



Real Estate Agents (Audit) Amendment Regulations 2014

Jerry Mateparae, Governor-General

Order in Council

At Wellington this 24th day of February 2014

Present:

His Excellency the Governor-General in Council

Pursuant to sections 125 and 156 of the Real Estate Agents Act 2008, His Excellency the Governor-General, acting on the advice and with the consent of the Executive Council, makes the following regulations.

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Regulations

1 Title

These regulations are the Real Estate Agents (Audit) Amendment Regulations 2014.

2 Commencement

These regulations come into force on 1 April 2014.

3 Principal regulations

These regulations amend the Real Estate Agents (Audit) Regulations 2009 (the **principal regulations**).

4 Regulation 4 amended (Interpretation)

- (1) In regulation 4(1), revoke the definition of **chartered accountant**.
- (2) In regulation 4(1), insert in its appropriate alphabetical order: “**qualified auditor** has the same meaning as in section 35 of the Financial Reporting Act 2013”.

5 Regulation 10 amended (Who may be appointed as auditor)

- (1) Replace regulation 10(1) to (3) with:
 - “(1) A person may be appointed as the auditor of an agency’s trust accounts if that person—
 - “(a) is a qualified auditor; and
 - “(b) is not disqualified from auditing the agency’s trust accounts under regulation 11.
 - “(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 an agency).”

- (2) In regulation 10(4), replace “ceases to meet the requirements of subclause (1) or (2), as applicable” with “ceases to meet the requirements of subclause (1)”.

6 Regulation 11 amended (Persons disqualified from appointment as auditor)

- (1) Replace the heading to regulation 11 with “**Disqualification from auditing trust accounts of an agency**”.
- (2) Replace regulation 11(1) with:
- “(1) An auditor is disqualified from auditing the trust accounts of an agency if, at any time, either or both of the following apply:
- “(a) the auditor is one of the persons listed in section 36(4) of the Financial Reporting Act 2013:
- “(b) the auditor has a conflict of interest under subclause (2).”
- (3) In regulation 11(4), replace “that a conflict of interest exists,” with “that the auditor is disqualified from auditing the accounts of the agency.”
- (4) After regulation 11(4), insert:
- “(5) To avoid doubt, an auditor is disqualified under subclause (1) regardless of whether notice is given under subclause (4).”

7 Regulation 12 amended (New agency must notify appointment of auditor before receiving money)

Replace regulation 12(3)(c)(i) and (ii) with:

- “(i) is a qualified auditor.”

8 Regulation 13 amended (Agency must notify Authority of replacement if auditor disqualified or no longer engaged)

Replace regulation 13(3)(d)(i) and (ii) with:

- “(i) is a qualified auditor.”

9 Regulation 32 amended (Initial notification of auditors)

Replace regulation 32(4)(a) and (b) with:

- “(a) is a qualified auditor.”

Michael Webster,
for Clerk of the Executive Council.

Explanatory note

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations, which come into force on 1 April 2014, amend the Real Estate Agents (Audit) Regulations 2009 (the **principal regulations**). The effect of the amendments is to align provisions of the principal regulations dealing with who may be appointed or act as the auditor of a real estate agency's trust accounts with the provisions of the Financial Reporting Act 2013 (the **Act**) relating to auditor qualifications. In particular, for a person to be appointed or act as the auditor of a real estate agency's trust accounts, under the regulations as amended, that person must meet the qualification requirements specified in the Act. The provisions of the regulations (as in force before 1 April 2014) that disqualify a person from acting as the auditor of an agency's trust accounts in specified situations where a conflict of interest exists continue to apply. Some of these situations are additional to those in which a person would be disqualified from being appointed or acting as an auditor under the Act's qualification provisions.

Issued under the authority of the Legislation Act 2012.
Date of notification in *Gazette*: 27 February 2014.
These regulations are administered by the Ministry of Justice.
