 – Meaning of charitable purpose and effect of ancillary non-charitable purpose

(1) In this Act, unless the context otherwise requires, charitable purpose includes every charitable purpose, whether it relates to the relief of poverty, the advancement of education or religion, or any other matter beneficial to the community.

(2) However,—

- (a) the purpose of a trust, society, or institution is a charitable purpose under this Act if the purpose would satisfy the public benefit requirement apart from the fact that the beneficiaries of the trust, or the members of the society or institution, are related by blood; and
- (b) a marae has a charitable purpose if the physical structure of the marae is situated on land that is a Maori reservation referred to in Te Ture Whenua Maori Act 1993 (Maori Land Act 1993) and the funds of the marae are not used for a purpose other than—

1. CHARITIES ACT 2005

- (i) the administration and maintenance of the land and of the physical structure of the marae;
 - (ii) a purpose that is a charitable purpose other than under this paragraph.
- (2A) The promotion of amateur sport may be a charitable purpose if it is the means by which a charitable purpose referred to in subsection (1) is pursued.
- (3) To avoid doubt, if the purposes of a trust, society, or an institution include a non-charitable purpose (for example, advocacy) that is merely ancillary to a charitable purpose of the trust, society, or institution, the presence of that non-charitable purpose does not prevent the trustees of the trust, the society, or the institution from qualifying for registration as a charitable entity.
- (4) For the purposes of subsection (3), a non-charitable purpose is ancillary to a charitable purpose of the trust, society, or institution if the non-charitable purpose is—
- (a) ancillary, secondary, subordinate, or incidental to a charitable purpose of the trust, society, or institution; and
 - (b) not an independent purpose of the trust, society, or institution.

Section 21 – Register of charitable entities

- (1) A register called the register of charitable entities is established.
- (2) The register may be—
- (a) an electronic register; or
 - (b) kept in any other manner that the chief executive thinks fit.
- (3) The register must be operated at all times unless—
- (a) the chief executive suspends the operation of the register, in whole or in part, in accordance with subsection (4); or
 - (b) otherwise provided in regulations.
- (4) The chief executive may refuse access to the register or otherwise suspend the operation of the register, in whole or in part, if the chief executive considers that it is not practical to provide access to the register.

Section 24 – Contents of register

- (1) The register must contain the following information and documents for each charitable entity:
- (a) the name of the entity; and
 - (b) the address for service of the entity; and
 - (c) the registration number of the entity; and
 - (d) the names of the officers of the entity and of all persons who have been officers of the entity since the entity was first registered as a charitable entity; and
 - (e) a copy of the rules of the entity; and
 - (f) the application for registration of the entity as a charitable entity (including all required accompanying information and documents); and
 - (g) each annual return sent or delivered to the chief executive by the entity; and
 - (h) each notice of change sent or delivered under section 40; and
 - (i) the terms and conditions of any exemption granted under section 43 that is in force in relation to the entity.

Section 32 – Grounds for removal from register

- (1) The Board may direct that an entity be removed from the register if—
- (a) the entity is not, or is no longer, qualified for registration as a charitable entity; or

- (b) there has been a significant or persistent failure by the entity to meet its obligations under this Act or any other enactment; or
 - (c) there has been a significant or persistent failure by any 1 or more of the officers of the entity to meet their obligations under this Act; or
 - (d) there has been a significant or persistent failure by any 1 or more collectors who act on behalf of the entity to meet their obligations under this Act; or
 - (e) the entity has engaged in serious wrongdoing or any person has engaged in serious wrongdoing in connection with the entity; or
 - (f) the entity has sent or delivered to the chief executive a request to be removed from the register.
- (2) For the purposes of subsection (1)(a), the trustees of a trust must be treated as being no longer qualified for registration as a charitable entity if, as a result of a change to the rules or purposes of the entity, the trust is no longer of a kind in relation to which an amount of income can be derived by the trustees in trust for charitable purposes.
- (3) Subsection (2) does not limit the circumstances in which an entity may be considered to be no longer qualified for registration as a charitable entity.

Section 41 – Duty to prepare annual return

- (1) Every charitable entity must ensure that, within 6 months after each balance date of the entity, an annual return that complies with subsection (2) is—
- (a) completed in relation to the entity and that balance date; and
 - (b) dated and signed on behalf of the entity; and
 - (c) sent or delivered to the chief executive.
- (2) The annual return of a charitable entity must—
- (a) be in the form, contain the particulars, and comply with the directions as to the preparation of those returns that are prescribed by the chief executive under section 42; and
 - (b) be accompanied by a copy of the financial statements of the charitable entity (or, in the case of section 46(1A)(b), of each entity that forms part of the single entity) for the most recently completed accounting period.

Section 42A – Content of financial statements

- (1) The financial statements referred to in section 41(2)(b) must be prepared in accordance with,—
- (a) in the case of financial statements of a specified not-for-profit entity, generally accepted accounting practice; or
 - (b) in any other case, either generally accepted accounting practice or a non-GAAP standard that applies for the purposes of this section.
- (2) In this section and sections 41 and 42B,—
- (a) **specified not-for-profit entity** has the meaning set out in section 46 of the Financial Reporting Act 2013;
 - (b) **accounting period, applicable financial reporting standard, financial statements, generally accepted accounting practice, and non-GAAP standard** have the same meanings as in section 5 of the Financial Reporting Act 2013.
- (3) If a charitable entity is subject to another Act that imposes duties relating to the preparation, audit, registration, or lodgement of financial statements, the entity must, in addition to complying with this Act, comply with the requirements of that other Act.

1. CHARITIES ACT 2005

Section 42B – Offence to knowingly fail to comply with standards

- (1) A charitable entity and every officer of the charitable entity commit an offence and are liable on conviction to a fine not exceeding \$50,000 if—
 - (a) the financial statements of the charitable entity referred to in section 41(2)(b) fail to comply with an applicable financial reporting standard or a non-GAAP standard (as the case may be); and
 - (b) the charitable entity or officer (as the case may be) knows, at the time that the financial statements accompany the annual return when it is sent or delivered under section 41, that the financial statements fail to so comply.
- (2) If financial statements are prepared on a consolidated basis in respect of a single entity under section 46(1A)(a), subsection (1) applies as if the reference to financial statements were a reference to the financial statements for the single entity and the other references to a charitable entity were references to the parent entity.

Section 42C – When financial statements must be audited or reviewed

- (1) This section applies to—
 - (a) every charitable entity that is large; and
 - (b) every charitable entity that is of medium size.
- (2) Every charitable entity to which this section applies (A) must ensure that the financial statements of A that accompany an annual return under section 41 are—
 - (a) audited by a qualified auditor if A is large in respect of the accounting period to which the financial statements relate:
 - (b) audited or reviewed by a qualified auditor if A is of medium size in respect of the accounting period to which the financial statements relate.

Section 42D – Meaning of large and medium size

- (1) In section 42C,—
 - (a) a charitable entity is **large** in respect of an accounting period if, in each of the 2 preceding accounting periods of the entity, the total operating expenditure of the entity and all entities it controls (if any) is \$1 million or more:
 - (b) a charitable entity is of **medium size** in respect of an accounting period if—
 - (i) it is not large under paragraph (a); and
 - (ii) in each of the 2 preceding accounting periods of the entity, the total operating expenditure of the entity and all entities it controls (if any) is \$500,000 or more:
 - (c) **qualified auditor** has the same meaning as in section 35 of the Financial Reporting Act 2013.
- (2) A financial reporting standard (within the meaning of the Financial Reporting Act 2013), or a part of such a standard, that is expressed as applying for the purposes of subsection (1)(a) or (b) must be applied in determining whether that provision applies (for example, the standard may define operating expenditure or control).

Section 42E – Offence relating to audit or review

If a charitable entity fails to comply with section 42C, the charitable entity commits an offence and is liable on conviction to a fine not exceeding \$50,000.

Section 51 – Duty to assist

- (1) If the chief executive considers it reasonably necessary for the purposes of carrying out its functions and exercising its powers under this Act, the chief executive may, by notice in writing served on any person, require that person—

- (a) to supply to the chief executive, in writing signed by that person or, in the case of an entity, by an officer or competent employee or agent of the entity, within the time and in the manner specified in the notice, any information or class of information specified in the notice; or
 - (b) to supply to the chief executive, or to a person specified in the notice acting on its behalf in accordance with the notice, any document or class of documents specified in the notice.
- (2) The person has the same privileges in relation to supplying information and documents to the chief executive as witnesses have in proceedings before a court.

2. COMPANIES ACT 1993

2. Companies Act 1993

Section 2 – Interpretation

annual report—

- (a) means a report prepared under section 208; and
- (b) does not include a concise annual report

company means—

- (a) a company registered under Part 2;
- (b) a company reregistered under this Act in accordance with the Companies Reregistration Act 1993

concise annual report, in relation to a company and an accounting period, means a report on the affairs of the company during that period that is prepared in accordance with the requirements prescribed in regulations made under this Act

entitled person, in relation to a company, means—

- (a) a shareholder; and
- (b) a person upon whom the constitution confers any of the rights and powers of a shareholder

generally accepted accounting practice has the same meaning as in section 8 of the Financial Reporting Act 2013

group financial statements has the same meaning as in section 7 of the Financial Reporting Act 2013

holding company has the meaning set out in section 5

New Zealand register means the register of companies incorporated in New Zealand kept pursuant to section 360(1)(a)

overseas company means a body corporate that is incorporated outside New Zealand

overseas register means the register of bodies corporate that are incorporated outside New Zealand kept pursuant to section 360(1)(b)

Registrar means the Registrar of Companies appointed in accordance with section 357(1)

shareholder has the meaning set out in section 96

stock exchange means—

- (a) a licensed market; or
- (b) a financial product market that is authorised to operate in an overseas jurisdiction in accordance with the laws of that jurisdiction

ultimate holding company, in relation to a company, means a body corporate that—

- (a) is a holding company of the company; and
- (b) is itself not a subsidiary of any body corporate

ultimate holding company information has the meaning set out in section 94A

Section 5 – Meaning of holding company and subsidiary

(1) For the purposes of this Act, a company is a **subsidiary** of another company if, but only if,—

- (a) that other company—
 - (i) controls the composition of the board of the company; or
 - (ii) is in a position to exercise, or control the exercise of, more than one-half the maximum number of votes that can be exercised at a meeting of the company; or
 - (iii) holds more than one-half of the issued shares of the company, other than shares that carry no right to participate beyond a specified amount in a distribution of either profits or capital; or

- (iv) is entitled to receive more than one-half of every dividend paid on shares issued by the company, other than shares that carry no right to participate beyond a specified amount in a distribution of either profits or capital; or
 - (b) the company is a subsidiary of a company that is that other company's subsidiary.
- (2) For the purposes of this Act, a company is another company's **holding company**, if, but only if, that other company is its subsidiary.
- (3) In this section and sections 7 and 8, the expression **company** includes a body corporate.

Section 94A – Meaning of ultimate holding company information

For the purposes of this Act, **ultimate holding company information** means information about whether a company has an ultimate holding company and, if the company does, the following information:

- (a) the name of the ultimate holding company;
- (b) the ultimate holding company's country of registration;
- (c) the ultimate holding company's registration number or code (if any);
- (d) the registered office of the ultimate holding company;
- (e) any other prescribed information.

Section 131 – Duty of directors to act in good faith and in best interests of company

- (1) Subject to this section, a director of a company, when exercising powers or performing duties, must act in good faith and in what the director believes to be the best interests of the company.
- (2) A director of a company that is a wholly-owned subsidiary may, when exercising powers or performing duties as a director, if expressly permitted to do so by the constitution of the company, act in a manner which he or she believes is in the best interests of that company's holding company even though it may not be in the best interests of the company.
- (3) A director of a company that is a subsidiary (but not a wholly-owned subsidiary) may, when exercising powers or performing duties as a director, if expressly permitted to do so by the constitution of the company and with the prior agreement of the shareholders (other than its holding company), act in a manner which he or she believes is in the best interests of that company's holding company even though it may not be in the best interests of the company.
- (4) A director of a company that is carrying out a joint venture between the shareholders may, when exercising powers or performing duties as a director in connection with the carrying out of the joint venture, if expressly permitted to do so by the constitution of the company, act in a manner which he or she believes is in the best interests of a shareholder or shareholders, even though it may not be in the best interests of the company.

Section 196 – Overview

- (1) This subpart imposes financial reporting requirements on—
- (a) every large company; and
 - (b) every large overseas company that carries on business in New Zealand; and
 - (c) every other company with 10 or more shareholders (unless the shareholders of the company opt out of compliance); and
 - (d) every other company with fewer than 10 shareholders if shareholders of the company holding at least 5% of the voting shares require the company to comply.
- (2) This section is only a guide to the general scheme and effect of this subpart.

2. COMPANIES ACT 1993

Section 198 – Interpretation

In this subpart,—

group means a group comprising a company or an overseas company and its subsidiaries

large company means a company that is large under section 45 of the Financial Reporting Act 2013

large overseas company means a body corporate incorporated outside New Zealand that—

- (a) carries on business in New Zealand within the meaning of section 332; and
- (b) is large under section 45 of the Financial Reporting Act 2013

public entity has the same meaning as in section 5 of the Public Audit Act 2001

Section 201 – Financial statements must be prepared

Every company or overseas company to which this section applies (A) must ensure that, within 5 months after the balance date of A, financial statements that comply with generally accepted accounting practice are—

- (a) completed in relation to A and that balance date; and
- (b) dated and signed on behalf of A by 2 directors of A, or, if A has only 1 director, by that director.

Section 206 – Application of audit requirement

(1) Section 207 applies to—

- (a) every large company unless subsection (2) applies; and
- (b) every company that is a public entity; and
- (c) every large overseas company unless subsection (3) applies; and
- (d) every company with 10 or more shareholders unless the company has opted out of compliance with that section in accordance with section 207I; and
- (e) every company with fewer than 10 shareholders if the company has opted into compliance with the section in accordance with section 207K.

(2) Subsection (1)(a) does not apply to a large company (A) if A has opted out of compliance with section 207 in accordance with section 207J.

(3) Subsection (1)(c) does not apply to a large overseas company (B) in relation to a balance date if—

- (a) financial statements or group financial statements are prepared in respect of B under section 201 or 202 in relation to the balance date; and
- (b) section 204 does not apply to B in relation to the balance date; and
- (c) under the law in force in the country where B is incorporated or constituted,—
 - (i) qualifying financial statements are required to be prepared in respect of B in relation to the balance date; but
 - (ii) the qualifying financial statements so prepared are not required to be audited.

(4) In subsection (3)(c), qualifying financial statements means financial statements that are equivalent, or substantially equivalent, to the financial statements or group financial statements referred to in subsection (3)(a).

Section 207 – Financial statements must be audited

(1) Every company or overseas company to which this section applies (A) must ensure that the financial statements or group financial statements prepared in respect of A under section 201, 202, or 204 (if any) are audited by a qualified auditor.

(2) See sections 37 to 39 of the Financial Reporting Act 2013 (which provide for the appointment of a partnership and access to information in relation to a company or an overseas company).

Section 207A – Audit must be carried out in accordance with auditing and assurance standards

- (1) An auditor must, in carrying out an audit for the purposes of section 207, comply with all applicable auditing and assurance standards.
- (2) Subsection (3) applies if the Registrar notifies a large overseas company (**A**) that the Registrar is satisfied that standards relating to auditing or assurance that are in force in the country where A is incorporated or constituted (the **overseas standards**) are—
 - (a) substantially the same as the applicable auditing and assurance standards referred to in subsection (1); or
 - (b) sufficiently equivalent, in relation to the quality of auditing they achieve, to the applicable auditing and assurance standards referred to in subsection (1).
- (3) The auditor of A's financial statements or group financial statements may, in carrying out the audit of those statements and in preparing the auditor's report, comply with the overseas standards instead of the applicable auditing and assurance standards.
- (4) This section does not apply to a company that is a public entity.

Section 207B – Auditor must report to shareholders

- (1) The auditor of a company must make a report to the shareholders on the financial statements or group financial statements audited by the auditor.
- (2) The auditor's report must comply with the requirements of all applicable auditing and assurance standards.
- (3) Subsection (2) is subject to section 207A(3).

Section 207C – Auditor's report must be sent to Registrar and External Reporting Board if requirements have not been complied with

If the auditor's report indicates that the requirements of this Act have not been complied with, the auditor must, within 7 working days after signing the report, send a copy of the report and a copy of the financial statements or group financial statements to which it relates to the Registrar and the External Reporting Board.

Section 207D – Application of registration provisions

- (1) Section 207E applies to each of the following:
 - (a) Every large overseas company;
 - (b) Every large company in which shares that in aggregate carry the right to exercise or control of the exercise of 25% or more of the voting power at a meeting of the company are held by—
 - (i) a subsidiary of a body corporate incorporated outside New Zealand; or
 - (ii) a body corporate incorporated outside New Zealand; or
 - (iii) a person not ordinary resident in New Zealand.
- (2) However, section 207E does not apply to a company or an overseas company (**A**) if the following requirements are satisfied:
 - (a) A is a subsidiary of a body corporate (**B**) that is—
 - (i) incorporated in New Zealand; or
 - (ii) registered or deemed to be registered under Part 18; and
 - (b) group financial statements in relation to a group comprising B, A, and all other subsidiaries of B that comply with generally accepted accounting practice are completed and signed within the time specified in section 202; and

2. COMPANIES ACT 1993

- (c) a copy of the group financial statements referred to in paragraph (b) and a copy of the auditor's report on those statements are delivered for registration under this Act or for lodgement under another Act.
- (3) For the purposes of subsection (1), a person is **ordinarily resident in New Zealand** if that person—
 - (a) is domiciled in New Zealand; or
 - (b) is living in New Zealand and the place where that person usually lives, and has been living for the immediately preceding 12 months, is in New Zealand, whether or not that person has on occasions been away from New Zealand during that 12-month period.

Section 207E – Financial statements must be registered

- (1) A company or an overseas company to which this section applies must ensure that, within 5 months after the balance date of the company or overseas company, copies of its financial statements or group financial statements completed in relation to that balance date under section 201, 202, or 204 (if any) together with a copy of the auditor's report on those statements (if any) are delivered to the Registrar for registration.
- (2) The company or overseas company must, when the financial statements or group financial statements are registered, pay to the Registrar the prescribed registration fee (if any).

Section 207F – Shareholders may request copy of financial statements prepared for tax purposes

- (1) This section applies if—
 - (a) neither financial statements in relation to a company nor group financial statements in relation to a company's group are prepared under this Act or Part 7 of the Financial Markets Conduct Act 2013; but
 - (b) financial statements in relation to the company, or group financial statements in relation to its group, are prepared under, or for the purposes of, any of the Inland Revenue Acts (as defined in section 3(1) of the Tax Administration Act 1994).
- (2) A shareholder of the company may at any time make a written request to the company for a copy of the financial statements or group financial statements (or both) referred to in subsection (1)(b).
- (3) The company must, within 10 working days of receiving a request under subsection (2), provide, free of charge, a copy of the financial statements or group financial statements (or both) to the shareholder together with a copy of the auditor's report on those statements (if any).

Section 207G – Financial reporting offences

- (1) This section applies if—
 - (a) a company or an overseas company is required to comply with section 201 and financial statements of the company or overseas company—
 - (i) are not completed and signed within the time specified in that section; or
 - (ii) fail to comply with an applicable financial reporting standard; or
 - (b) a company or an overseas company is required to comply with section 202 and group financial statements of a group comprising the company or overseas company and its subsidiaries—
 - (i) are not completed and signed within the time specified in that section; or
 - (ii) fail to comply with an applicable financial reporting standard; or
 - (c) an overseas company is required to comply with section 204 and the financial statements or group financial statements referred to in that section—

- (i) are not completed and signed within 5 months after the balance date of the overseas company; or
 - (ii) fail to comply with an applicable financial reporting standard; or
 - (d) a company or an overseas company fails to comply with section 207 (which relates to auditing); or
 - (e) a company or an overseas company fails to comply with section 207E (which relates to registration of financial statements); or
 - (f) a company fails to comply with section 207F (which relates to the supply of copies of financial statements prepared for tax purposes).
- (2) The company or overseas company commits an offence and is liable on conviction to a fine not exceeding \$50,000.
 - (3) Every director of the company or overseas company commits an offence and is liable on conviction to the penalty set out in section 374(3).
 - (4) See section 376(2) (which provides defences to directors in respect of an offence under this section).

Section 208 – Obligation to prepare annual report

- (1) This section applies to –
 - (a) every large company (within the meaning of section 198); and
 - (b) every company that is a public entity; and
 - (c) every company that is required to prepare financial statements or group financial statements under Part 7 of the Financial Markets Conduct Act 2013 or section 55 of the Financial Reporting Act 2013; and
 - (d) every company with 10 or more shareholders unless the company has opted out of compliance with this section in accordance with section 207I (in relation to the accounting period referred to in subsection (2)); and
 - (e) every company with fewer than 10 shareholders if the company has opted into compliance with this section in accordance with section 207K (in relation to the accounting period referred to in subsection (2)).
- (2) The board of every company to which this section applies must, within 5 months after the balance date of the company, prepare an annual report on the affairs of the company during the accounting period ending on that date.
- (3) If the board of a company fails to comply with subsection (2), every director of the company commits an offence and is liable on conviction to the penalty set out in section 374(2).
- (4) However, the board of a large company (within the meaning of section 198) is not required to prepare an annual report on the affairs of the company during an accounting period if—
 - (a) the company is not required to prepare any financial statements or group financial statements for the accounting period under Part 11, Part 7 of the Financial Markets Conduct Act 2013, or any other enactment; and
 - (b) shareholders who together hold at least 95% of the voting shares (within the meaning of section 198) agree that the annual report need not be prepared for the accounting period.

Section 209 – Obligation to make annual report available to shareholders

- (1) The board of a company must send to every shareholder of the company—
 - (a) a copy of the annual report; or
 - (b) a notice containing the statements specified in subsection (3).
- (1AA) The copy of the annual report or the notice referred to in subsection (1)(b) must be sent—

2. COMPANIES ACT 1993

- (a) not less than 20 working days before the date fixed for holding the annual meeting of shareholders; or
 - (b) if, under section 120(5) or 122(4), it is not necessary to hold an annual meeting, within 20 working days after the date on which the annual report is prepared.
- (1A) Subsection (1) does not apply if the annual report is not required to be prepared under section 208.
- (2) Subsection (1) is subject to section 212.
- (3) The notice referred to in subsection (1)(b) must contain—
 - (a) a statement to the effect that the shareholder has a right to receive from the company, free of charge, a copy of the annual report if the shareholder, within 15 working days of receiving the notice, makes a request to the company to receive a copy of the annual report; and
 - (b) a statement to the effect that the shareholder may obtain a copy of the annual report by electronic means; and
 - (c) a statement as to how the shareholder may obtain a copy of the annual report by electronic means (for example, from a specified website address); and
 - (d) if the board of the company has prepared, in relation to the same accounting period as the annual report, a concise annual report, a statement—
 - (iaaa) that the board of the company has prepared, in relation to the same accounting period as the annual report, a concise annual report; and
 - (i) to the effect that the shareholder has a right to receive from the company, free of charge, a copy of the concise annual report if the shareholder, within 15 working days of receiving the notice, makes a request to the company to receive a copy of the concise annual report; and
 - (ii) to the effect that the shareholder may obtain a copy of the concise annual report by electronic means; and
 - (iii) as to how the shareholder may obtain a copy of the concise annual report by electronic means (for example, from a specified website address).
- (4) The notice referred to in subsection (1)(b) may be accompanied by any additional information or documentation that the board of the company thinks fit.
- (5) For the purposes of this section and sections 209A and 209B, every concise annual report for a company must, in relation to an accounting period, include,—
 - (a) in relation to a company that has, on the balance date of the company, no subsidiaries,—
 - (i) financial statements for the accounting period that comply with generally accepted accounting practice and any auditor’s report on those financial statements; or
 - (ii) summary financial statements for the accounting period that comply with generally accepted accounting practice:
 - (b) in relation to a company that has, on the balance date of the company, 1 or more subsidiaries,—
 - (i) group financial statements for the accounting period that comply with generally accepted accounting practice and any auditor’s report on those group financial statements; or
 - (ii) summary financial statements for the accounting period, prepared in relation to the group comprising the company and its subsidiaries, that comply with generally accepted accounting practice.
- (6) [Repealed]
- (7) If the board of a company fails to comply with this section, every director of the company commits an offence and is liable on conviction to the penalty set out in section 374(2).

Section 209C – Alternative obligations for FMC reporting entities

- (1) This section applies, in respect of a company (**company A**) that is an FMC reporting entity, on and after the date on which FMC regulations impose obligations on any company in relation to when, to whom, or the manner in which it must make its annual report available (including by electronic means).
- (2) If company A is an issuer of regulated products within the meaning of the FMC Act that is required to comply with those FMC regulations, sections 209 to 209B do not apply to an annual report to which the FMC regulations apply.
- (3) If company A is not an issuer of regulated products within the meaning of the FMC Act that is required to comply with those FMC regulations, the board of the company may elect, in respect of an annual report, to comply with the FMC regulations instead of with sections 209 to 209B (as if company A were an issuer of that type).
- (4) If subsection (3) applies,—
 - (a) if the board complies with the FMC regulations, there is no liability for breach of sections 209 to 209B; and
 - (b) if the board fails to comply with the FMC regulations, every director is liable for a breach of sections 209 to 209B (except to the extent that the board complies with those sections), but is not liable under the FMC Act.
- (5) In this section,—

annual report—

 - (a) means a report prepared under section 208; and
 - (b) includes a concise annual report (if any)

FMC Act means the Financial Markets Conduct Act 2013

FMC regulations means regulations made under section 543(1)(e) and (ea) of the FMC Act that impose obligations on any FMC reporting entities in relation to when, to whom, or the manner in which an entity must make its annual report available under either or both of sections 96 and 97 of the FMC Act (including by electronic means)

FMC reporting entity has the same meaning as in section 451 of the FMC Act.

- (6) Regulations may be made under section 543(1)(e) and (ea) of the FMC Act for the purpose of this section.

Section 211 – Contents of annual report

- (1) Every annual report for a company must be in writing and be dated and, subject to subsection (3), must—
 - (a) describe, so far as the board believes is material for the shareholders to have an appreciation of the state of the company's affairs and will not be harmful to the business of the company or of any of its subsidiaries, any change during the accounting period in—
 - (i) the nature of the business of the company or any of its subsidiaries; or
 - (ii) the classes of business in which the company has an interest, whether as a shareholder of another company or otherwise; and
 - (b) include any financial statements or group financial statements for the accounting period that are required to be prepared under Part 11, Part 7 of the Financial Markets Conduct Act 2013, or any other enactment (if any); and
 - (c) if an auditor's report is required under Part 11, Part 7 of the Financial Markets Conduct Act 2013, or any other enactment in relation to the financial statements or group financial statements included in the report, include that auditor's report; and
 - (d) [Repealed]
 - (e) state particulars of entries in the interests register made during the accounting period; and

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- (f) state, in respect of each director or former director of the company, the total of the remuneration and the value of other benefits received by that director or former director from the company during the accounting period; and
 - (g) state the number of employees or former employees of the company, not being directors of the company, who, during the accounting period, received remuneration and any other benefits in their capacity as employees, the value of which was or exceeded \$100,000 per annum, and must state the number of such employees or former employees in brackets of \$10,000; and
 - (h) state the total amount of donations made by the company during the accounting period; and
 - (i) state the names of the persons holding office as directors of the company as at the end of the accounting period and the names of any persons who ceased to hold office as directors of the company during the accounting period; and
 - (j) state the amounts payable by the company to the person or firm holding office as auditor of the company as audit fees and, as a separate item, fees payable by the company for other services provided by that person or firm; and
 - (k) be signed on behalf of the board by 2 directors of the company or, if the company has only 1 director, by that director.
- (2) A company that is required to include group financial statements in its annual report must include, in relation to its subsidiaries, the information specified in paragraphs (e) to (j) of subsection (1).
- (3) The annual report of a company need not comply with any of paragraphs (a), and (e) to (j) of subsection (1), and subsection (2) if shareholders who together hold at least 95% of the voting shares (within the meaning of section 198) agree that the report need not do so.

Section 214 – Annual return

- (1) The board of a company must ensure that there is delivered to the Registrar each year, for registration, during the month allocated to the company for the purpose, an annual return in the prescribed form or in a form the use of which by the company has been approved by the Registrar pursuant to subsection (8), or as near to it as circumstances allow, and containing as much of the information specified in Schedule 4 as is prescribed.
- (2) The annual return must be dated as at a day within the month during which the return is required to be delivered to the Registrar and the information required to be contained in it must be compiled as at that date.
- (3) The annual return must be signed by a director of the company or by a solicitor or qualified statutory accountant (within the meaning of section 5(1) of the Financial Reporting Act 2013) authorised for that purpose.
- (4) On registration of a company under Part 2, the Registrar must allocate a month to the company for the purposes of this section.
- (5) The Registrar may, by written notice to a company, alter the month allocated to the company under subsection (4).
- (6) Notwithstanding subsection (1),—
 - (a) a company need not make an annual return in the calendar year of its registration:
 - (b) a subsidiary may, with the written approval of the Registrar, make an annual return during the month allocated to its holding company instead of during the month allocated to it.
- (7) For the purposes of this section, prescribed means prescribed by regulations made under this Act or by the Registrar by notice in the Gazette and different forms of annual return may be prescribed in respect of different classes of companies.

- (8) The Registrar may, on the application of any person, approve the use, by such company or companies as the Registrar may specify, of a form of annual return different from that prescribed, and may at any time revoke, in whole or in part, any such approval.
- (9) An annual return in a form approved under subsection (8) must contain all the prescribed information.
- (10) If the board of a company fails to comply with subsection (1) or subsection (2), every director of the company commits an offence and is liable on conviction to the penalty set out in section 374(2).

Section 332 – Meaning of carrying on business

For the purposes of this Part,—

- (a) a reference to an overseas company **carrying on business in New Zealand** includes a reference to the overseas company—
- (i) establishing or using a share transfer office or a share registration office in New Zealand; or
 - (ii) administering, managing, or dealing with property in New Zealand as an agent, or personal representative, or trustee, and whether through its employees or an agent or in any other manner:
- (b) an overseas company does not carry on business in New Zealand merely because in New Zealand it—
- (i) is or becomes a party to a legal proceeding or settles a legal proceeding or a claim or dispute; or
 - (ii) holds meetings of its directors or shareholders or carries on other activities concerning its internal affairs; or
 - (iii) maintains a bank account; or
 - (iv) effects a sale of property through an independent contractor; or
 - (v) solicits or procures an order that becomes a binding contract only if the order is accepted outside New Zealand; or
 - (vi) creates evidence of a debt or creates a charge on property; or
 - (vii) secures or collects any of its debts or enforces its rights in relation to securities relating to those debts; or
 - (viii) conducts an isolated transaction that is completed within a period of 31 days, not being one of a number of similar transactions repeated from time to time; or
 - (ix) invests its funds or holds property; or
 - (x) enters into a contract of insurance as an insurer with a New Zealand policyholder (within the meaning of section 6(1) of the Insurance (Prudential Supervision) Act 2010).

Section 374 – Penalties that may be imposed on directors in cases of failure by board or company to comply with Act

- (2) A director of a company who is convicted of an offence against any of the following sections of this Act is liable to a fine not exceeding \$10,000:
- (19) section 208(3) (which relates to the duty to prepare an annual report):
 - (21) section 209(7) (which relates to the obligation to make the annual report available to shareholders):
- (3) A director of a company who is convicted of an offence against any of the following sections of this Act is liable to a fine not exceeding \$50,000:
- (a) section 194(4) (which relates to the keeping of accounting records):
 - (b) section 207G(3) (which relates to the preparation, audit, and registration of financial statements).

3. CROWN ENTITIES ACT 2004

3. Crown Entities Act 2004

Section 7 – Meaning of Crown entity and categories of Crown entities

(1) In this Act, **Crown entity** means an entity within one of the following 5 categories:

(a) statutory entities:

What are they?	Definition	Different types
These are bodies corporate that are established by or under an Act	An entity or office named in Schedule 1	Crown agents (which must give effect to government policy when directed by the responsible Minister). These are named in Part 1 of Schedule 1
		Autonomous Crown entities (which must have regard to government policy when directed by the responsible Minister). These are named in Part 2 of Schedule 1
		Independent Crown entities (which are generally independent of government policy). These are named in Part 3 of Schedule 1

(b) Crown entity companies:

What are they?	Definition
These are companies incorporated under the Companies Act 1993 that are wholly owned by the Crown	A company named in Schedule 2

(c) Crown entity subsidiaries:

What are they?	Definition
These are companies incorporated under the Companies Act 1993 that are controlled by Crown entities	A company that is— (a) a subsidiary of another Crown entity under sections 5 to 8 of the Companies Act 1993; or (b) a multi-parent subsidiary of 2 or more Crown entities

(d) School boards of trustees:

What are they?	Definition
These are boards that are bodies corporate constituted under the Education Act 1989 (including correspondence schools)	A body that is a board of trustees constituted under Part 9 of the Education Act 1989 and includes a board of a school designated as a correspondence school by the Minister of Education under section 152 of the Education Act 1989

(e) Tertiary education institutions:

What are they?	Definition
These are tertiary institutions (for example, colleges of education, polytechnics, specialist colleges, universities, or wananga) that are bodies corporate established under the Education Act 1989	An institution established under Part 14 of the Education Act 1989

(1A) Despite section 5(3) of the Companies Act 1993, a Crown entity subsidiary must be a company incorporated under that Act.

(2) The words in brackets in subsection (1) about the effect of the different types of statutory entities are intended only as a guide.

Section 138 – Purpose of statement of intent

The purpose of a statement of intent is to promote the public accountability of a Crown entity by—

- (a) enabling the Crown to participate in the process of setting the Crown entity's strategic intentions and medium-term undertakings:
- (b) setting out for the House of Representatives those intentions and undertakings:
- (c) providing a base against which the Crown entity's actual performance can later be assessed.

Section 139 – Obligation to prepare statement of intent

- (1) A Crown entity must provide to its responsible Minister a statement of intent for the Crown entity that complies with this section and section 141.
- (2) A statement of intent must relate to the forthcoming financial year and at least the following 3 financial years.
- (3) The Crown entity must provide a statement of intent at least once in every 3-year period.
- (4) This section applies unless the Crown entity is exempted from the requirements of this section by or under this or another Act.

Section 141 – Content of statement of intent

- (1) A statement of intent must, for the period to which it relates, set out the strategic objectives that the entity intends to achieve or contribute to (**strategic intentions**).
- (2) A statement of intent must also, for the period to which it relates,—
 - (a) explain the nature and scope of the entity's functions and intended operations:
 - (b) explain how the entity intends to manage its functions and operations to meet its strategic intentions:
 - (c) explain how the entity proposes to manage its organisational health and capability:
 - (d) explain how the entity proposes to assess its performance:
 - (e) identify any process to be followed for the purpose of section 100:
 - (f) set out and explain any other matters—
 - (i) that are reasonably necessary to achieve an understanding of the entity's strategic intentions and capability:
 - (ii) that the entity is required to include in its statement of intent under this Act or another Act.
- (3) A statement of intent—
 - (a) must be in writing, be dated, and be signed on behalf of the board by 2 members or, in the case of a corporation sole, by the sole member; and
 - (b) is a final statement of intent when it has been signed in accordance with paragraph (a).

Section 146 – Process for providing statement of intent to responsible Minister

- (1) A Crown entity that is required to prepare a statement of intent must provide it to its responsible Minister.
- (2) The process that must be followed in providing a statement of intent is as follows:
 - (a) the Crown entity must provide a draft statement of intent to its responsible Minister—
 - (i) not later than 2 months before the start of the first financial year to which the statement of intent relates; or
 - (ii) in the case of a newly established Crown entity, within the time frame specified by the responsible Minister; or

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- (iii) if the responsible Minister has requested the statement of intent under section 139A, within the time frame specified by the responsible Minister; and
- (b) the responsible Minister must provide to the entity any comments that he or she may have on the draft not later than 15 working days after receiving it; and
- (c) the entity must consider the comments (if any) on the draft and provide the final statement of intent to its responsible Minister—
 - (i) as soon as practicable after receiving the comments (if any) but before the start of the first financial year to which the statement of intent relates; or
 - (ii) in the case of a newly established Crown entity,—
 - (A) as soon as practicable, but not later than 25 working days, after receiving the comments; or
 - (B) if the responsible Minister does not provide comments within the period specified in paragraph (b), not later than 25 working days after the end of that period; or
- (iii) if the responsible Minister has requested the statement of intent under section 139A,—
 - (A) as soon as practicable, but not later than 25 working days, after receiving the comments; or
 - (B) if the responsible Minister does not provide comments within the period specified in paragraph (b), not later than 25 working days after the end of that period.

Section 149 – Obligation to publish and present statement of intent

- (1) A Crown entity must, as soon as practicable after providing a final statement of intent to its responsible Minister, publish the statement of intent on an Internet site maintained by or on behalf of the entity.
- (2) Despite subsection (1), if a final statement of intent relates to a period commencing on or after the next Budget day, the responsible Minister may require the Crown entity not to publish the statement in the pre-Budget period.
- (3) The responsible Minister (or another Minister, if subsection (5) applies) must present a copy of the final statement of intent to the House of Representatives—
 - (a) in the same document as the entity's annual report for the financial year before the first full financial year to which the statement of intent relates (see section 150); or
 - (b) in any other document presented on or before the date on which the annual report described in paragraph (a) is presented.
- (4) An entity's statement of intent may be presented or published in a document that includes any other statement or information, whether or not that other statement or information relates to the entity, but only if each statement or set of information is separately identifiable within that document.
- (5) A Minister other than the responsible Minister may present an entity's statement of intent to the House of Representatives if—
 - (a) the statement is presented in a document that includes another statement or other information; and
 - (b) that other Minister is responsible for presenting that other statement or information.

Section 149B – Purpose of statement of performance expectations

The purpose of a statement of performance expectations for a Crown entity is to—

- (a) enable the responsible Minister to participate in the process of setting annual performance expectations; and
- (b) enable the House of Representatives to be informed of those expectations; and
- (c) provide a base against which actual performance can be assessed.

Section 149E – Content of statement of performance expectations

- (1) Each statement of performance expectations must, in relation to a Crown entity and a financial year,—
 - (a) identify each reportable class of outputs for the financial year; and
 - (b) identify each exemption granted under section 149F(1)(a) for the financial year; and
 - (c) state whether the entity proposes to supply any class of outputs in the financial year that is not a reportable class of outputs; and
 - (d) contain forecast financial statements that comply with section 149G.
- (2) For each reportable class of outputs, the statement of performance expectations must—
 - (a) include a concise explanation of what the class of outputs is intended to achieve; and
 - (b) identify the expected revenue and proposed expenses for the class of outputs; and
 - (c) include a concise explanation of how the performance of the class of outputs will be assessed.
- (3) A statement of performance expectations—
 - (a) must comply with generally accepted accounting practice; and
 - (b) must be in writing, be dated, and be signed on behalf of the board by 2 members or, in the case of a corporation sole, by the sole member; and
 - (c) is a final statement of performance expectations when it has been signed in accordance with paragraph (b).

Section 149G – Forecast financial statements

- (1) Each statement of performance expectations, in relation to a Crown entity and a financial year, must contain forecast financial statements for the financial year, prepared in accordance with generally accepted accounting practice.
- (2) The forecast financial statements must include—
 - (a) a statement of all significant assumptions underlying the forecast financial statements; and
 - (b) any additional information and explanations needed to fairly reflect the forecast financial operations and financial position of the entity.

Section 149L – Obligation to publish and present statement of performance expectations

- (1) A Crown entity must, as soon as practicable after providing a final statement of performance expectations to its responsible Minister, publish the statement on an Internet site maintained by or on behalf of the entity.
- (2) However, if the final statement of performance expectations relates to a period commencing on or after the next Budget day, the responsible Minister may require the Crown entity not to publish the statement in the pre-Budget period.
- (3) The responsible Minister (or another Minister, if subsection (5) applies) must present a copy of the final statement of performance expectations to the House of Representatives—
 - (a) in the same document as the entity’s annual report for the previous financial year (see section 150); or
 - (b) in any other document presented on or before the date on which the annual report described in paragraph (a) is presented.
- (4) An entity’s statement of performance expectations may be presented or published in a document that includes any other statement or information, whether or not that other statement or information relates to the entity, but only if each statement or set of information is separately identifiable within that document.
- (5) A Minister other than the responsible Minister may present an entity’s statement of performance expectations to the House of Representatives if—

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- (a) the statement is presented in a document that includes another statement or other information; and
- (b) that other Minister is responsible for presenting that other statement or information.

Section 150 – Obligation to prepare, present, and publish annual report

- (1) A Crown entity must—
 - (a) as soon as practicable after the end of each financial year, prepare a report on the affairs of the Crown entity; and
 - (b) provide the report to its responsible Minister no later than 15 working days after receiving the audit report provided under section 156.
- (2) [Repealed]
- (3) A responsible Minister of a Crown entity (or another Minister, if subsection (6) applies) must present the entity's annual report to the House of Representatives within 5 working days after the responsible Minister receives the annual report or, if Parliament is not in session, as soon as possible after the commencement of the next session of Parliament.
- (4) A Crown entity must publish its annual report as soon as practicable after it has been presented to the House of Representatives, but in any case not later than 10 working days after the annual report is received by the Minister, in a manner consistent with any instructions given under section 174.
- (5) An entity's annual report may be presented or published in a document that includes any other report or information, whether or not that other report or information relates to the entity, but only if each report or set of information is separately identifiable within that document.
- (6) A Minister other than the responsible Minister may present an entity's annual report to the House of Representatives if—
 - (a) the report is presented in a document that includes another report or other information; and
 - (b) that other Minister is responsible for presenting that other report or information.

Section 151 – Form and content of annual report

- (1) An annual report must contain the following information and reports in respect of the financial year to which it relates:
 - (a) information on operations that complies with subsection (2); and
 - (b) a statement of performance in accordance with section 153; and
 - (c) the annual financial statements for the entity in accordance with section 154; and
 - (d) a statement of responsibility in accordance with section 155; and
 - (e) the audit report in accordance with section 156; and
 - (f) any new direction given to the entity by a Minister in writing under any enactment during that financial year, as well as other such directions that remain current; and
 - (g) information on compliance with its obligation to be a good employer (including its equal employment opportunities programme); and
 - (h) information required by section 152 (which relates to payments in respect of members, committee members, and employees during that financial year); and
 - (i) information required by section 20(3) (which relates to the enforcement of certain natural person transactions); and
 - (j) information required by section 68(6) (which relates to permission to act despite being interested in a matter); and
 - (k) any matters that relate to or affect the entity's operations that the entity is otherwise required, or has undertaken, or wishes to report on in its annual report.

- (1A) However, subsection (1)(b) does not apply unless the Crown entity supplied 1 or more reportable classes of outputs in that financial year.
- (1B) An annual report may contain end-of-year performance information that the Crown entity is required to prepare under section 19A of the Public Finance Act 1989.
- (2) The annual report must provide the information that is necessary to enable an informed assessment to be made of the entity's operations and performance for that financial year, including an assessment of the entity's progress in relation to its strategic intentions as set out in the most recent statement of intent.
- (3) An annual report must be in writing, be dated, and be signed on behalf of the board by 2 members or, in the case of a corporation sole, by the sole member.

Section 152 – Disclosure of payments in respect of members, committee members, and employees

- (1) The annual report must include, in respect of the Crown entity,—
 - (a) for each member, the total value of the remuneration (other than compensation or other benefits referred to in paragraph (d)) paid or payable to the member in his or her capacity as a member from the entity during that financial year; and
 - (b) for each committee member who is not a board member or an employee, the total value of the remuneration (other than compensation or other benefits referred to in paragraph (d)) paid or payable to the member in his or her capacity as a committee member from the entity during that financial year; and
 - (c) the number of employees to whom, during the financial year, remuneration (other than compensation or other benefits referred to in paragraph (d)) was paid or payable in their capacity as employees, the total value of which is or exceeds \$100,000 per annum, and the number of those employees in brackets of \$10,000; and
 - (d) the total value of any compensation or other benefits paid or payable to persons who ceased to be members, committee members, or employees during the financial year in relation to that cessation and the number of persons to whom all or part of that total was paid or payable; and
 - (e) details of any indemnity provided by the entity during the financial year to any member, office holder, or employee; and
 - (f) details of any insurance cover effected by the entity during the financial year in respect of the liability or costs of any member, office holder, or employee.
- (1A) Despite section 156A, the annual report of a Crown entity that has 1 or more subsidiaries must include the information specified in subsection (1) in respect of each subsidiary as well as in respect of the Crown entity.
- (2) In subsection (1), **member** and **office holder** and **employee** include a person who was a member or office holder or employee at any time after the commencement of this Act but who is no longer a member, office holder, or employee.

Section 153 – Form and content of statement of performance

A statement of performance must, in relation to a Crown entity and a financial year,—

- (a) be prepared in accordance with generally accepted accounting practice; and
- (b) describe each reportable class of outputs for the financial year; and
- (c) include, for each reportable class of outputs identified in the entity's statement of performance expectations for the financial year,—
 - (i) the standards of delivery performance achieved by the entity, as compared with the forecast standards included in the entity's statement of performance expectations for the financial year; and

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- (ii) the actual revenue earned and output expenses incurred, as compared with the expected revenues and proposed output expenses included in the entity's statement of performance expectations for the financial year.

Section 154 – Annual financial statements

- (1) As soon as practicable after the end of each financial year, a Crown entity must prepare financial statements in relation to the entity for that financial year.
- (2) [Repealed]
- (3) The financial statements must—
 - (a) comply with generally accepted accounting practice; and
 - (b) include any other information or explanations needed to fairly reflect the financial operations and financial position; and
 - (c) include the forecast financial statements prepared at the start of the financial year, for comparison with the actual financial statements.

Section 155 – Statement of responsibility

The statement of responsibility must—

- (a) contain a statement of the signatories' responsibility for the preparation of the financial statements and statement of performance and for the judgments in them; and
- (b) contain a statement of the signatories' responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting; and
- (c) contain a statement that, in the opinion of the signatories, the financial statements and statement of performance for the financial year fairly reflect the financial position and operations of the Crown entity; and
- (ca) contain a statement of the signatories' responsibility for any end-of-year performance information provided by the Crown entity under section 19A of the Public Finance Act 1989, whether or not that information is included in the Crown entity's annual report; and
- (d) be dated and signed on behalf of the board by 2 members or, in the case of a corporation sole, by the sole member.

Section 156 – Audit report

- (1) A Crown entity must forward to the Auditor-General,—
 - (a) within 3 months after the end of each financial year,—
 - (i) the Crown entity's annual financial statements and statement of performance (if applicable); and
 - (ii) any end-of-year performance information that the Crown entity is required to provide under section 19A of the Public Finance Act 1989; and
 - (iii) any other information that the Auditor-General has agreed, or is required, to audit; and
 - (b) the Crown entity's annual report in a timely manner to enable the Auditor-General to review that report before providing the audit report required under subsection (2)(b).
- (2) The Auditor-General must—
 - (a) audit the statements and information referred to in subsection (1)(a); and
 - (b) provide an audit report to the Crown entity within 4 months after the end of each financial year.

4. Environmental Reporting Act 2015

Section 4 – Interpretation

In this Act, unless the context otherwise requires,—

air domain means the domain surrounding the earth that is composed of gases, vapours, and particulates

atmosphere and climate domain—

- (a) means the domain that—
 - (i) extends from the surface of the earth to the outer layer of the stratosphere; and
 - (ii) is composed of gases, particulates, and meteorological conditions; and
- (b) includes climate

biodiversity means the variability among living organisms, and the ecological complexes of which they are a part, including diversity within species, between species, and of ecosystems

climate means meteorological conditions and their variations, including solar radiation, temperature, humidity, clouds, precipitation, atmospheric pressure, and wind

Commissioner means the Parliamentary Commissioner for the Environment appointed under the Environment Act 1986

domain report means a report of a kind required to be produced by section 10

ecological integrity means the full potential of indigenous biotic and abiotic features and natural processes, functioning in sustainable communities, habitats, and landscapes

ecosystem means a system of organisms interacting with their physical environment and with each other

environmental report means a synthesis report or a domain report

freshwater domain—

- (a) means the domain composed of water in all its physical forms; and
- (b) includes the animals, vegetation, and structures associated with the freshwater domain; and
- (c) does not include atmospheric water or water that forms part of the marine domain

Government Statistician means the Government Statistician appointed under the State Sector Act 1988

impact category means the matters that may be impacted upon by the state of the environment or changes to the state of the environment, as listed in sections 8(1)(c) and 11(1)(c)

land domain—

- (a) means the domain composed of soil and underlying rock; and
- (b) includes the animals, vegetation, and structures associated with the land domain

marine domain—

- (a) means the domain bounded on the landward side by the mean high-water mark, and on the seaward side by the outer limits of New Zealand’s exclusive economic zone and continental shelf; and
- (b) includes estuaries, the sea, the seabed, and the soil of the area described in paragraph (a); and
- (c) includes the animals, vegetation, and structures associated with the marine domain

Minister for the Environment means the Minister of the Crown who, with the authority of the Prime Minister, is for the time being responsible for the administration of the Environment Act 1986

Minister of Statistics means the Minister of the Crown who, with the authority of the Prime Minister, is for the time being responsible for the administration of the Statistics Act 1975

Ministers means the Minister for the Environment and the Minister of Statistics

4. ENVIRONMENTAL REPORTING ACT 2015

Ministry means the department that is, with the authority of the Prime Minister, for the time being responsible for the administration of the Environment Act 1986

pressure means a natural or human-induced circumstance, factor, element, activity, or process

public health has the meaning given in section 6(1) of the New Zealand Public Health and Disability Act 2000

Secretary means the chief executive of the Ministry

Statistics New Zealand means the department of State established under that name by the Statistics Act 1975

structure has the meaning given in section 2(1) of the Resource Management Act 1991

synthesis report means a report of a kind required to be produced by section 7

te ao Māori means Māori world view

topic means a topic prescribed for a synthesis report or a domain report in regulations made under section 19.

Section 7 – Synthesis reports

- (1) The Secretary and the Government Statistician must jointly produce and publish reports on New Zealand’s environment.
- (2) As soon as is reasonably practicable after the Secretary and the Government Statistician have published a synthesis report, the Ministers must jointly present the report to the House of Representatives.
- (3) In subsection (1), New Zealand’s environment includes the domains referred to in section 10.

Section 8 – Content of synthesis reports

- (1) Each synthesis report must describe, in relation to the topics prescribed in regulations made under section 19, all of the following matters:
 - (a) the state of New Zealand’s environment including biodiversity and ecosystems; and
 - (b) the pressures that may be causing, or have the potential to cause, changes to the state of New Zealand’s environment; and
 - (c) the impacts that the state of the environment and changes to the state of the environment may be having on each of the following impact categories:
 - (i) ecological integrity; and
 - (ii) public health; and
 - (iii) the economy; and
 - (iv) te ao Māori; and
 - (v) culture and recreation.
- (2) In addition to the matters set out in subsection (1), each synthesis report must describe—
 - (a) changes to the state of New Zealand’s environment over time, including, if information in the report is able to be compared with that in a previous synthesis report, changes to the state of the environment since that previous report was published;
 - (b) how the state of New Zealand’s environment measures against national or international standards.
- (3) The Secretary and the Government Statistician are not required to include in synthesis reports information that cannot be obtained by using reasonable efforts.

Section 9 – Frequency of synthesis reports

- (1) A synthesis report must be published once every 3 years.
- (2) The first synthesis report must be published not later than 3 years after the date on which the first domain report is published under this Act.

Section 10 – Domain reports

- (1) The Secretary and the Government Statistician must jointly produce and publish reports on the following:
 - (a) the air domain:
 - (b) the atmosphere and climate domain:
 - (c) the freshwater domain:
 - (d) the land domain:
 - (e) the marine domain.
- (2) As soon as is reasonably practicable after the Secretary and the Government Statistician have published a domain report, the Ministers must jointly present the report to the House of Representatives.

Section 11 – Content of domain reports

- (1) Each domain report must describe, in relation to the topics prescribed in regulations made under section 19, all of the following matters:
 - (a) the state of the domain the report relates to, including biodiversity and ecosystems dependent on that domain; and
 - (b) the pressures that may be causing, or have the potential to cause, changes to the state of the domain; and
 - (c) the impacts that the state of the environment and changes to the state of the environment may be having on each of the following impact categories:
 - (i) ecological integrity; and
 - (ii) public health; and
 - (iii) the economy; and
 - (iv) te ao Māori; and
 - (v) culture and recreation.
- (2) In addition to the matters set out in subsection (1), each domain report must describe—
 - (a) changes to the state of the domain over time, including, if information in the report is able to be compared with that in a previous domain report, changes to the state of the domain since that previous report was published:
 - (b) how the state of the domain measures against national or international standards.
- (3) The Secretary and the Government Statistician are not required to include in domain reports information that cannot be obtained by using reasonable efforts.

Section 12 – Frequency of domain reports

- (1) The first domain report for one of the domains listed in section 10 must be published not later than 18 months after this Act comes into force.
- (2) A domain report for one of the domains listed in section 10 must be published at least once every 6 months, unless, within the next 6 months after the most recent domain report is published, a synthesis report is due to be published.
- (3) If, by virtue of subsection (2), a domain report is not published because of the publication of a synthesis report, the domain report must be published within the next 6 months after the synthesis report is published.
- (4) Each of the domains listed in section 10 must be reported on at least once every 3 years.

Section 19 – Regulations

- (1) The Governor-General may, on the joint recommendation of the Ministers, by Order in Council, make regulations prescribing—
- (a) topics to be covered in synthesis reports relating to—
 - (i) the state of New Zealand’s environment:
 - (ii) the pressures that may be causing, or have the potential to cause, changes to the state of New Zealand’s environment:
 - (iii) the impacts that the state of the environment and changes to the state of the environment may be having on the matters set out in section 8(1)(c):
 - (b) topics to be covered in domain reports relating to—
 - (i) the state of a domain:
 - (ii) the pressures that may be causing, or have the potential to cause, changes to the state of a domain:
 - (iii) the impacts that the state of a domain and changes to the state of the domain may be having on the matters set out in section 11(1)(c).
- (2) Before recommending the making of regulations under subsection (1), the Ministers must be satisfied that any—
- (a) pressure topic or impact topic affects significant areas, resources, or numbers of people:
 - (b) topic can be measured with robust statistical methods:
 - (c) pressure topic is closely related to any state topic that it is asserted to affect:
 - (d) impact topic is closely related to any state topic that is asserted to give rise to that impact.
- (3) Before recommending the making of regulations under subsection (1), the Ministers must consult—
- (a) the Government Statistician; and
 - (b) the Commissioner; and
 - (c) the public; and
 - (d) iwi authorities; and
 - (e) local authorities.
- (4) In this section,—
- impact topic** means a topic of a kind referred to in subsection (1)(a)(iii) or (b)(iii):
- pressure topic** means a topic of a kind referred to in subsection (1)(a)(ii) or (b)(ii):
- state topic** means a topic of a kind referred to in subsection (1)(a)(i) or (b)(i).

5. Financial Markets Conduct Act 2013

Section 3 – Main purposes

The main purposes of this Act are to—

- (a) promote the confident and informed participation of businesses, investors, and consumers in the financial markets; and
- (b) promote and facilitate the development of fair, efficient, and transparent financial markets.

Section 97 – Information to be made publicly available

- (1) Every issuer of regulated products must, at the prescribed times or on the occurrence of the prescribed events and otherwise in the prescribed manner, make publicly available the information that is required to be made publicly available by the regulations.
- (2) An issuer commits an offence and is liable on conviction to a fine not exceeding \$50,000 if—
 - (a) the regulations made for the purposes of this section require the issuer to make information publicly available by lodging that information with the Registrar; and
 - (b) the issuer contravenes this section by failing to lodge that information with the Registrar in accordance with subsection (1).
- (3) The offence in this section is an infringement offence (see subpart 5 of Part 8).

Section 293 – Listed issuers must make available information on substantial holdings

- (1) Every listed issuer must, in accordance with this section, make available the following information:
 - (a) the names of all persons who, according to the issuer's records and disclosures made under section 280(1)(b), are substantial product holders in the listed issuer as at each balance date; and
 - (b) the number and class of quoted voting products of the listed issuer that, according to the issuer's records and disclosures made under section 280(1)(b), form part of each substantial holding in the listed issuer as at each balance date; and
 - (c) the total number of voting products in each of those classes as at each balance date.
- (2) The information must be made available,—
 - (a) for listed issuers that are required to prepare an annual report under the Companies Act 1993 or any other enactment, in the annual report for the period ending on the balance date; and
 - (b) for every other listed issuer, in a notice sent to every holder of its quoted voting products not later than 3 months after the balance date.
- (3) A listed issuer that contravenes this section commits an offence and is liable on conviction to a fine not exceeding \$50,000.
- (4) The offence in this section is an infringement offence (see subpart 5 of Part 8).

Section 451 – Meaning of FMC reporting entity

In this Act, FMC reporting entity means—

- (a) every person who is an issuer of a regulated product (but see section 452);
- (b) every person who holds a licence under Part 6 (other than an independent trustee of a restricted scheme);
- (c) every licensed supervisor;
- (d) every listed issuer (but see section 351(1)(ab));
- (e) every operator of a licensed market (other than a market licensed under section 317 (overseas-regulated markets));
- (f) every recipient of money from a conduit issuer (see section 453);

5. FINANCIAL MARKETS CONDUCT ACT 2013

- (g) every registered bank:
- (h) every licensed insurer:
- (i) every credit union:
- (j) every building society:

Section 460 – Financial statements must be prepared

- (1) Every FMC reporting entity must ensure that, within 4 months after the balance date of the entity, financial statements that comply with generally accepted accounting practice are—
 - (a) completed in relation to the entity and that balance date; and
 - (b) dated and signed on behalf of the entity by 2 directors of the entity or, if the entity has only 1 director, by that director.
- (2) Subsection (1) is subject to sections 461(2) and 461A(4).

Section 461D – Financial statements must be audited

Every FMC reporting entity must ensure that the financial statements or group financial statements that are required to be prepared under this subpart are audited by a qualified auditor.

Section 461G – Auditor’s report

- (1) The auditor’s report on the financial statements or group financial statements that are required to be audited under this subpart must comply with the requirements of all applicable auditing and assurance standards.
- (2) If the auditor’s report indicates that the requirements of this Part have not been complied with, the auditor must, within 7 working days after signing the report, send a copy of the report, and a copy of the financial statements or group financial statements to which it relates, to—
 - (a) the FMA; and
 - (b) the External Reporting Board; and
 - (c) in the case of an issuer of debt securities or a manager of a registered scheme, the supervisor.

Section 461H – Lodgement of financial statements

- (1) Every FMC reporting entity must ensure that, within 4 months after the balance date of the entity, copies of the financial statements or group financial statements that are required to be prepared under any of sections 460, 461, and 461B, together with a copy of the auditor’s report on those statements, are delivered to the Registrar for lodgement.
- (1A) Every manager of a registered scheme must ensure that, within 4 months after the balance date of the scheme, copies of the financial statements that are required to be prepared under section 461A, together with a copy of the auditor’s report on those statements, are delivered to the Registrar for lodgement.
- (2) An FMC reporting entity that contravenes this section commits an offence and is liable on conviction to a fine not exceeding \$50,000.
- (3) The offence in this section is an infringement offence (see subpart 5 of Part 8).

Section 461I – Offence to knowingly fail to comply with financial reporting standards

- (1) An FMC reporting entity and every director of the entity commit an offence if—
 - (a) any of the following fail to comply with an applicable financial reporting standard:
 - (i) the financial statements of the entity prepared under section 460:
 - (ii) group financial statements in relation to a group comprising the entity and its subsidiaries prepared under section 461:

- (iii) in the case of a manager of a registered scheme, financial statements for the scheme or a fund referred to in section 461A;
 - (iv) the financial statements prepared by the entity under section 461B; and
 - (b) the entity or the director (as the case may be) knows that the financial statements or group financial statements (as the case may be) fail to so comply when those statements are lodged.
- (2) A person who commits an offence under subsection (1) is liable on conviction,—
- (a) in the case of an individual, to imprisonment for a term not exceeding 5 years, a fine not exceeding \$500,000, or both; and
 - (b) in any other case, to a fine not exceeding \$2.5 million.

Section 513 – Infringement offences

- (1) If a person is alleged to have committed an infringement offence, that person may—
- (a) be proceeded against by filing a charging document under section 14 of the Criminal Procedure Act 2011; or
 - (b) be served with an infringement notice as provided in section 514.
- (2) Proceedings commenced in the way described in subsection (1)(a) do not require leave of a District Court Judge or Registrar under section 21(1)(a) of the Summary Proceedings Act 1957.

Section 514 – Infringement notices

- (1) The FMA may issue an infringement notice to a person if the FMA believes on reasonable grounds that the person is committing, or has committed, an infringement offence.
- (2) The FMA may revoke an infringement notice before the infringement fee is paid, or an order for payment of a fine is made or deemed to be made by a court under section 21 of the Summary Proceedings Act 1957.
- (3) An infringement notice is revoked by giving written notice to the person to whom it was issued that the notice is revoked.

Section 515 – Procedural requirements for infringement notices

- (1) An infringement notice may be served on a person—
- (a) by delivering it, or a copy of it, personally to the person who the FMA believes has committed the infringement offence; or
 - (b) by sending it, or a copy of it, by post, addressed to the person at the person's last known place of residence or business.
- (2) An infringement notice sent under subsection (1)(b) must be treated as having been served on the person on the date it was posted.
- (3) An infringement notice must be in the prescribed form and must contain—
- (a) details of the alleged infringement offence that are sufficient to fairly inform a person of the time, place, and nature of the alleged offence; and
 - (b) the amount of the infringement fee; and
 - (c) an address at which the infringement fee may be paid; and
 - (d) the time within which the infringement fee must be paid; and
 - (e) a summary of the provisions of section 21(10) of the Summary Proceedings Act 1957; and
 - (f) a statement that the person served with the notice has a right to request a hearing; and
 - (g) a statement of what will happen if the person served with the notice does not pay the fee and does not request a hearing; and
 - (h) any other prescribed matters.

5. FINANCIAL MARKETS CONDUCT ACT 2013

- (4) If an infringement notice has been issued, proceedings in respect of the infringement offence to which the notice relates may be commenced in accordance with section 21 of the Summary Proceedings Act 1957 and, in that case,—
- (a) reminder notices may be prescribed; and
 - (b) in all other respects, section 21 of the Summary Proceedings Act 1957 applies with all necessary modifications.
- (5) Reminder notices must contain the prescribed information.

Section 516 – Payment of infringement fee

The FMA must pay all infringement fees received into a Crown Bank Account.

6. Financial Reporting Act 2013

Section 3 – Purpose

The purpose of this Act is to—

- (a) continue the External Reporting Board and define its functions and powers; and
- (b) provide for the issue of financial reporting standards and auditing and assurance standards; and
- (c) provide for auditor qualifications and other standard provisions relating to financial reporting duties under other enactments.

Section 5 – Interpretation

applicable auditing and assurance standard, in relation to an audit, means an auditing and assurance standard that applies to the audit in accordance with the standard

applicable financial reporting standard, in relation to a reporting entity and to an accounting period or an interim accounting period of a reporting entity, means a financial reporting standard that applies to the reporting entity and to the accounting period or the interim accounting period in accordance with the financial reporting standard

Board means the External Reporting Board continued under section 11

entity includes—

- (a) a company, an overseas company, or any other body corporate:
- (b) a corporation sole:
- (c) a trust, a partnership, or an association of persons, whether incorporated or not:
- (d) a scheme or fund:
- (e) a retirement village (within the meaning of the Retirement Villages Act 2003):
- (f) a society, a branch of a society, or a credit union registered or deemed to be registered under the Friendly Societies and Credit Unions Act 1982:
- (g) the Crown, a department, or an office of Parliament (within the meaning of those terms in section 2(1) of the Public Finance Act 1989) or an organisation named or described in Schedule 4 of that Act:
- (h) a Crown entity (within the meaning of section 7 of the Crown Entities Act 2004):
- (i) a local authority (within the meaning of section 5(1) of the Local Government Act 2002)

financial reporting standard means a financial reporting standard issued by the Board under section 12; and includes an amendment to a financial reporting standard that is issued by the Board

generally accepted accounting practice has the meaning given to it by section 8

group means a group comprising a reporting entity and its subsidiaries

large has the meaning given to it by section 45

licensed auditor has the same meaning as in section 6(1) of the Auditor Regulation Act 2011

non-GAAP standard means a financial reporting standard that is stated in the standard to be a non-GAAP standard

overseas company means a body corporate that is incorporated outside New Zealand

registered audit firm has the same meaning as in section 6(1) of the Auditor Regulation Act 2011

reporting entity means an entity whose financial statements, group financial statements, reports, or other information is required by any enactment to comply, or be prepared in accordance, with generally accepted accounting practice or non-GAAP standards

specified not-for-profit entity has the meaning given to it by section 46

standard means—

- (a) a financial reporting standard; or
- (b) an auditing and assurance standard.

6. FINANCIAL REPORTING ACT 2013

Section 6 – Meaning of financial statements

In this Act, financial statements, in relation to a reporting entity and a balance date,—

- (a) means the statements for the entity as at the balance date, or in relation to the accounting period ending at the balance date, that are required to be prepared in respect of the entity by an applicable financial reporting standard or a non-GAAP standard; and
- (b) includes any notes giving information relating to those statements that are required by an applicable financial reporting standard or a non-GAAP standard.

Section 8 – Meaning of generally accepted accounting practice

In this Act, financial statements, group financial statements, a report, or other information complies with **generally accepted accounting practice** only if the report, statements, or information comply with—

- (a) applicable financial reporting standards; and
- (b) in relation to matters for which no provision is made in applicable financial reporting standards, an authoritative notice.

Section 9 – Obligation to comply with generally accepted accounting practice prevails

(1) This section applies if—

- (a) an Act that applies to an entity (A) provides that the financial statements of A must comply, or be prepared in accordance with, generally accepted accounting practice; and
- (b) another Act that applies to A provides that the financial statements of A must comply, or be prepared in accordance with, either generally accepted accounting practice or a non-GAAP standard.

(2) The financial statements of A must comply, or be prepared in accordance with, generally accepted accounting practice.

Section 15 – Financial reporting standards

(1) Financial reporting standards may—

- (a) have general or specific application;
- (b) differ according to differences in time or circumstance.

(2) A financial reporting standard may be expressed to apply to all reporting entities or groups or to specified classes of reporting entities or groups.

(3) A financial reporting standard may specify the accounting periods or interim accounting periods in relation to which the standard applies.

Section 16 – Prospective, summary, or interim financial information

(1) A financial reporting standard may relate to prospective, summary, or interim financial information.

(2) This section does not limit section 15.

Section 17 – Financial reporting standards may cover non-financial reporting

(1) A financial reporting standard may relate to reporting on—

- (a) an entity's performance; or
- (b) an entity's related party transactions; or
- (c) any other non-financial matter that directly relates, or is incidental or ancillary, to an entity's financial reporting; or
- (d) other non-financial matters authorised by an Order in Council made under subsection (2).

(2) The Governor-General may, on the recommendation of the Minister, by Order in Council,—

- (a) authorise the Board to issue financial reporting standards that relate to reporting on 1 or more of the following matters:
 - (i) an entity's governance:
 - (ii) an entity's strategic direction and targets:
 - (iii) the social, environmental, and economic context in which an entity operates:
 - (iv) any other matter relating to an entity's performance or position; and
- (b) specify conditions to which the authorisation is subject.
- (3) The Minister may make a recommendation only if he or she is satisfied that it is desirable for standards referred to in subsection (2)(a) to be issued in order to provide for the integrated reporting of an entity's performance or position in terms of both financial and non-financial information.
- (4) This section does not limit section 15.

Section 18 – Non-GAAP standards

- (1) A financial reporting standard may state that it is a non-GAAP standard.
- (2) A non-GAAP standard may be expressed to apply to an entity even if the financial statements of the entity are not required to comply with generally accepted accounting practice.
- (3) A non-GAAP standard must specify the provisions of the enactments in relation to which the standard applies.
- (4) This section does not limit section 15.

Section 19 – Financial reporting standards may classify entity as subsidiary

- (1) A financial reporting standard may classify an entity **(A)** as a subsidiary of another entity **(B)** where A is, in effect, controlled by B so as to render A, in substance, a subsidiary of B.
- (2) A financial reporting standard may classify an entity as a subsidiary of another entity regardless of whether it is a subsidiary under, or taken to be controlled for the purposes of, section 5 of the Companies Act 1993.

Section 20 – Auditing and assurance standards

- (1) Auditing and assurance standards may—
 - (a) have general or specific application:
 - (b) differ according to differences in time or circumstance.
- (2) Auditing and assurance standards may (without limitation) include professional and ethical standards that govern the professional conduct of persons who are appointed or engaged to carry out audits or other assurance engagements.

Section 45 – Meaning of large

- (1) for the purposes of an enactment that refers to this section, an entity (other than an overseas company or a subsidiary of an overseas company) is **large** in respect of an accounting period if at least 1 of the following paragraphs applies:
 - (a) as at the balance date of each of the 2 preceding accounting periods, the total assets of the entity and its subsidiaries (if any) exceed \$60 million:
 - (b) in each of the 2 preceding accounting periods, the total revenue of the entity and its subsidiaries (if any) exceeds \$30 million.
- (2) For the purposes of an enactment that refers to this section, an overseas company or a subsidiary of an overseas company is **large** in respect of an accounting period if at least 1 of the following paragraphs applies:

6. FINANCIAL REPORTING ACT 2013

- (a) as at the balance date of each of the 2 preceding accounting periods, the total assets of the entity and its subsidiaries (if any) exceed \$20 million:
- (b) in each of the 2 preceding accounting periods, the total revenue of the entity and its subsidiaries (if any) exceeds \$10 million.

Section 46 – Meaning of specified not-for-profit entity

For the purposes of an enactment that refers to this section, an entity is a **specified not-for-profit entity** in respect of an accounting period if, in each of the 2 preceding accounting periods of the entity, the total operating payments of the entity are \$125,000 or more.

7. Incorporated Societies Act 1908

Section 23 – Society to deliver annual financial statement to Registrar

- (1) Every society shall deliver annually to the Registrar, in such form and at such time as he or she requires, a statement containing the following particulars:
 - (a) the income and expenditure of the society during the society's last financial year:
 - (b) the assets and liabilities of the society at the close of the said year:
 - (c) all mortgages, charges, and securities of any description affecting any of the property of the society at the close of the said year.
- (2) The said statement shall be accompanied by a certificate signed by some officer of the society to the effect that the statement has been submitted to and approved by the members of the society at a general meeting.
- (3) If any default is made by a society in the observance of the provisions of this section, every officer of the society shall be liable to a fine not exceeding 1 shilling for every day during which the default continues.
- (4) Nothing in this section applies to a society that is—
 - (a) an FMC reporting entity (as defined in section 451 of the Financial Markets Conduct Act 2013) or a person that is subject to section 55 of the Financial Reporting Act 2013; or
 - (b) a charitable entity within the meaning of section 4(1) of the Charities Act 2005.

8. Local Government Act 2002

Section 93 – Long-term plan

- (1) A local authority must, at all times, have a long-term plan under this section.
- (2) A local authority must use the special consultative procedure in adopting a long-term plan.
- (3) A long-term plan must be adopted before the commencement of the first year to which it relates, and continues in force until the close of the third consecutive year to which it relates.
- (4) A local authority may amend a long-term plan at any time.
- (5) A local authority must use the special consultative procedure in making any amendment to a long-term plan.
- (6) The purpose of a long-term plan is to—
 - (a) describe the activities of the local authority; and
 - (b) describe the community outcomes of the local authority’s district or region; and
 - (c) provide integrated decision-making and co-ordination of the resources of the local authority; and
 - (d) provide a long-term focus for the decisions and activities of the local authority; and
 - (e) provide a basis for accountability of the local authority to the community.
 - (f) [Repealed]
- (7) A long-term plan adopted under this section must—
 - (a) cover a period of not less than 10 consecutive financial years; and
 - (b) include the information required by Part 1 of Schedule 10.
- (8) A local authority must, in complying with the requirements of this Act in relation to the preparation and adoption of a long-term plan, act in such manner, and include in that plan such detail, as the local authority considers on reasonable grounds to be appropriate.
- (9) A local authority must, in deciding what is appropriate for the purposes of subsection (8), have regard to—
 - (a) the provisions of sections 77, 78, 79, 80, 81, 82, 83, 84, 96, 97, and 101; and
 - (b) the significance of any matter; and
 - (c) the extent of the local authority’s resources.
- (10) A local authority must, within 1 month after the adoption of its long-term plan,—
 - (a) make its long-term plan publicly available; and
 - (b) send copies of that plan to—
 - (i) the Secretary; and
 - (ii) the Auditor-General; and
 - (iii) the Parliamentary Library.

Section 98 – Annual report

- (1) A local authority must prepare and adopt in respect of each financial year an annual report containing in respect of that year the information required by Part 3 of Schedule 10.
- (2) The purposes of an annual report are—
 - (a) to compare the actual activities and the actual performance of the local authority in the year with the intended activities and the intended level of performance as set out in respect of the year in the long-term plan and the annual plan; and
 - (b) to promote the local authority’s accountability to the community for the decisions made throughout the year by the local authority.
- (3) Each annual report must be completed and adopted, by resolution, within 4 months after the end of the financial year to which it relates.

- (4) A local authority must, within 1 month after the adoption of its annual report, make publicly available—
 - (a) its annual report; and
 - (b) a summary of the information contained in its annual report.
- (5) The summary must represent, fairly and consistently, the information regarding the major matters dealt with in the annual report.
- (6) A local authority must, within 1 month after the adoption of its annual report, send copies of that report and of the summary prepared under subsection (4)(b) to—
 - (a) the Secretary; and
 - (b) the Auditor-General; and
 - (c) the Parliamentary Library.

Section 99 – Audit of information in annual report and summary

- (1) In addition to the information required by Part 3 of Schedule 10, the annual report must contain the Auditor-General’s report on—
 - (a) the financial statements referred to in clause 29 of Schedule 10; and
 - (b) the statement about budgeted and actual capital expenditure referred to in clause 24 of Schedule 10; and
 - (c) the funding impact statement referred to in clause 30 of Schedule 10; and
 - (d) the local authority’s compliance with the requirements of Schedule 10 that are applicable to the annual report.
- (2) In addition to the information required by section 98(5), the summary required by section 98(4)(b) must contain the Auditor-General’s report on whether the summary represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

Section 100 – Balanced budget requirement

- (1) A local authority must ensure that each year’s projected operating revenues are set at a level sufficient to meet that year’s projected operating expenses.
- (2) Despite subsection (1), a local authority may set projected operating revenues at a different level from that required by that subsection if the local authority resolves that it is financially prudent to do so, having regard to—
 - (a) the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the long-term plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
 - (b) the projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
 - (c) the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and
 - (d) the funding and financial policies adopted under section 102.

Section 101 – Financial management

- (1) A local authority must manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.
- (2) A local authority must make adequate and effective provision in its long-term plan and in its annual plan (where applicable) to meet the expenditure needs of the local authority identified in that long-term plan and annual plan.
- (3) The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,—

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- (a) in relation to each activity to be funded,—
 - (i) the community outcomes to which the activity primarily contributes; and
 - (ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
 - (iii) the period in or over which those benefits are expected to occur; and
 - (iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
 - (v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
- (b) the overall impact of any allocation of liability for revenue needs on the community.

Section 101A – Financial strategy

- (1) A local authority must, as part of its long-term plan, prepare and adopt a financial strategy for all of the consecutive financial years covered by the long-term plan.
- (2) The purpose of the financial strategy is to—
 - (a) facilitate prudent financial management by the local authority by providing a guide for the local authority to consider proposals for funding and expenditure against; and
 - (b) provide a context for consultation on the local authority’s proposals for funding and expenditure by making transparent the overall effects of those proposals on the local authority’s services, rates, debt, and investments.
- (3) The financial strategy must—
 - (a) include a statement of the factors that are expected to have a significant impact on the local authority during the consecutive financial years covered by the strategy, including—
 - (i) the expected changes in population and the use of land in the district or region, and the capital and operating costs of providing for those changes; and
 - (ii) the expected capital expenditure on network infrastructure, flood protection, and flood control works that is required to maintain existing levels of service currently provided by the local authority; and
 - (iii) other significant factors affecting the local authority’s ability to maintain existing levels of service and to meet additional demands for services; and
 - (b) include a statement of the local authority’s—
 - (i) quantified limits on rates, rate increases, and borrowing; and
 - (ii) assessment of its ability to provide and maintain existing levels of service and to meet additional demands for services within those limits; and
 - (c) specify the local authority’s policy on the giving of securities for its borrowing; and
 - (d) specify the local authority’s objectives for holding and managing financial investments and equity securities and its quantified targets for returns on those investments and equity securities.

Section 101B – Infrastructure strategy

- (1) A local authority must, as part of its long-term plan, prepare and adopt an infrastructure strategy for a period of at least 30 consecutive financial years.
- (2) The purpose of the infrastructure strategy is to—
 - (a) identify significant infrastructure issues for the local authority over the period covered by the strategy; and
 - (b) identify the principal options for managing those issues and the implications of those options.
- (3) The infrastructure strategy must outline how the local authority intends to manage its infrastructure assets, taking into account the need to—
 - (a) renew or replace existing assets; and
 - (b) respond to growth or decline in the demand for services reliant on those assets; and
 - (c) allow for planned increases or decreases in levels of service provided through those assets; and
 - (d) maintain or improve public health and environmental outcomes or mitigate adverse effects on them; and
 - (e) provide for the resilience of infrastructure assets by identifying and managing risks relating to natural hazards and by making appropriate financial provision for those risks.
- (4) The infrastructure strategy must outline the most likely scenario for the management of the local authority’s infrastructure assets over the period of the strategy and, in that context, must—
 - (a) show indicative estimates of the projected capital and operating expenditure associated with the management of those assets—
 - (i) in each of the first 10 years covered by the strategy; and
 - (ii) in each subsequent period of 5 years covered by the strategy; and
 - (b) identify—
 - (i) the significant decisions about capital expenditure the local authority expects it will be required to make; and
 - (ii) when the local authority expects those decisions will be required; and
 - (iii) for each decision, the principal options the local authority expects to have to consider; and
 - (iv) the approximate scale or extent of the costs associated with each decision; and
 - (c) include the following assumptions on which the scenario is based:
 - (i) the assumptions of the local authority about the life cycle of significant infrastructure assets;
 - (ii) the assumptions of the local authority about growth or decline in the demand for relevant services;
 - (iii) the assumptions of the local authority about increases or decreases in relevant levels of service; and
 - (d) if assumptions referred to in paragraph (c) involve a high level of uncertainty,—
 - (i) identify the nature of that uncertainty; and
 - (ii) include an outline of the potential effects of that uncertainty.
- (5) A local authority may meet the requirements of section 101A and this section by adopting a single financial and infrastructure strategy document as part of its long-term plan.

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- (6) In this section, infrastructure assets includes—
- (a) existing or proposed assets to be used to provide services by or on behalf of the local authority in relation to the following groups of activities:
 - (i) water supply;
 - (ii) sewerage and the treatment and disposal of sewage;
 - (iii) stormwater drainage;
 - (iv) flood protection and control works;
 - (v) the provision of roads and footpaths; and
 - (b) any other assets that the local authority, in its discretion, wishes to include in the strategy.

Section 102 – Funding and financial policies

- (1) A local authority must, in order to provide predictability and certainty about sources and levels of funding, adopt the funding and financial policies listed in subsection (2).
- (2) The policies are—
- (a) a revenue and financing policy; and
 - (b) a liability management policy; and
 - (c) an investment policy; and
 - (d) a policy on development contributions or financial contributions; and
 - (e) a policy on the remission and postponement of rates on Māori freehold land; and
 - (f) in the case of a unitary authority for a district that includes 1 or more local board areas, a local boards funding policy.
- (3) A local authority may adopt either or both of the following policies:
- (a) a rates remission policy;
 - (b) a rates postponement policy.
- (4) A local authority—
- (a) must consult on a draft policy in a manner that gives effect to the requirements of section 82 before adopting a policy under this section;
 - (b) may amend a policy adopted under this section at any time after consulting on the proposed amendments in a manner that gives effect to the requirements of section 82.
- (5) However, subsection (4) does not apply to—
- (a) a liability management policy;
 - (b) an investment policy.

Section 111 – Information to be prepared in accordance with generally accepted accounting practice

- (1) All information that is required by any provision of this Part or of Schedule 10 to be included in any plan, report, or other document must be prepared in accordance with generally accepted accounting practice if that information is of a form or nature for which generally accepted accounting practice has developed standards.
- (2) Subsection (1) does not apply to the preparation of a funding impact statement.

Schedule 10 Part 3 of Local Government Act 2002**Section 23 – Groups of activities**

An annual report must, in relation to each group of activities of the local authority,—

- (a) identify the activities within the group of activities; and
- (b) identify the community outcomes to which the group of activities primarily contributes; and
- (c) report the results of any measurement undertaken during the year of progress towards the achievement of those outcomes; and
- (d) describe any identified effects that any activity within the group of activities has had on the community.

Section 24 – Capital expenditure for groups of activities

- (1) An annual report must, in relation to each group of activities, include an audited statement comparing the capital expenditure budgeted by the local authority (as set out in the long-term plan or annual plan for the financial year) with the amount spent.
- (2) The statement described in subclause (1) must show separately the amount of funds that the local authority intended to spend and the amount spent to—
 - (a) meet additional demand for a group of activities; and
 - (b) improve the level of performance in relation to a group of activities; and
 - (c) replace existing assets.
- (3) For the purpose of this clause, capital expenditure budgeted for 2 or all of the purposes in subclause (2) may be treated as if it were made solely in relation to the primary purpose of the expenditure.

Section 25 – Statement of service provision

An annual report must include an audited statement that—

- (a) compares the level of service achieved in relation to a group of activities with the performance target or targets for the group of activities; and
- (b) specifies whether any intended changes to the level of service have been achieved; and
- (c) gives the reasons for any significant variation between the level of service achieved and the intended level of service.

Section 26 – Funding impact statement for groups of activities

- (1) An annual report must, in relation to each year covered by the plan, include an audited funding impact statement for each group of activities of the local authority.
- (2) The funding impact statement must be in the prescribed form and must—
 - (a) identify—
 - (i) the amount of funds produced from each source of funding; and
 - (ii) how the funds were applied; and
 - (b) compare the information in paragraph (a) with information included in the long-term plan in accordance with clause 5(2).

Section 27 – Internal borrowing

- (1) This clause applies to borrowing of the type described in paragraph (b)(iii) of the definition of borrowing in section 112 (internal borrowing).

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- (2) In relation to each group of activities of the local authority, an annual report must include—
- (a) a statement of the amount of internal borrowing used for the purpose of the group of activities; and
 - (b) the amount of funds borrowed and repaid during the year; and
 - (c) the amount of interest (if any) paid in relation to the internal borrowing.

Section 28 – Council-controlled organisations

An annual report must include, in relation to each council-controlled organisation,—

- (a) a report on the extent to which the local authority's significant policies and objectives in regard to ownership and control of the organisation (as set out in the relevant long-term plan or annual plan) have been implemented or attained in the year to which the report relates; and
- (b) a comparison between the nature and scope of the activities intended to be provided by the organisation in the year to which the report relates (as set out in the relevant long-term plan or annual plan) and the nature and scope of the activities actually provided by the organisation in that year; and
- (c) a comparison between actual performance and the key performance targets and other measures set out in the relevant long-term plan or annual plan.

Section 29 – Financial statements

- (1) An annual report must include—
- (a) audited financial statements for the financial year for the local authority; and
 - (b) audited consolidated financial statements for the financial year; and
 - (c) such other information as is necessary to enable an informed assessment of the operations of each entity reported on; and
 - (d) the numerical information from the statements described in paragraphs (a) and (b) for the financial year before the financial year to which the report relates.
- (2) The numerical information described in subclause (1)(d) must be presented in a way that allows the public to compare the information with the numerical information contained in the forecast financial statements for the financial year covered by the report.

Section 30 – Funding impact statement

- (1) An annual report must include an audited funding impact statement for the financial year to which the report relates.
- (2) The funding impact statement must be in the prescribed form and must—
- (a) identify—
 - (i) the amount of funds produced from each source of funding; and
 - (ii) how the funds were applied; and
 - (b) compare the information in paragraph (a) with information included in the annual plan in accordance with clause 20(2).
- (3) The annual report must include the information in subclause (2) for the financial year before the year to which the report relates.

Section 30A – Rating base information

The annual report must state—

- (a) the number of rating units within the district or region of the local authority at the end of the preceding financial year:

- (b) the total capital value of rating units within the district or region of the local authority at the end of the preceding financial year:
- (c) the total land value of rating units within the district or region of the local authority at the end of the preceding financial year.

Section 31 – Reserve funds

An annual report must identify each reserve fund set aside by the local authority and, in relation to each fund, specify for the financial year—

- (a) the purpose of the fund; and
- (b) the activities to which the fund relates; and
- (c) the amounts in the fund at the beginning and end of the financial year; and
- (d) the total amount deposited in the fund; and
- (e) the total amount withdrawn from the fund.

Section 31A – Insurance of assets

An annual report must state, as at the end of the financial year,—

- (a) the total value of all assets of the local authority that are covered by insurance contracts, and the maximum amount to which they are insured; and
- (b) the total value of all assets of the local authority that are covered by financial risk sharing arrangements, and the maximum amount available to the local authority under those arrangements; and
- (c) the total value of all assets of the local authority that are self-insured, and the value of any fund maintained by the local authority for that purpose.

Section 32 – Remuneration issues

- (1) An annual report must include a report on the remuneration that, in the year to which the report relates, was received by, or payable to, each of the following persons:
 - (a) the mayor or chairperson of the local authority;
 - (b) each of the other members of the local authority;
 - (c) the chief executive of the local authority.
- (2) The report under subclause (1) must show, in relation to each person specified in that subclause, that person's total remuneration for the year.
- (3) To avoid doubt, subclause (2) applies to the total remuneration (including the value of any non-financial benefits) that, during the year, was paid to the person, or was payable to the person, by the local authority and any council organisation of the local authority.

Section 32A – Employee staffing levels and remuneration

- (1) An annual report must include a report on the number of employees who were employed by the local authority—
 - (a) on the last day of the financial year to which the report relates; and
 - (b) on the last day of the immediately preceding financial year.
- (2) For each financial year, the report must state, as at the last day of that year,—
 - (a) the number of full-time employees; and
 - (b) the full-time equivalent number of all other employees; and
 - (c) the number of employees receiving total annual remuneration of less than \$60,000; and
 - (d) the number of employees receiving total annual remuneration of \$60,000 or more, expressed in bands of \$20,000.

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- (3) However, if the number of employees in any band to which subclause (2)(d) applies is 5 or fewer, the number for that band must be combined with the nexthighest band and the statement in the report in relation to that subclause must be adjusted accordingly.
- (4) In subclause (2), total annual remuneration includes the value of any nonfinancial benefit that, during the year, was paid to an employee, or was payable to an employee, by the local authority.
- (5) The report requirement in this clause applies to—
 - (a) the financial year ending 30 June 2013; and
 - (b) each following financial year.

Section 33 – Severance payments

- (1) An annual report must state—
 - (a) the amount of any severance payments made in the year to any person who vacated office as the chief executive of the local authority; and
 - (b) the number of employees of the local authority to whom, in the year, severance payments were made; and
 - (c) the amount of every such severance payment.
- (2) In this section, severance payment means any consideration that a local authority has agreed to provide to an employee in respect of that employee’s agreement to the termination of his or her employment, being consideration, whether of a monetary nature or otherwise, additional to any entitlement of that employee to—
 - (a) any final payment of salary; or
 - (b) any holiday pay; or
 - (c) any superannuation contributions.

Section 34 – Statement of compliance

- (1) An annual report must include a statement that all statutory requirements in relation to the annual report have been complied with.
- (2) The statement must be signed—
 - (a) by the mayor or chairperson of the local authority; and
 - (b) by the chief executive of the local authority.

Section 34A – Additional information to be included in annual report of unitary authority with local boards

- (1) In the case of a unitary authority for a district that includes 1 or more local board areas, an annual report must also include, in respect of local activities for each local board area, an audited statement that—
 - (a) compares the level of service achieved in relation to the activities with the performance target or targets for the activities (as stated in the local board agreement for that year); and
 - (b) specifies whether any intended changes to the level of service have been achieved; and
 - (c) gives the reasons for any significant variation between the level of service achieved and the intended level of service.
- (2) Each local board must comment on the matters included in the annual report under subclause (1) in respect of its local board area, and the unitary authority must include those comments in the annual report.

- (3) In this clause, local activities or activities means the non-regulatory activities of the unitary authority in respect of which a local board is allocated decisionmaking responsibility under section 48L or under section 17 of the Local Government (Auckland Council) Act 2009.

Section 34B – Additional information: RFT schemes

- (1) The regional council of an RFT region, in its annual report, must report on—
- (a) the revenue from an RFT scheme paid to the council by the Agency; and
 - (b) how that revenue was applied by the council, including to which projects and for what purposes (for example, capital expenditures, debt repayment, operational expenditures); and
 - (c) progress with respect to the programme of capital projects supported by the RFT scheme.
- (2) In this clause,—
- (a) regional council, RFT region, and RFT scheme have the same meanings as in section 65A of the Land Transport Management Act 2003; and
 - (b) Agency has the same meaning as in section 5(1) of that Act.

Section 35 – General

An annual report must include a report on the activities that the local authority has undertaken in the year to establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority.

9. New Zealand Business Number Act 2016

Section 3 – Main purposes

The main purposes of this Act are to—

- (a) enable eligible entities in New Zealand to interact more easily with government; and
- (b) enable eligible entities in New Zealand to interact more easily with one another; and
- (c) reduce transaction costs in New Zealand; and
- (d) establish and maintain the New Zealand Business Number Register that will—
 - (i) enable an NZBN identifier to be allocated to eligible entities; and
 - (ii) enable individuals dealing with NZBN entities to use the NZBN; and
 - (iii) enable certain information to be collected and shared between authorised government agencies; and
 - (iv) make certain information publicly available; and
- (e) protect the security and confidentiality of information provided under this Act and the privacy of individuals in business (within the meaning set out in section 9(2)).

Section 16 – Process for registering entity

(1) The Registrar registers an entity by—

- (a) recording the entity's NZBN and primary business data in the register; and
- (b) making publicly available the entity's public primary business data in accordance with section 21.

(2) As soon as practicable after registering an entity, the Registrar must notify the entity of the registration.

10. Public Finance Act 1989**Section 27 – Annual financial statements of Government**

- (1) The Treasury must, as soon as practicable after the end of each financial year, prepare annual consolidated financial statements for the Government reporting entity for that financial year.
- (2) The annual financial statements of the Government must—
 - (a) be prepared in accordance with generally accepted accounting practice; and
 - (b) include the forecast financial statements prepared under section 26Q, for comparison with the actual financial statements; and
 - (c) include, in addition to those financial statements required by generally accepted accounting practice,—
 - (i) a statement of borrowings that reflects the borrowing activities for that year, including budgeted figures for that year and comparative actual figures for the previous financial year:
 - (ii) a statement of unappropriated expenses and capital expenditure and unauthorised capital injections (excluding any capital injection to an intelligence and security department):
 - (iii) a statement of emergency expenses and capital expenditure incurred under section 25 and emergency capital injections (excluding any capital injection to an intelligence and security department) made under section 25A:
 - (iv) a statement of trust money administered by departments and Offices of Parliament:
 - (v) any additional information and explanations needed to fairly reflect the consolidated financial operations of the Government reporting entity for the financial year and its consolidated financial position at the end of that year.
- (3) The annual financial statements of the Government must include the Government reporting entity's interests in—
 - (a) all Crown entities named or described in the Crown Entities Act 2004:
 - (ab) all Schedule 4 organisations:
 - (b) all Schedule 4A companies:
 - (ba) all mixed ownership model companies listed in Schedule 5:
 - (bb) all legal entities named or described in Schedule 6:
 - (c) all State enterprises named in Schedule 1 of the State-Owned Enterprises Act 1986:
 - (d) all Offices of Parliament:
 - (e) the Reserve Bank of New Zealand:
 - (f) any other entity whose financial statements must be consolidated into the financial statements of the Government reporting entity to comply with generally accepted accounting practice.

Section 29 – Responsibility for annual financial statements of Government

- (1) Every annual financial statement shall be accompanied by a statement of responsibility signed by the Minister, any other Minister designated by the Prime Minister for either or both of the purposes of paragraphs (a) and (d) of subsection (2), and the Secretary.
- (2) The statement of responsibility shall comprise—
 - (a) a statement of the responsibility of the Minister, and of any other Minister designated by the Prime Minister for the purpose of this paragraph, for the integrity of the financial statements; and
 - (b) a statement of the Treasury's responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions recorded are within statutory authority and properly record the use of all public financial resources by the Government reporting entity; and

10. PUBLIC FINANCE ACT 1989

- (c) a statement by the Secretary that the Treasury has prepared the financial statements in accordance with generally accepted accounting practice; and
- (d) a statement that, in the opinion of the Minister, and of any other Minister designated by the Prime Minister for the purpose of this paragraph, the financial statements fairly reflect the consolidated financial position and operations of the Government reporting entity for the reporting period.

Section 31 – Annual financial statements must be presented to House of Representatives and published

- (1) The Treasury must forward the annual financial statements of the Government and the audit report to the Minister.
- (2) The Minister must present the annual financial statements and the audit report, together with the statement of responsibility, to the House of Representatives—
 - (a) not later than 10 working days after the Treasury receives the audit report; or
 - (b) if Parliament is not in session, as soon as possible after the commencement of the next session of Parliament.
- (3) The Minister must arrange for the annual financial statements, the audit report, and the statement of responsibility to be published, on an Internet site maintained by or on behalf of the Treasury,—
 - (a) as soon as practicable after they have been presented to the House of Representatives; but
 - (b) in any case, not later than 15 working days after the audit report is provided to the Treasury.
- (4) The Secretary must ensure that the annual financial statements, the audit report, and the statement of responsibility remain available on that Internet site for inspection by members of the public for at least 5 financial years after the financial year to which the annual financial statements relate.

Section 34 – Responsibilities of chief executives: financial management of departmental matters

- (1) The chief executive of a department—
 - (a) is responsible to the responsible Minister for the financial management, financial performance, and financial sustainability of the department; and
 - (b) must comply with any lawful financial actions required by the Minister or the responsible Minister.
- (2) The chief executive of a department that administers an appropriation—
 - (a) is responsible to the appropriation Minister for what is achieved with departmental expenses and departmental capital expenditure under that appropriation; and
 - (b) is responsible for advising the appropriation Minister on the efficiency and effectiveness of any departmental expenses or departmental capital expenditure under that appropriation.
- (3) However, if a department other than the appropriation administrator, or any departmental agency, incurs departmental expenses or departmental capital expenditure against the appropriation at the direction of the appropriation Minister (under section 7C(2)(c)(i)), then the chief executive of that department or departmental agency, rather than the chief executive of the appropriation administrator, has the responsibility specified in subsection (2)(a) in respect of that expenditure.

Section 38 – Departments must provide information on strategic intentions

- (1) A department must provide to its responsible Minister—
 - (a) information on the department’s strategic intentions that complies with this section and section 40; and
 - (b) a statement of responsibility for the information, signed by the department’s chief executive.
- (2) The information—
 - (a) must relate to the forthcoming financial year and at least the following 3 financial years; and
 - (b) may also relate to the remainder of the current financial year.
- (3) The information must identify the period to which it relates.
- (4) The department must provide the information—
 - (a) at least once in every 3-year period, unless the Minister has granted an extension of time under section 41; and
 - (b) in the case of a new department, as soon as practicable, but not later than 6 months, after the date on which the department is established; and
 - (c) if there has been a significant change in the nature or scope of the department’s functions, as soon as practicable, but not later than 6 months, after that change.
- (5) Despite subsection (4)(a), the department must comply with subsection (1) as soon as practicable if the information most recently provided by the department under this section—
 - (a) becomes out of date because of a material change in the department’s strategic intentions; or
 - (b) is otherwise false or misleading in a material particular.

Section 39 – Obligation to publish and present information on strategic intentions

- (1) A department must, as soon as practicable after providing information on its strategic intentions to its responsible Minister, publish the information on an Internet site maintained by or on behalf of the department.
- (2) However, the department must not publish the information—
 - (a) in the period of 3 months before the Minister delivers the Budget for the first full financial year to which the information relates; or
 - (b) if the Minister gives less than 3 months’ notice of the day on which he or she will deliver that Budget, in the period commencing on the day on which the Minister gives that notice and ending when the Minister delivers the Budget.
- (3) In the case of information provided by an intelligence and security department, the responsible Minister must forward a copy of the information, as soon as practicable after receiving it, to the members of the Intelligence and Security Committee continued under section 192 of the Intelligence and Security Act 2017.
- (4) In the case of information provided by any other department, the responsible Minister (or the Minister referred to in subsection (6), if applicable) must present the information to the House of Representatives—
 - (a) in the same document as the department’s annual report for the financial year before the first full financial year to which the information relates; or
 - (b) in any other document, in which case the information must be presented as soon as practicable after the responsible Minister receives it and not later than the date on which the annual report described in paragraph (a) is presented.
- (5) However, the responsible Minister (or the Minister referred to in subsection (6), if applicable) must not present the information to the House of Representatives in the period described in subsection (2).

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- (6) A Minister other than the responsible Minister may present the information to the House of Representatives if—
 - (a) the information is presented in a document that includes other information; and
 - (b) that other Minister is responsible for presenting that other information.
- (7) Information presented to the House of Representatives under subsection (4) must be accompanied by a statement signed by the responsible Minister stating,—
 - (a) in the case of the Office of the Clerk of the House of Representatives or the Parliamentary Service, that the information is consistent with the policies and performance expectations of the responsible Minister; or
 - (b) in the case of any other department, that the information is consistent with the policies and performance expectations of the Government.

Section 40 – Requirements for information on strategic intentions

- (1) The information required under section 38 must, for the period to which it relates, set out the strategic objectives that the department intends to achieve or contribute to (**strategic intentions**).
- (2) The information must also, for the period to which it relates,—
 - (a) explain the nature and scope of the department’s functions and intended operations; and
 - (b) identify any departmental agencies hosted by the department; and
 - (c) explain how the department intends to manage its functions and operations to meet its strategic intentions; and
 - (d) set out and explain any other matters that—
 - (i) are reasonably necessary to achieve an understanding of the department’s strategic intentions and capability; or
 - (ii) may be specified by the Minister or the responsible Minister for the purposes of subparagraph (i).

Section 43 – Departments must prepare annual reports

- (1) As soon as practicable after the end of each financial year, each department must prepare a report on the operations of the department for that financial year, excluding operations on which any departmental agency hosted by the department is required to report under section 43A.
- (2) Not later than 15 working days after receiving an audit report under section 45D, the department must provide the annual report and the audit report to its responsible Minister.
- (3) This section does not limit any provision in any other Act that requires the chief executive of a department to provide an annual report, but the chief executive need not provide a separate report under each enactment.

Section 43A – Departmental agencies must prepare annual reports

- (1) As soon as practicable after the end of each financial year, each departmental agency must prepare a report on the operations of the departmental agency for that financial year.
- (2) As soon as practicable after the end of the financial year, but not later than 15 working days after the audit date (as defined in section 44(6)), the departmental agency must provide the annual report and any applicable audit report to—
 - (a) the Minister for the time being responsible for the performance of the departmental agency; and
 - (b) the responsible Minister for the departmental agency’s host department.

- (3) This section does not limit any provision in any other Act that requires the chief executive of a departmental agency to provide an annual report, but the chief executive need not provide a separate report under each enactment.

Section 44 – Obligation to present and publish annual reports

- (1) A responsible Minister must present to the House of Representatives—
- (a) the annual report of a department for which he or she is the responsible Minister and any applicable audit report; and
 - (b) the annual report of any departmental agency hosted by a department for which he or she is the responsible Minister and any applicable audit report.
- (2) The responsible Minister (or the Minister referred to in subsection (3)(b), if applicable) must comply with subsection (1)—
- (a) not later than 15 working days after the audit date; or
 - (b) if Parliament is not in session, as soon as possible after the commencement of the next session of Parliament.
- (3) A Minister other than the responsible Minister may present an annual report and audit report (if any) to the House of Representatives if—
- (a) those reports are presented in a document that includes another report or other information (see subsection (5)); and
 - (b) that other Minister is responsible for presenting that other report or information.
- (4) A department or departmental agency must publish its annual report and any applicable audit report—
- (a) as soon as practicable after the annual report has been presented to the House of Representatives, but, if subsection (2)(b) applies, not later than 15 working days after the audit date; and
 - (b) in accordance with the manner (if any)—
 - (i) prescribed by regulations made under this Act; or
 - (ii) specified in instructions issued by the Minister under section 80A.
- (5) The annual report of a department or departmental agency may be presented or published in a document that includes any other report or information, whether or not that other report or information relates to the department or departmental agency, but only if each report or set of information is separately identifiable within that document.

Section 45 – Contents of annual report of department

- (1) The annual report of a department must provide the information that is necessary to enable an informed assessment to be made of the department's performance during the financial year, including how well the department is managing the resources it controls.
- (2) The annual report of a department must contain the following information in respect of the financial year to which it relates:
- (a) an assessment of the department's operations (excluding operations on which any departmental agency hosted by the department is required to report under section 43A); and
 - (b) an assessment of the department's progress in relation to its strategic intentions; and
 - (c) information about the department's management of its organisational health and capability; and
 - (d) statements of expenses and capital expenditure for the department that comply with section 45A; and
 - (e) annual financial statements for the department that comply with section 45B; and

10. PUBLIC FINANCE ACT 1989

- (f) a statement of responsibility that complies with section 45C; and
 - (g) any other matters that relate to or affect the department's operations that the department is required, has undertaken, or wishes to report on in its annual report.
- (3) The annual report of a department must also contain, in respect of the financial year after the financial year to which the annual report relates, forecast financial statements for the department that comply with section 45BA.
 - (4) The annual report of a department must identify any departmental agencies hosted by the department.
 - (5) The annual report must be dated and signed on behalf of the department by its chief executive.

Section 45AA – Contents of departmental agency annual report

- (1) The annual report of a departmental agency must contain the following information in respect of the financial year to which it relates:
 - (a) an assessment of the departmental agency's operations; and
 - (b) an assessment of the departmental agency's progress in relation to any of the host department's strategic intentions that are relevant to the departmental agency; and
 - (c) information about the departmental agency's management of its organisational health and capability; and
 - (d) any other matters that relate to or affect the departmental agency's operations that the departmental agency is required, has undertaken, or wishes to report on in its annual report.
- (2) The annual report of a departmental agency must identify the departmental agency's host department.
- (3) The annual report must be dated and signed on behalf of the departmental agency by its chief executive.

Section 45A – Statements of expenses and capital expenditure

A department's annual report must include—

- (a) a statement of the budgeted and actual expenses and capital expenditure incurred against—
 - (i) each appropriation administered by the department; and
 - (ii) each category of expenses or non-departmental capital expenditure included in a multi-category appropriation administered by the department; and
- (b) for each appropriation administered by the department, details of the document in which the end-of-year performance information for the appropriation for the previous financial year (if required) is presented to the House of Representatives; and
- (c) a statement of expenses and capital expenditure incurred without appropriation or other authority, or in excess of an existing appropriation or other authority, in relation to the activities of, or appropriations administered by, the department, together with an explanation of the reasons for the unappropriated expenses and capital expenditure; and
- (d) a statement of the amount of any capital injection authorised, under an Appropriation Act, to be made to the department compared with the actual amount of any capital injection made to the department; and
- (e) a statement of any capital injection made to the department without authority, or in excess of an existing authority, under an Appropriation Act, together with an explanation of the reasons for the unauthorised capital injection.

Section 45B – Annual financial statements

- (1) A department's annual financial statements must be prepared in accordance with generally accepted accounting practice.
- (2) In addition to the financial statements required by generally accepted accounting practice, a department's annual financial statements must include—
 - (a) any other information or explanations needed to fairly reflect the department's financial operations and financial position; and
 - (b) the forecast financial statements prepared at the start of the financial year, for comparison with the actual financial statements.

Section 45BA – Forecast financial statements

- (1) A department's forecast financial statements must be prepared in accordance with generally accepted accounting practice.
- (2) In addition to what is required by generally accepted accounting practice, a department's forecast financial statements must include—
 - (a) a statement of all significant assumptions underlying the forecast financial statements; and
 - (b) any other information or explanations needed to fairly reflect the forecast financial operations and financial position of the department.

Section 45C – Statement of responsibility

- (1) A statement of responsibility relating to the annual report of a department must include—
 - (a) a statement of the responsibility of the department's chief executive for the preparation of the financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them; and
 - (b) a statement of the responsibility of the department's chief executive for having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting; and
 - (c) a statement of the responsibility of the department's chief executive for ensuring that end-of-year performance information on each appropriation administered by the department is provided in accordance with sections 19A to 19C, whether or not that information is included in the annual report; and
 - (d) a statement of the responsibility of the department's chief executive for the accuracy of any end-of-year performance information prepared by the department (*see* section 19A), whether or not that information is included in the annual report; and
 - (e) a statement that, in the opinion of the department's chief executive,—
 - (i) the financial statements fairly reflect the financial position and operations of the department for the reporting period; and
 - (ii) the forecast financial statements fairly reflect the forecast financial position and operations of the department for the financial year to which the forecast financial statements relate.
- (2) A statement of responsibility for the annual report of a departmental agency must include—
 - (a) a statement that, in the opinion of the chief executive of the departmental agency, the annual report fairly reflects the operations, progress, and organisational health and capability of the departmental agency; and
 - (b) a statement of the responsibility of the departmental agency's chief executive for the accuracy of any end-of-year performance information prepared by the departmental agency (*see* section 19A), whether or not that information is included in the annual report.
- (3) A statement of responsibility must be signed by the chief executive of the department or departmental agency (as applicable).

Section 45D – Audit report

- (1) A department must forward to the Auditor-General—
 - (a) its annual financial statements, statements of expenses and capital expenditure, and any other information that the Auditor-General has agreed, or is required, to audit within 2 months after the end of each financial year; and
 - (b) its annual report in a timely manner to enable the Auditor-General to review that report before providing the audit report required under subsection (2)(b).
- (1A) The department or departmental agency most recently identified in the supporting information for an Appropriation Act as providing end-of-year performance information on an appropriation for a financial year must, within 2 months after the end of that financial year, forward that information to the Auditor-General.
- (2) The Auditor-General must—
 - (a) audit the statements referred to in subsection (1)(a) and the information referred to in subsections (1)(a) and (1A); and
 - (b) provide an audit report on them to the department or departmental agency (as the case may be) within 3 months after the end of each financial year.

11. Public Records Act 2005

Section 17 – Requirement to create and maintain records

- (1) Every public office and local authority must create and maintain full and accurate records of its affairs, in accordance with normal, prudent business practice, including the records of any matter that is contracted out to an independent contractor.
- (2) Every public office must maintain in an accessible form, so as to be able to be used for subsequent reference, all public records that are in its control, until their disposal is authorised by or under this Act or required by or under another Act.
- (3) Every local authority must maintain in an accessible form, so as to be able to be used for subsequent reference, all protected records that are in its control, until their disposal is authorised by or under this Act.

Section 19 – Registers

- (1) The Chief Archivist must keep the following registers:
 - (a) a register of all transfers deferred under section 22; and
 - (b) a register of public records discharged under section 25; and
 - (c) a register of all records prescribed under section 38; and
 - (d) a public access register that contains information on—
 - (i) restrictions on public access to public records imposed under section 44(3); and
 - (ii) prohibitions imposed under section 49 on public access to public archives or protected records in the control of the Chief Archivist; and
 - (iii) the grounds for the prohibitions and restrictions recorded under this paragraph; and
 - (iv) the conditions agreed to under section 40(4)(a) as to public access for protected records transferred to the control of the Chief Archivist.
- (2) The Chief Archivist must make the registers available for public inspection.

Section 32 – Annual report on recordkeeping

- (1) The Chief Archivist must make an annual report to the Minister on the state of recordkeeping within public offices.
- (2) This report may be included in the annual report given to the Minister under section 30(1) of the State Sector Act 1988.
- (3) The Minister must present the report of the Chief Archivist to the House of Representatives.

Section 33 – Independent audits of public offices

- (1) As soon as is reasonably practicable after the date that is 5 years from the commencement of this Act, an independent audit of recordkeeping practices must be carried out in every public office.
- (2) The Chief Archivist must commission and meet the costs of each audit, which must—
 - (a) cover the aspects of recordkeeping practices specified for the purpose of the audit by the Chief Archivist; and
 - (b) be based on criteria developed by the Chief Archivist.
- (3) Further audits must be conducted at intervals of not less than 5 years and not more than 10 years after the date of the previous audit (but it is not necessary to conduct an audit of all public offices in the same year).

12. STATE SECTOR ACT 1988

12. State Sector Act 1988

Section 1A – Purpose

The purpose of this Act is to promote and uphold a State sector system that—

- (a) is imbued with the spirit of service to the community; and
- (b) operates in the collective interests of government; and
- (c) maintains appropriate standards of integrity and conduct; and
- (d) maintains political neutrality; and
- (e) is supported by effective workforce and personnel arrangements; and
- (f) meets good-employer obligations; and
- (g) is driven by a culture of excellence and efficiency; and
- (h) fosters a culture of stewardship.

Part B: Regulations

13. Financial Markets Conduct Regulations 2014

Clause 61D – Annual report to be publicly available

- (1) An e-reporting entity for an accounting period must make its annual report for that period available in accordance with this regulation.
- (2) The report must be available, free of charge, on an Internet site maintained by, or on behalf of, the entity in a way that ensures that—
 - (a) the report is prominently displayed on the site; and
 - (b) members of the public can easily access the report at all reasonable times.
- (3) The report must—
 - (a) be made available on the site as soon as practicable after it is prepared (but in any event not later than 20 working days after it is prepared); and
 - (b) remain available for at least 5 years after it is first made available.
- (4) This regulation applies for the purposes of section 97 of the Act.

14. Local Government (Financial Reporting and Prudence) Regulations 2014

Clause 5 – Information to be disclosed in financial statements

- (1) This regulation applies to a local authority's financial statements in its annual plan, annual report, and long-term plan.
- (2) A local authority's statement of comprehensive income must disclose separately the amount of income received or to be received from each of the following sources:
 - (a) rates; and
 - (b) development and financial contributions; and
 - (c) subsidies and grants.
- (3) A local authority's statement of financial position must specify the sum of the amounts of the authority's investments in council-controlled organisations and in entities listed in section 6(4) of the Act.
- (4) The notes to a local authority's financial statements must specify, in relation to each group of activities, the combined depreciation and amortisation expense for assets used directly in providing the group of activities.
- (5) The notes to a local authority's financial statements must specify the amount of income received or to be received from targeted rates for metered water supply.

Clause 6 – Information about core assets to be disclosed in financial statements in annual report

- (1) This regulation applies to a local authority's financial statements in its annual report.
- (2) The notes to a local authority's financial statements must disclose the financial information listed in subclause (3) in relation to the following assets:
 - (a) water supply, distinguishing between—
 - (i) treatment plants and facilities; and
 - (ii) other assets (such as reticulation systems):
 - (b) sewerage, distinguishing between—
 - (i) treatment plants and facilities; and
 - (ii) other assets (such as reticulation systems):
 - (c) stormwater drainage:
 - (d) flood protection and control works:
 - (e) roads and footpaths.
- (3) The financial information that must be disclosed for each of the assets listed in subclause (2) is—
 - (a) the closing book value:
 - (b) the value of acquisitions made during the relevant financial year, distinguishing between—
 - (i) assets constructed by the local authority; and
 - (ii) assets transferred to the local authority:
 - (c) the local authority's most recent estimate of the replacement cost, unless the asset is valued on a historic cost or deemed cost valuation basis.

Clause 12 – Disclosure statement in annual report

A disclosure statement in an annual report must disclose the actual performance for each benchmark specified in regulation 10 for—

- (a) the year of the annual report; and
- (b) each of the 4 years preceding the year of the annual report.

15. Tax Administration (Financial Statements) Order 2014

Clause 4 – Interpretation

(1) In this order, unless the context otherwise requires,—

Act means the Tax Administration Act 1994

company—

- (a) has the meaning given to it by section YA 1 of the Income Tax Act 2007; and
- (b) includes a look-through company within the meaning of that section

financial statements includes any notes and other supporting materials forming part of the financial statements

income year has the meaning given to it by section YA 1 of the Income Tax Act 2007

minimum requirements means the minimum requirements for the preparation of financial statements prescribed in this order

tax year has the meaning given to it by section YA 1 of the Income Tax Act 2007.

(2) The following terms or expressions have the meaning given to them by accounting principles:

- (a) accrual accounting:
- (b) assets:
- (c) double-entry:
- (d) expenditure:
- (e) historical cost:
- (f) income:
- (g) intangible property:
- (h) liabilities:
- (i) net assets.

(3) An example used in this order is only illustrative of the provision to which it relates. It does not limit that provision.

(4) If an example and a provision to which it relates are inconsistent, the provision prevails.

Clause 5 – Small companies exempt from minimum requirements

(1) Small companies are exempt from the minimum requirements.

(2) A company is **small** in respect of an income year if both of the following apply:

- (a) the company is not part of a group of companies; and
- (b) the company has not derived income in excess of \$30,000, and has not incurred expenditure in excess of \$30,000, during the income year.

Clause 8 – Minimum requirements for preparing financial statements

The minimum requirements for the preparation of financial statements under the Act are as follows:

Form of financial statements

- (a) the financial statements must consist of—
 - (i) a balance sheet setting out the assets, liabilities, and net assets of the company as at the end of the income year; and
 - (ii) a profit and loss statement showing income derived, and expenditure incurred, by the company during the income year; and

Principles with which statements must comply

- (b) the financial statements must be prepared applying the following accounting principles:
 - (i) the double-entry method of recording of financial transactions; and

15. TAX ADMINISTRATION (FINANCIAL STATEMENTS) ORDER 2014

- (ii) the principles of accrual accounting; and

Valuations

- (c) the financial statements may, however, disclose amounts using the following valuation principles:
 - (i) tax values, when those values are consistent with double-entry and accrual accounting; and
 - (ii) historical cost, when tax values are not consistent with double-entry or accrual accounting or when, in the preparer's opinion, historical cost provides a better basis of valuation; and
 - (iii) market values, when, in the preparer's opinion, market values provide a better basis of valuation than those in subparagraphs (i) and (ii); and

Example

Company A, registered for GST, incurs \$115,000 (including GST) entertainment expenses during the income year. For income tax purposes, Company A can deduct \$50,000 (excluding GST) (\$100,000 (excluding GST) × 50% under subpart DD of the Income Tax Act 2007). For financial reporting purposes, the expenditure would be \$106,521 (including the amount of GST that needs to be returned as an adjustment under section 211(4)) of the Goods and Services Tax Act 1985. So Company A should disclose expenditure of \$106,521.

Statement of accounting policies

- (d) the financial statements must contain a statement of accounting policies setting out, in sufficient detail so that a user can understand the material policies that have been applied or changed,—
 - (i) the policies and assumptions that have been used in the preparation of the financial statements; and
 - (ii) a description of the effect of any material changes in the accounting policies used since the financial statements prepared for the previous income year; and
- (e) the financial statements must disclose whether they have been prepared on a GST inclusive or exclusive basis; and

Matters that statements must show

- (f) the financial statements must show the matters prescribed in the Schedule; and
- (g) the financial statements must disclose comparable figures for the previous income year; and

How matters must be shown

- (h) interest and dividends received must be shown in the financial statements grossed up for resident withholding tax; and
- (i) dividends received must be shown in the financial statements grossed up for imputation credits to the extent that the dividend is taxable and the credits are available to satisfy the company's income tax liability for the income year.

Schedule

Matters that financial statements must show

cl 8(f)

1 Matters that company must show in financial statements

The matters that a company must show in its financial statements are as follows:

Reconciliations

- (a) a reconciliation of the company's financial statements and taxable income for the income year; and
- (b) an appropriately detailed, taxation-based, schedule of the company's fixed assets and depreciable property; and

Companies with particular types of business

- (c) if the company is a forester, information about the cost of timber as at the end of the income year and a reconciliation of movements in the cost of timber during the income year; and
- (d) if the company is a specified livestock owner, details of livestock valuation methods, valuations, and calculations for tax purposes; and

Items from prescribed forms

- (e) all relevant amounts that any forms prescribed by the Commissioner of Inland Revenue under section 35 of the Tax Administration Act 1994 require to be copied from the company's financial statements; and

Example

The amounts from the IR 10 form issued by the Commissioner entitled Financial statements summary, or any replacement of that form, that is applicable to the company

- (f) sufficient notes to support amounts required to be disclosed as an exceptional item on any form prescribed by the Commissioner of Inland Revenue under section 35 of the Tax Administration Act 1994.

Example

Notes to support amounts required to be disclosed by Box 26 of that IR 10 form, or any replacement of that form

2 Associated person transactions

- (1) This clause applies to an income year that corresponds to the tax year starting on 1 April 2015 or any later tax year.
- (2) A company must also show in its financial statements the matters listed in subclause (3) in respect of a transaction between the company and any associated person of the company (A) within the meaning of subpart YB of Part Y of the Income Tax Act 2007 if—
 - (a) A is not a company (for example, A is an individual or trust); or
 - (b) A is a company that is not resident in New Zealand for the purposes of section YD 2 of the Income Tax Act 2007.
- (3) The matters are—
 - (a) the following amounts:
 - (i) interest expense incurred by the company in respect of any loan made to the company by the associated person; and
 - (ii) amounts paid by the company to the associated person in the nature of outbound loans or other advances; and
 - (iii) expenses incurred by the company for services provided by the associated person (including wages, salaries, management fees, and payments for other services provided to the company); and
 - (iv) expenses incurred by the company to the associated person in respect of rentals or leases of land or other assets; and
 - (v) expenses incurred by the company to the associated person for acquiring or using intangible property, including royalty payments; and
 - (b) a reconciliation of movements in shareholders' equity and loans or current accounts to, and from, the shareholders or other owners of the company and associated persons of the company.

Part C: Secondary Legislation (currently called Other Instruments)

16. XRB standards

XRB standards fall into a category referred to the PCO as ‘Other Instruments’, which is not a legal term. The PCO publishes a list of ‘Other Instruments’ on the New Zealand Legislation website, which they maintain by checking with the relevant agencies once a month for updates. The PCO also encourages visitors to their website to go directly to the administering agency (in this case the XRB). The PCO has a project that involves defining ‘other instruments’ as ‘secondary legislation’ and making New Zealand’s secondary legislation readily accessible. There is also a Bill before the House, called the Legislation Bill, which, if passed, will introduce the concept of ‘secondary legislation in law’ and put additional requirements on preparers of secondary legislation (Personal communication with PCO, 7 September 2018).

On 1 June 2018, the Legislation Bill was reported back to the House after consideration by the Justice Committee. The committee has recommended some changes to the Bill.

The most significant change was to give makers of secondary legislation a duty to provide information about their in-force secondary legislation to the PCO. The PCO will publish all of this information on the NZ Legislation website. This “list” duty will ensure the early delivery of one of the key benefits of the project—identifying, for the first time, a complete collection of secondary legislation and where it can be found. The Justice Committee also confirmed that secondary legislation made by local authorities is not in scope, and extended this exemption slightly to cover legislation made by council-controlled organisations.

Makers of secondary legislation will have one year from the commencement of the new Legislation Bill to provide their “list” information to the PCO. This deadline may be extended by regulations to a maximum of five years.

The Legislation Bill will be implemented via amendments to existing legislation in the Secondary Legislation (Access) Bill.

The Secondary Legislation (Access) Bill will amend identified empowering provisions (in each Act) so that they clearly state what is legislation. As a result, secondary legislation made under those provisions must be published on the NZ Legislation website and will be subject to oversight by Parliament’s Regulations Review Committee.

The PCO continues to engage with the legal teams in departmental agencies to conclude discussions on empowering provisions in primary legislation that they administer.

Research has identified around 4,000 provisions that empower the making of secondary legislation. Since multiple instruments may be made under a single provision, the research suggests there may be many thousands of items of secondary legislation currently in force. (PCO, n.d.[a])

Over 100 government and non-government agencies have been identified as having the power to make secondary legislation.

Part D: Bills

17. Legislation Bill

Section 5 – Interpretation

secondary legislation means an instrument (whatever it is called) that—

- (a) is made under an Act if the Act (or any other legislation) states that the instrument is secondary legislation; or
- (b) is made under the Royal prerogative and has legislative effect

Section 63 – Power for secondary legislation to incorporate material by reference

- (1) This section is sufficient authority for secondary legislation to incorporate 1 or more of the following by reference:
 - (a) a standard, framework, code of practice, recommended practice, or requirement of an international organisation or a national organisation:
 - (b) a standard, framework, code of practice, recommended practice, or requirement prescribed in any country or jurisdiction, or by any group of countries:
 - (c) any other written material that deals with technical matters that can reasonably be regarded as being impractical to include in, or publish as part of, the secondary legislation. if it is reasonable to consider that—
 - (i) it is impracticable to include the material in the secondary legislation; or
 - (ii) the material is so large that including it in the secondary legislation will prevent persons to whom the law applies from using or understanding the secondary legislation with reasonable ease.
- (2) For the purposes of this section, secondary legislation incorporates material by reference if the secondary legislation does 1 or more of the following:
 - (a) incorporates the material in whole or in part, and with or without modification:
 - (b) incorporates amendments to which section 65 applies.
- (3) Material incorporated by reference in reliance on this section has legal effect as part of the legislation that incorporates the material.
- (4) This provision applies in addition to, and does not limit, any other power in legislation to incorporate material by reference (for example, sections 29 to 32 of the Standards and Accreditation Act 2015) or rule of law. any of the following:
 - (a) any other power in legislation to incorporate material by reference (for example, sections 29 to 32 of the Standards and Accreditation Act 2015):
 - (b) the ability of legislation to refer to or incorporate other legislation:
 - (c) any rule of law.

18. LOCAL GOVERNMENT (COMMUNITY WELL-BEING) AMENDMENT BILL

18. Local Government (Community Well-being) Amendment Bill

Section 4 – Section 3 amended (Purpose)

Replace section 3(d) with:

- (d) provides for local authorities to play a broad role in promoting the social, economic, environmental, and cultural well-being of their communities, taking a sustainable development approach.



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