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Financial Reporting Act 2013

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Note

The Parliamentary Counsel Office has made editorial and format changes to this version using the powers under subpart 2 of Part 3 of the Legislation Act 2019.

Note 4 at the end of this version provides a list of the amendments included in it.

This Act is administered by the Ministry of Business, Innovation, and Employment.

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the Financial Reporting Act 2013.

2 Commencement

(1) This Act (except section 59) comes into force on a date appointed by the Governor-General by Order in Council; and 1 or more orders may be made appointing different dates for different provisions and for different purposes.

(2) Section 59 comes into force on the day after the date on which this Act receives the Royal assent.

(3) To the extent that it is not previously brought into force under subsection (1) or (2), the rest of this Act comes into force on 1 April 2017.

(4) An order under this section is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

Legislation Act 2019 requirements for secondary legislation made under this section		
Publication	PCO must publish it on the legislation website and notify it in the *Gazette*	LA19 s 69(1)(c)
Presentation	The Minister must present it to the House of Representatives	LA19 s 114, Sch 1 cl 32(1)(a)
Disallowance	It may be disallowed by the House of Representatives	LA19 ss 115, 116

This note is not part of the Act.

Section 2(1): this Act (other than section 59) brought into force, on 1 April 2014, by clause 2 of the Financial Reporting Legislation Commencement Order 2014 (LI 2014/52).

Section 2(4): inserted, on 28 October 2021, by section 3 of the Secondary Legislation Act 2021 (2021 No 7).

Part 1
Preliminary provisions

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, climate standards, and auditing and assurance standards; and

(c) provide for auditor qualifications and other standard provisions relating to financial reporting duties under other enactments; and

(d) provide for standard provisions relating to climate-related disclosure duties under the Financial Markets Conduct Act 2013.

Section 3(b): amended, on 28 October 2021, by section 33(1) of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

Section 3(d): inserted, on 28 October 2021, by section 33(2) of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

4 Overview of financial reporting and other duties

(1) This Act provides for various matters relating to financial reporting duties under other enactments, including—

(a) defining key concepts (for example, generally accepted accounting practice, financial statements, and group financial statements); and

(b) providing for the Board to prepare and issue financial reporting standards and auditing and assurance standards; and

(c) providing standard provisions for auditor qualifications, access to information by auditors, and balance dates.

(2) Other enactments (for example, the Companies Act 1993 and the Financial Markets Conduct Act 2013) specify various financial reporting duties that apply to different kinds of entities, including requirements to—

(a) keep accounting records; and

(b) prepare financial statements or group financial statements in accordance with generally accepted accounting practice or non-GAAP standards; and

(c) have those statements audited; and

(d) register or lodge those statements or otherwise distribute those statements to interested persons (for example, shareholders or members).

(2A) This Act also provides for various matters relating to climate-related disclosure duties under the Financial Markets Conduct Act 2013, including—

(a) defining key concepts (for example, climate-related disclosure framework, climate statements, and group climate statements); and

(b) providing for the Board to prepare and issue climate standards.

(3) This section is only a guide to the general scheme and effect of this Act and other enactments in relation to financial reporting duties, and of this Act in relation to climate-related disclosure duties.

Section 4 heading: amended, on 28 October 2021, by section 34(1) of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

Section 4(2A): inserted, on 28 October 2021, by section 34(2) of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

Section 4(3): amended, on 28 October 2021, by section 34(3) of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

5 Interpretation

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

accounting period, in relation to a reporting entity,—

(a) means a year ending on a balance date of the entity, and if, as a result of the date of the formation or incorporation of the entity or a change of the balance date of the entity, the period ending on that date is longer or shorter than a year, that longer or shorter period is an accounting period; and

(b) includes, in the case of an entity that is formed or incorporated under, or is affected by, an Act that specifies, refers to, or defines a financial year for the entity, that financial year

accredited body means a person that is granted accreditation, or is treated as having been granted accreditation, under subpart 5 of Part 2 of the Auditor Regulation Act 2011

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

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

approved association means an association of accountants that is approved for the time being by the Registrar under section 36(1)(c)

auditing and assurance standard means an auditing and assurance standard issued by the Board under section 12; and includes an amendment to an auditing and assurance standard that is issued by the Board

authoritative notice means a notice issued under section 12(c); and includes an amendment to an authoritative notice that is issued by the Board

balance date—

(a) has the meaning given to it by section 41; and

(b) in relation to a charitable entity (within the meaning of the Charities Act 2005), means a balance date under section 41(3) to (7) of that Act; and

(c) includes, in the case of an entity that is formed or incorporated under, or is affected by, an Act that specifies, refers to, or defines a financial year for the entity, the last day of the financial year

Board means the External Reporting Board continued under section 11

climate-related disclosure framework has the meaning set out in section 9AA

climate reporting entity has the same meaning as in section 461O of the Financial Markets Conduct Act 2013

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

climate statements, in relation to a reporting entity and a balance date, means the climate-related disclosures 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 climate standard

Commissioner of Inland Revenue means the Commissioner of Inland Revenue appointed or deemed to have been appointed under the Tax Administration Act 1994; and includes any person for the time being authorised to exercise or perform any of the powers, duties, or functions of the Commissioner

company has the same meaning as in section 2(1) of the Companies Act 1993

director means,—

(a) in relation to a company or an overseas company, a person occupying the position of a director of the company or overseas company by whatever name called:

(b) in relation to a partnership (other than a limited partnership), a partner:

(c) in relation to a limited partnership, any general partner:

(d) in relation to a charitable entity (within the meaning of the Charities Act 2005), an officer (within the meaning of that Act):

(e) in relation to a body corporate or unincorporate, other than a company or an overseas company or a partnership or a limited partnership or

a charitable entity, a person occupying a position in the body that is comparable with that of a director of a company:

(f) in relation to any other person, that person

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 or a branch of a society registered or deemed to be registered under the Friendly Societies and Credit Unions Act 1982:

(g) the Crown, a department, an office of Parliament, or a parliamentary agency (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

financial statements has the meaning given to it by section 6

FMC reporting entity has the same meaning as in section 451 of the Financial Markets Conduct Act 2013

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

group means a group comprising a reporting entity and its subsidiaries

group climate statements, in relation to a group and a balance date, means the climate-related disclosures for the group 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 group by an applicable climate standard

group financial statements has the meaning given to it by section 7

Institute means the New Zealand Institute of Chartered Accountants constituted under the New Zealand Institute of Chartered Accountants Act 1996

interim accounting period, in relation to a reporting entity, means a period ending on a date other than the balance date of the reporting entity

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

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

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

qualified statutory accountant means a person who is—

(a) a chartered accountant (within the meaning of section 19 of the New Zealand Institute of Chartered Accountants Act 1996); or

(b) a member of an accredited body (other than the Institute) who holds the full professional designation of that body (for example, a certified practising accountant); or

(c) recognised under section 36S

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

Registrar means the Registrar of Companies appointed in accordance with section 357(1) of the Companies Act 1993

reporting entity—

(a) 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; or

(b) means an entity whose climate statements, group climate statements, reports, or other information is required by any enactment to comply, or be prepared in accordance, with the climate-related disclosure framework

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

standard means—

(a) a financial reporting standard; or

(aa) a climate standard; or

(b) an auditing and assurance standard

subsidiary means a subsidiary within the meaning of sections 5 to 8 of the Companies Act 1993; and includes any entity that is classified as a subsidiary in any applicable financial reporting standard.

(2) An example used in this Act is only illustrative of the provisions to which it relates. It does not limit those provisions.

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

Section 5(1) **accredited body**: inserted, on 1 July 2015, by section 4 of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 5(1) **applicable auditing and assurance standard**: replaced, on 28 October 2021, by section 35(1) of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

Section 5(1) **applicable climate standard**: inserted, on 28 October 2021, by section 35(2) of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

Section 5(1) **approved association**: inserted, on 1 July 2015, by section 4 of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 5(1) **climate-related disclosure framework**: inserted, on 28 October 2021, by section 35(2) of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

Section 5(1) **climate reporting entity**: inserted, on 28 October 2021, by section 35(2) of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

Section 5(1) **climate standard**: inserted, on 28 October 2021, by section 35(2) of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

Section 5(1) **climate statements**: inserted, on 28 October 2021, by section 35(2) of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

Section 5(1) **entity** paragraph (f): amended, on 1 April 2019, by section 57(2) of the Friendly Societies and Credit Unions (Regulatory Improvements) Amendment Act 2018 (2018 No 17).

Section 5(1) **entity** paragraph (g): amended, on 13 November 2025, by section 51 of the Parliament (Repeals and Amendments) Act 2025 (2025 No 63).

Section 5(1) **group climate statements**: inserted, on 28 October 2021, by section 35(2) of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

Section 5(1) **Institute**: inserted, on 1 July 2015, by section 4 of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 5(1) **qualified statutory accountant**: inserted, on 1 July 2015, by section 4 of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 5(1) **Registrar**: inserted, on 1 July 2015, by section 4 of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 5(1) **reporting entity**: replaced, on 28 October 2021, by section 35(3) of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

Section 5(1) **standard** paragraph (aa): inserted, on 28 October 2021, by section 35(4) of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

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.

7 Meaning of group financial statements

In this Act, **group financial statements**, in relation to a group and a balance date,—

(a) means the statements for the group 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 group by an applicable financial reporting standard; and

(b) includes any notes giving information relating to those statements that are required by an applicable financial reporting standard.

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.

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.

9AA Meaning of climate-related disclosure framework

In this Act, climate statements, group climate statements, a report, or other information complies with the **climate-related disclosure framework** only if the statements, report, or other information complies with—

(a) applicable climate standards; and

(b) in relation to matters for which no provision is made in applicable climate standards, an authoritative notice.

Section 9AA: inserted, on 28 October 2021, by section 36 of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

9A Transitional, savings, and related provisions

The transitional, savings, and related provisions set out in the Schedule have effect according to their terms.

Section 9A: inserted, on 1 July 2015, by section 5 of the Financial Reporting Amendment Act 2014 (2014 No 64).

10 Act binds the Crown

This Act binds the Crown.

Part 2
External Reporting Board, standards, and provisions that apply to other enactments

Subpart 1—External Reporting Board

11 Continuation of External Reporting Board

(1) There continues to be an organisation called the External Reporting Board.

(2) The External Reporting Board is a Crown entity for the purposes of section 7 of the Crown Entities Act 2004.

(3) The Crown Entities Act 2004 applies to the External Reporting Board except to the extent that this Act expressly provides otherwise.

(4) The External Reporting Board is the same body as the External Reporting Board continued under section 22 of the Financial Reporting Act 1993.

Compare: 1993 No 106 s 22

12 Functions of Board

The Board has the following functions:

(a) to prepare and, if it thinks fit, issue financial reporting standards for the purposes of any enactment that requires—

(i) financial statements or group financial statements to comply, or be prepared in accordance, with generally accepted accounting practice or non-GAAP standards; or

(ii) a statement, report, or other information to comply, or be prepared in accordance, with financial reporting standards:

(aa) to prepare and, if it thinks fit, issue climate standards for the purposes of any enactment that requires climate statements or group climate statements, or a statement, report, or other information to comply, or be prepared in accordance, with the climate-related disclosure framework:

(b) to prepare and, if it thinks fit, issue auditing and assurance standards for—

(i) the purposes of the Auditor Regulation Act 2011 or any other enactment that requires a person to comply with those standards; or

(ii) the purposes of any rules or codes of ethics of an association of accountants where those rules or codes require the association's members to comply with those standards; or

(iii) any other purpose approved by the Minister by notice in writing to the Board:

(c) to prepare and, if it thinks fit, issue authoritative notices for the purposes of—

(i) the definition of generally accepted accounting practice; or

(ii) the definition of climate-related disclosure framework:

(d) to develop and implement strategies for the issue of standards in order to provide a framework for the Board's overall direction in the setting of standards (including implementing a strategy for tiers of financial reporting in accordance with sections 29 to 33):

(e) to liaise with international or national organisations that perform functions that correspond with, or are similar to, those conferred on the Board:

(f) to perform and exercise the functions, duties, and powers conferred or imposed on it by or under this Act and any other enactments.

Compare: 1993 No 106 s 24(1)

Section 12(aa): inserted, on 28 October 2021, by section 37(1) of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

Section 12(c): replaced, on 28 October 2021, by section 37(2) of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

13 Board must act independently

Except as expressly provided otherwise in this or another Act, the Board must act independently in performing its statutory functions and duties, and exercising its statutory powers, under—

(a) this Act; and

(b) any other Act that expressly provides for the functions, duties, or powers of the Board (other than the Crown Entities Act 2004).

Compare: 1993 No 106 s 25

14 Membership of Board

(1) The Board consists of no fewer than 4 and no more than 9 members.

(2) The Minister must not recommend a person for appointment as a member of the Board unless, in the opinion of the Minister, that person is qualified for

appointment by reason of his or her knowledge of, or experience in, business, accounting, auditing, finance, economics, law, or sustainable development.

(3) Subsection (2) does not limit section 29 of the Crown Entities Act 2004.

(4) Members of the External Reporting Board are the board for the purposes of the Crown Entities Act 2004.

Compare: 1993 No 106 s 23

Section 14(2): amended, on 28 October 2021, by section 38 of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

Subpart 2—Standards

Subpart 2 heading: replaced, on 28 October 2021, by section 39 of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

Financial reporting standards

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.

Compare: 1993 No 106 s 27(1), (2)

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.

Compare: 1993 No 106 s 24(2)

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.

(5) An order under subsection (2) is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

Legislation Act 2019 requirements for secondary legislation made under this section		
Publication	PCO must publish it on the legislation website and notify it in the *Gazette*	LA19 s 69(1)(c)
Presentation	The Minister must present it to the House of Representatives	LA19 s 114, Sch 1 cl 32(1)(a)
Disallowance	It may be disallowed by the House of Representatives	LA19 ss 115, 116

This note is not part of the Act.

Section 17(5): inserted, on 28 October 2021, by section 3 of the Secondary Legislation Act 2021 (2021 No 7).

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.

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.

Compare: 1993 No 106 s 27(3)

19A Guidance for purposes of non-financial reporting

(1) The Board may issue non-binding guidance that relates to non-financial reporting on 1 or more of the matters in section 17(2)(a)(i) to (iv).

(2) The purpose of the guidance is to facilitate best practice reporting on those matters.

(3) The guidance—

(a) must not be inconsistent with any financial reporting standard or authoritative notice; and

(b) must state that it is non-binding.

(4) Subsection (1)—

(a) applies regardless of whether an Order in Council is made under section 17(2):

(b) does not limit the general powers of the Board.

Section 19A: inserted, on 28 October 2021, by section 40 of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

Climate standards

Heading: inserted, on 28 October 2021, by section 40 of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

19B Purpose of climate standards and climate-related disclosures

The purpose of climate standards is to provide for, or promote, climate-related disclosures, in order to—

(a) encourage entities to routinely consider the short-, medium-, and long-term risks and opportunities that climate change presents for the activities of the entity or the entity's group; and

(b) enable entities to show how they are considering those risks and opportunities; and

(c) enable investors and other stakeholders to assess the merits of how entities are considering those risks and opportunities.

Section 19B: inserted, on 28 October 2021, by section 40 of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

19C Climate standards

(1) Climate standards may—

(a) have general or specific application:

(b) differ according to differences in time or circumstance.

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

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

Section 19C: inserted, on 28 October 2021, by section 40 of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

Auditing and assurance standards

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—

(a) professional and ethical standards that govern the professional conduct of audit or assurance practitioners:

(b) standards for related services.

(3) In this section,—

audit or assurance practitioner means a person who is appointed or engaged to carry out audits or other assurance engagements

related services means services to perform—

(a) agreed-upon procedures; or

(b) other non-assurance work that may ordinarily be carried out by an audit or assurance practitioner.

Compare: 1993 No 106 s 29(1), (2)

Section 20(2): replaced, on 13 January 2020, by section 39 of the Regulatory Systems (Economic Development) Amendment Act 2019 (2019 No 62).

Section 20(3): inserted, on 13 January 2020, by section 39 of the Regulatory Systems (Economic Development) Amendment Act 2019 (2019 No 62).

Provisions relating to making of and status of standards and authoritative notices

21 Interpretation in sections 22 to 26

In sections 22 to 26,—

amendment means an amendment of a standard or an authoritative notice

personal information has the same meaning as in section 7(1) of the Privacy Act 2020

Privacy Commissioner has the same meaning as Commissioner in section 7(1) of the Privacy Act 2020

revocation means a revocation of a standard or an authoritative notice or of any amendment of a standard or an authoritative notice.

Section 21 **personal information**: amended, on 1 December 2020, by section 217 of the Privacy Act 2020 (2020 No 31).

Section 21 **Privacy Commissioner**: amended, on 1 December 2020, by section 217 of the Privacy Act 2020 (2020 No 31).

22 Consultation

(1) The Board must not issue a standard, an authoritative notice, an amendment, or a revocation unless the Board has taken reasonable steps to consult the persons or representatives of persons who, in the opinion of the Board, would be substantially affected by the issue of the standard, notice, amendment, or revocation.

(2) The Board must not issue a standard, an authoritative notice, or an amendment that is likely to require the disclosure of personal information unless the Board has consulted the Privacy Commissioner.

(3) Any failure to comply with subsection (1) or (2) does not affect the validity of the standard, authoritative notice, amendment, or revocation.

(4) This section does not limit section 16 or 17 of the Crown Entities Act 2004.

Compare: 1993 No 106 s 26

23 Disclosure required to comply with standards does not breach information privacy principles

(1) The disclosure of personal information is not a breach of information privacy principle 10, 11, or 12 set out in section 22 of the Privacy Act 2020 if the disclosure is required for compliance with a standard or an authoritative notice.

(2) Subsection (1) does not apply to standards issued or approved before the commencement of the Financial Reporting Amendment Act 2001.

Section 23: replaced, on 1 December 2020, by section 217 of the Privacy Act 2020 (2020 No 31).

24 Public notice

[Repealed]

Section 24: repealed, on 28 October 2021, by section 3 of the Secondary Legislation Act 2021 (2021 No 7).

25 Status of standards and authoritative notices

The following are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements):

(a) a standard:

(b) an authoritative notice:

(c) an amendment or revocation of a standard or authoritative notice.

Legislation Act 2019 requirements for secondary legislation referred to in this section		
Publication	The maker must: • notify it in the *Gazette* • publish it on a website maintained by, or on behalf of, the Board • make it available for sale	LA19 ss 73, 74(1)(a), Sch 1 cl 14
	The Ministry of Foreign Affairs and Trade considers that the secondary legislation may have international transparency obligations under the CPTPP. As a result the maker may also have to comply with s 75 of the Legislation Act 2019	LA19 ss 74(2), 75
Presentation	The Minister must present it to the House of Representatives	LA19 s 114, Sch 1 cl 32(1)(a)
Disallowance	It may be disallowed by the House of Representatives	LA19 ss 115, 116

This note is not part of the Act.

Section 25: replaced, on 28 October 2021, by section 3 of the Secondary Legislation Act 2021 (2021 No 7).

26 Certificates of Board

A certificate purporting to be signed by any member of the Board as to any of the following is, in the absence of evidence to the contrary, sufficient evidence of the matters stated in the certificate:

(a) the issuing of a standard, an authoritative notice, an amendment, or a revocation; or

(b) the accounting period or interim accounting period in relation to which a standard or an authoritative notice—

(i) commences to apply; or

(ii) ceases to apply; or

(iii) is in force.

Compare: 1993 No 106 s 33

Miscellaneous matters relating to application

27 When standards and authoritative notices take effect

(1) A standard, an authoritative notice, an amendment, or a revocation takes effect on the 28th day after the date of the publication of the standard, notice, amendment, or revocation under the Legislation Act 2019.

(2) However, a standard, an authoritative notice, or an amendment must, in respect of a particular reporting entity, be treated as taking effect on the publication of the standard, notice, or amendment under the Legislation Act 2019 if—

(a) the Board is satisfied that it is desirable to allow this subsection to apply, because bringing the standard, notice, or amendment into effect earlier than is provided for in subsection (1) is necessary or desirable in order for 1 or more entities, or relevant persons in respect of those entities, to comply with the financial reporting, climate-related, auditing,

or assurance standards issued or adopted by an international organisation (for example, the International Accounting Standards Board); and

(b) the notice under section 24 states that this subsection applies; and

(c) the relevant persons elect in writing that this subsection should apply in respect of the standard, notice, or amendment.

(3) In subsection (2), **relevant persons** means—

(a) the directors of the reporting entity:

(b) the Minister of Finance and the Secretary to the Treasury, in relation to financial statements for the Crown required to be prepared under the Public Finance Act 1989:

(c) in the case of a department, an office of Parliament, or a local authority, the chief executive:

(d) in the case of a Crown entity, the chairperson and the chief executive or, if no chairperson exists, the chief executive.

Compare: 1993 No 106 ss 28(1), (2), 29(3), 30(2)

Section 27(1): amended, on 28 October 2021, by section 3 of the Secondary Legislation Act 2021 (2021 No 7).

Section 27(2): amended, on 28 October 2021, by section 3 of the Secondary Legislation Act 2021 (2021 No 7).

Section 27(2)(a): amended, on 28 October 2021, by section 41 of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

28 Accounting period to which standards and authoritative notices apply

(1) A standard, an authoritative notice, an amendment, or a revocation commences to apply in relation to the accounting periods or interim accounting periods that the Board specifies in the standard, notice, amendment, or revocation.

(2) Those periods—

(a) may be accounting periods or interim accounting periods that have commenced or that commence before the date on which the standard, authoritative notice, amendment, or revocation takes effect; but

(b) must not be accounting periods or interim accounting periods that have ended or that end before the standard, authoritative notice, amendment, or revocation takes effect.

Compare: 1993 No 106 ss 28(3), 29(4), 30(3)

Tiers of financial reporting

29 Tiers of financial reporting for different classes of reporting entities

(1) The purpose of sections 30 to 33 is to provide for a system of tiers of financial reporting that impose different financial reporting requirements in respect of different classes of reporting entities in order to ensure that the requirements that apply in respect of those entities are appropriate.

(2) In sections 30 to 33, **strategy** means—

(a) the strategy for establishing different tiers of financial reporting approved under section 34C of the Financial Reporting Act 1993 as in force immediately before the commencement of this section (with any variations approved under section 31); or

(b) a replacement of that strategy as approved under section 31.

Compare: 1993 No 106 s 34

30 Board must implement strategy for tiers of financial reporting

The Board must take reasonable steps to implement the strategy.

Compare: 1993 No 106 s 34A(2)

31 Minister may approve variation or replacement of strategy

(1) The Minister may, after receiving a proposal for the variation or replacement of the strategy prepared by the Board under section 32, either approve or decline to approve the variation or replacement.

(2) The Minister may decline to approve the variation or replacement only if, in his or her opinion,—

(a) the Board has not had sufficient regard to the matters specified in section 32(1)(a); or

(b) the Board has not adequately consulted on the proposal under section 33.

Compare: 1993 No 106 s 34C(1), (2)

32 Process for preparing proposals to vary or replace strategy

(1) In preparing a proposal for the variation or replacement of the strategy, the Board must—

(a) have regard to—

(i) the purpose referred to in section 29; and

(ii) the advantages and disadvantages of placing different classes of reporting entities within different tiers of financial reporting; and

(iii) which FMC reporting entities are considered to have a higher level of public accountability under section 461K of the Financial Markets Conduct Act 2013; and

(b) ensure that the strategy, after the variation or replacement takes effect,—

(i) specifies the qualifying criteria for each tier of financial reporting; and

(ii) describes the financial reporting requirements that will apply for each tier of financial reporting; and

(iii) includes any other prescribed matters.

(2) The description under subsection (1)(b)(ii) may refer to—

(a) a set of standards (for example, International Financial Reporting Standards and International Public Sector Accounting Standards):

(b) specific standards:

(c) accounting policies, principles, concepts, or methods (for example, the principles of accrual accounting):

(d) any combination of the matters in paragraphs (a) to (c).

(3) A proposal for the variation or replacement of the strategy must specify the Board's reasons (including why the variation or replacement is considered to be appropriate).

Compare: 1993 No 106 s 34B(1)–(3)

33 Consultation on proposals

(1) The Board must, in preparing a proposal for the variation or replacement of the strategy, take reasonable steps to consult the persons or representatives of persons who, in the opinion of the Board, would be substantially affected by the variation or replacement.

(2) However, the Board is not required to comply with subsection (1) in respect of a variation to the strategy if, in its opinion, the variation corrects a minor error or is otherwise of a minor nature.

(3) Any failure to comply with subsection (1) does not affect the validity of the variation or replacement.

Compare: 1993 No 106 s 34B(4), (5)

Subpart 3—Standard provisions relating to auditor qualifications and access to information

34 Purpose and application

(1) The purpose of this subpart is to provide for the following standard provisions to apply for the purposes of various enactments:

(a) provisions relating to who may be appointed or act as the auditor of an entity:

(b) provisions relating to access to information by an auditor:

(c) offences for an unqualified person to act as an auditor or to hold himself, herself, or itself out as being a qualified auditor.

(2) This subpart applies to an entity (a **specified entity**) if an enactment requires or provides for a qualified auditor, as defined in section 35, to be appointed or to act as the auditor of the entity or of its financial statements.

Section 34(1)(c): inserted, on 1 July 2015, by section 6(1) of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 34(2): amended, on 1 July 2015, by section 6(2) of the Financial Reporting Amendment Act 2014 (2014 No 64).

Auditor qualifications

35 Meaning of qualified auditor

A person is a **qualified auditor** in respect of a specified entity if the person is qualified to be appointed or to act as the auditor of the entity under section 36.

36 Qualifications of auditor

(1) A person is not qualified to be appointed or to act as the auditor of a specified entity (or of its financial statements) unless—

(a) the person is—

(i) a chartered accountant (within the meaning of section 19 of the New Zealand Institute of Chartered Accountants Act 1996); and

(ii) recognised by the Institute, in accordance with the rules of that body, as being eligible to act as an auditor in respect of entities of the same kind as the specified entity; or

(ab) the person is—

(i) a member of an accredited body; and

(ii) recognised by the accredited body, in accordance with the rules of that body, as being eligible to act as an auditor in respect of entities of the same kind as the specified entity; or

(b) the person is a licensed auditor; or

(c) the person is a natural person who is a member, a fellow, or an associate of an association of accountants constituted outside New Zealand and—

(i) the association is, by notice in the *Gazette*, approved for the time being for the purposes of this section by the Registrar in accordance with section 36A(1); and

(ia) the person is recognised by the association, in accordance with the rules of that association, as being eligible to act as an auditor in respect of entities of the same kind as the specified entity; and

(ii) the person is eligible to act as an auditor in the country, State, or territory in which the association is constituted; or

(d) the person, not being a person to whom paragraph (c) applies, is a natural person who is—

(i) eligible to act as an auditor in a country, State, or territory outside New Zealand; and

(ii) approved for the time being for the purposes of this section by the Registrar by notice in the *Gazette* in accordance with section 36A(2); or

(e) the person is a company, or an overseas company, that is a registered audit firm; or

(f) the person is a company that is recognised, in accordance with section 36C, as being eligible to act as an auditor in respect of entities of the same kind as the specified entity; or

(g) the person is an overseas company that—

(i) is recognised, in accordance with section 36C, as being eligible to act as an auditor in respect of entities of the same kind as the specified entity; and

(ii) is incorporated or constituted in a country, State, or territory that is approved for the time being under section 36D; and

(iii) has a legal structure that is approved for the time being under section 36D.

(2) However, if the specified entity is—

(a) an FMC reporting entity or a person to whom section 55 applies, a person is not a qualified auditor of the entity unless he, she, or it is a licensed auditor or a body corporate that is a registered audit firm:

(b) a public entity under the Public Audit Act 2001, the Auditor-General or any other person who may act as the auditor under that Act is the auditor of the entity (and is the only qualified auditor in respect of that entity).

(3) Subsection (2)(a) is subject to subsection (2)(b).

(4) None of the following persons is qualified to be appointed or to act as the auditor of a specified entity (or of its financial statements):

(a) a director or an employee of the specified entity:

(b) a person who is a partner, or in the employment, of a director or an employee of the specified entity:

(c) a liquidator or a person who is a receiver in respect of the property of the specified entity:

(d) a body corporate (unless the body corporate is a registered audit firm or recognised as referred to in subsection (1)(f) or (g)):

(e) a person who, by virtue of paragraph (a) or (b), may not be appointed or act as auditor of a related body corporate (within the meaning of section 12(2) of the Financial Markets Conduct Act 2013).

(5) This section is subject to section 37.

(6) *[Repealed]*

Section 36(1): amended, on 1 July 2015, by section 7(1) of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 36(1)(a): replaced, on 1 July 2015, by section 7(2) of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 36(1)(ab): inserted, on 1 July 2015, by section 7(2) of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 36(1)(c)(i): amended, on 1 July 2015, by section 7(3) of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 36(1)(c)(ia): inserted, on 1 July 2015, by section 7(4) of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 36(1)(d)(ii): amended, on 1 July 2015, by section 7(5) of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 36(1)(e): inserted, on 1 July 2015, by section 7(6) of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 36(1)(f): inserted, on 1 July 2015, by section 7(6) of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 36(1)(g): inserted, on 1 July 2015, by section 7(6) of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 36(2)(a): amended, on 1 July 2015, by section 7(7) of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 36(4): amended, on 1 July 2015, by section 7(8) of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 36(4)(d): replaced, on 1 July 2015, by section 7(9) of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 36(6): repealed, on 28 October 2021, by section 3 of the Secondary Legislation Act 2021 (2021 No 7).

36A Power of Registrar of Companies to approve associations and auditors

(1) The Registrar may, after receiving an application from an association of accountants, approve the association under section 36(1)(c)(i) if, after taking into account the prescribed matters (if any), the Registrar is satisfied that the association satisfies the requirements that are prescribed for the purposes of this subsection.

(2) The Registrar may, after receiving an application from a natural person, approve the person under section 36(1)(d)(ii) if, after taking into account the prescribed matters (if any), the Registrar is satisfied that the person—

(a) satisfies the requirements that are prescribed for the purposes of this paragraph; and

(b) satisfies the minimum standards that are prescribed for the purposes of this paragraph.

(3) An application under subsection (1) or (2) must be accompanied by the prescribed fee.

(4) The Registrar may, by written notice given to an association or other person,—

(a) impose conditions on the approval of that association or person under section 36(1)(c)(i) or (d)(ii); and

(b) vary, revoke, add to, or substitute any such conditions at any time.

(5) The Registrar may impose any conditions that the Registrar thinks fit (for example, conditions that impose limits or restrictions on the ability of an approved association to recognise its members or conditions that impose limits

or restrictions on the types of audits that a person approved under section 36(1)(d) may carry out).

Section 36A: inserted, on 1 July 2015, by section 8 of the Financial Reporting Amendment Act 2014 (2014 No 64).

36B Approved associations and persons must report to Registrar

(1) Every approved association and every person who is approved under section 36(1)(d) must, at the prescribed times or on the occurrence of the prescribed events and otherwise in the prescribed manner, send to the Registrar reports that contain the prescribed information (together with a prescribed fee).

(2) If an approved association (**A**) becomes aware that it does not comply, or no longer complies, with the requirements for approval under section 36A(1), A—

(a) must, as soon as practicable, give written notice of that non-compliance to the Registrar; and

(b) must cease to give recognition under section 36(1)(c)(ia) to any person who applies for or requests recognition after A becomes so aware.

(3) If a person who is approved under section 36(1)(d) (**B**) becomes aware that he or she does not comply, or no longer complies, with the requirements or minimum standards for approval under section 36A(2), B—

(a) must, as soon as practicable, give written notice of that non-compliance to the Registrar; and

(b) must not act as the auditor of a specified entity or of its financial statements.

(4) If an approved association or a person who is approved under section 36(1)(d) fails to comply with this section, the approval of that association or person is treated as suspended until—

(a) a date specified in a notice given by the Registrar to the association or person; or

(b) the approval is cancelled under section 36I.

Section 36B: inserted, on 1 July 2015, by section 8 of the Financial Reporting Amendment Act 2014 (2014 No 64).

36C Institute, accredited bodies, and approved associations may recognise body corporate as eligible to act as auditor

(1) The Institute, any other accredited body, or an approved association may recognise a company or an overseas company for the purposes of section 36(1)(f) or (g) if, after taking into account the prescribed matters, the Institute, accredited body, or approved association is satisfied that the company or overseas company—

(a) satisfies the requirements that are prescribed for the purposes of this paragraph; and

(b) satisfies the minimum standards that are prescribed for the purposes of this paragraph; and

(c) has at least 1 director who is—

(i) a member of the Institute, accredited body, or approved association; and

(ii) a qualified auditor under any of paragraphs (a) to (d) of section 36(1) (in respect of all specified entities or 1 or more kinds of specified entities).

(2) Recognition may relate to all specified entities or to 1 or more kinds of specified entities.

Section 36C: inserted, on 1 July 2015, by section 8 of the Financial Reporting Amendment Act 2014 (2014 No 64).

36D Registrar of Companies may approve overseas countries and legal structures

(1) The Registrar may, by notice in the *Gazette*, approve, for the purposes of section 36(1)(g),—

(a) a country, State, or territory; and

(b) a specified legal structure of that country, State, or territory (for example, a company incorporated under the law of a particular overseas country).

(2) The Registrar must, before approving a country, State, or territory and a legal structure, be satisfied that—

(a) the law or the regulatory requirements of that country, State, or territory impose requirements relating to auditor independence that are equivalent to, or as satisfactory as, the requirements that apply to New Zealand auditors; and

(b) entities that have that legal structure are eligible to act as an auditor in that country, State, or territory.

(3) The Registrar may not approve as a legal structure any kind of overseas limited partnership (within the meaning of section 4 of the Limited Partnerships Act 2008).

Section 36D: inserted, on 1 July 2015, by section 8 of the Financial Reporting Amendment Act 2014 (2014 No 64).

36E Institute, accredited bodies, and approved associations must keep recognition under review

(1) The Institute, any other accredited body, or an approved association that recognises any person for the purposes of section 36(1) must maintain adequate and effective systems for keeping under review the recognition of those persons.

(2) The purpose of the review is to provide reasonable assurance that the requirements and minimum standards for recognition continue to be satisfied.

(3) The systems must include an annual review of each person who is recognised (for example, by requiring the person to verify that the requirements and any minimum standards for recognition continue to be satisfied).

Section 36E: inserted, on 1 July 2015, by section 8 of the Financial Reporting Amendment Act 2014 (2014 No 64).

36F Body corporate must ensure that engagement director is qualified auditor

(1) If a body corporate (**A**) referred to in section 36(1)(e), (f), or (g) is appointed or is acting as the auditor of a specified entity or of its financial statements, A must ensure that each engagement director is a qualified auditor under any of paragraphs (a) to (d) of section 36(1).

(2) In this section, **engagement director**, in respect of an audit where A is appointed or is acting, means the director or other person in A who is responsible for the audit and the performance of the audit and for the audit report that is issued on behalf of A.

Section 36F: inserted, on 1 July 2015, by section 8 of the Financial Reporting Amendment Act 2014 (2014 No 64).

36G Recognised body corporate must not act if requirements no longer met

If a body corporate (**A**) that is recognised for the purposes of section 36(1)(f) or (g) becomes aware that A does not comply, or no longer complies, with the requirements or minimum standards for recognition under section 36C, A—

(a) must not act as the auditor of a specified entity or of its financial statements; and

(b) must, as soon as practicable, give written notice of that non-compliance to the Institute, the accredited body, or the approved association that recognised A.

Section 36G: inserted, on 1 July 2015, by section 8 of the Financial Reporting Amendment Act 2014 (2014 No 64).

36H Offence relating to section 36F or 36G

(1) If a body corporate (**A**) fails to comply with section 36F or 36G,—

(a) A commits an offence and is liable on conviction to a fine not exceeding $150,000; and

(b) every director of A also commits an offence and is liable on conviction to a fine not exceeding $50,000.

(2) It is a defence to a director charged with an offence in relation to the duty imposed under section 36F or 36G if the director proves that—

(a) A took all reasonable and proper steps to ensure that the duty would be complied with; or

(b) he or she took all reasonable steps to ensure that A complied with the duty; or

(c) in the circumstances, he or she could not reasonably have been expected to take steps to ensure that A complied with the duty.

Section 36H: inserted, on 1 July 2015, by section 8 of the Financial Reporting Amendment Act 2014 (2014 No 64).

36I Cancellation or suspension of recognition or approval

(1) The Institute, any other accredited body, or an approved association may, in accordance with its rules, cancel or suspend its recognition of a person for the purposes of section 36(1)(a) or (ab) or (c)(ia) if the Institute, body, or association considers that the grounds for cancellation or suspension specified in its rules are satisfied.

(2) The Institute or any other accredited body may cancel or suspend the recognition of a person for the purposes of section 36(1)(a) or (ab) if—

(a) the person is or was subject to an arrangement referred to in section 36T; and

(b) the Institute or body is satisfied that—

(i) the person has failed to comply with that arrangement in any material respect; or

(ii) the term of the arrangement has ended.

(3) The Registrar may—

(a) cancel or suspend his or her approval of an association for the purposes of section 36(1)(c) if the Registrar considers that the association does not satisfy, or no longer satisfies, the requirements prescribed for the purposes of section 36A(1):

(b) cancel or suspend his or her approval of a person for the purposes of section 36(1)(d) if the Registrar considers that the person does not satisfy, or no longer satisfies, the requirements or minimum standards prescribed for the purposes of section 36A(2)(a) or (b):

(c) cancel or suspend his or her approval of an association or a person for the purposes of section 36(1)(c) or (d) if the Registrar considers that the association or person has failed to comply with any conditions under section 36A(4):

(d) cancel his or her approval of an association or a person for the purposes of section 36(1)(c) or (d) on the written request of the association or person.

(4) The Institute, any other accredited body, or an approved association may—

(a) cancel or suspend its recognition of a person for the purposes of section 36(1)(f) or (g) if the Institute, body, or association considers that the person does not satisfy, or no longer satisfies, the requirements or minimum standards prescribed for the purposes of section 36C(1)(a) or (b):

(b) cancel its recognition of a person for the purposes of section 36(1) on the written request of the person.

(5) A suspension under—

(a) subsection (1), (2), or (4) is for the period that the Institute, accredited body, or approved association thinks fit or until the person satisfies any requirements specified by the Institute, body, or association:

(b) subsection (3) is for the period that the Registrar thinks fit or until the association or person satisfies any requirements specified by the Registrar.

(6) If a person that has been recognised for the purposes of section 36(1)(f) or (g) no longer has at least 1 director of the kind referred to in section 36C(1)(c), the recognition is treated as suspended until the person again has at least 1 director of that kind (or the recognition is sooner cancelled).

(7) If the Institute, an accredited body, an approved association, or the Registrar cancels the recognition or approval of a person (**A**), the Institute, body, association, or Registrar (as the case may be) may give a written notice to A stating that A may not apply to be re-recognised or re-approved before the expiry of a specified period (and that notice is binding on A).

Section 36I: inserted, on 1 July 2015, by section 8 of the Financial Reporting Amendment Act 2014 (2014 No 64).

36J Effect of cancellation or suspension of accreditation or approval on recognition under section 36

(1) If the accreditation of the Institute or of an accredited body (**A**) is—

(a) cancelled under section 59 of the Auditor Regulation Act 2011, any recognition given by A and referred to in section 36(1) is treated as cancelled:

(b) suspended under section 59 of that Act, any recognition given by A and referred to in section 36(1) is treated as suspended during the period in which A's accreditation is suspended.

(2) If the approval of an association (**A**) as an approved association is—

(a) cancelled by the Registrar, any recognition given by A and referred to in section 36(1)(c), (f), or (g) is treated as cancelled:

(b) suspended by the Registrar, any recognition given by A and referred to in section 36(1)(c), (f), or (g) is treated as suspended during the period in which A's approval is suspended.

(3) Subsection (1) or (2) does not apply if the person who is recognised by A is also recognised by another accredited body or approved association for the purposes of section 36(1).

Section 36J: inserted, on 1 July 2015, by section 8 of the Financial Reporting Amendment Act 2014 (2014 No 64).

36K Registrar of Companies may authorise person to continue to act in respect of audit despite cancellation or suspension under section 36J

(1) This section applies if—

(a) a person's recognition is cancelled or suspended under section 36J; and

(b) the person is acting, or has been appointed to act, as the auditor in respect of an audit at the time that the recognition is cancelled or suspended.

(2) The Registrar may authorise the person to act, or to continue to act, as the auditor in respect of the audit on the terms and conditions that the Registrar thinks fit.

(3) The person may act, or continue to act, as the auditor in respect of the audit in accordance with the terms and conditions of the authorisation (and, for the purposes of that audit, the person's recognition must be treated as continuing).

Section 36K: inserted, on 1 July 2015, by section 8 of the Financial Reporting Amendment Act 2014 (2014 No 64).

36L Notification of recognised and approved persons

(1) The Institute, any other accredited body, or an approved association must,—

(a) as soon as practicable after recognising a person (**A**) for the purposes of section 36(1), give A written notice of the recognition:

(b) as soon as practicable after cancelling or suspending such recognition, give A written notice of the cancellation or suspension.

(2) The Registrar must,—

(a) as soon as practicable after approving a person (**B**) for the purposes of section 36(1)(c) or (d), give B written notice of the approval:

(b) as soon as practicable after cancelling or suspending such approval, give B written notice of the cancellation or suspension.

(3) Every notice of suspension given under subsection (1)(b) or (2)(b) must specify the period of suspension or the requirements that must be satisfied before the suspension ends.

Section 36L: inserted, on 1 July 2015, by section 8 of the Financial Reporting Amendment Act 2014 (2014 No 64).

36M Records of recognised persons

(1) The Institute, any other accredited body, or an approved association must—

(a) keep a record of all persons that the Institute, accredited body, or approved association (as the case may be) has recognised for the purposes of section 36(1) and of all cancellations or suspensions of such recognition; and

(b) keep available a record of the persons recognised by it, at all reasonable times, on an Internet site maintained by or on behalf of the Institute, body, or association.

(2) The purpose of subsection (1)(b) is to enable any person to determine whether a person is recognised for the purposes of section 36 and, if so, to obtain relevant information relating to the recognition.

(3) For the purposes of subsection (1)(b),—

(a) the record must include the following information about each recognised person:

(i) the full name of the person:

(ii) the town or city in which the person's principal place of business in New Zealand is located (unless subparagraph (iii) applies):

(iii) in the case of recognition under section 36(1)(c)(ia), the town or city in which the person's principal place of business is located:

(iv) the conditions or limitations on the recognition (if any); and

(b) the record must be reasonably prominent on the Internet site or the Internet site must contain a reasonably prominent link to the record.

(4) A record under subsection (1) is required to include information relating to a suspension under section 36I(6) only if the Institute, accredited body, or approved association is aware of the suspension.

(5) A person that fails to comply with subsection (1) or (3) commits an offence and is liable on conviction to a fine not exceeding $50,000.

Section 36M: inserted, on 1 July 2015, by section 8 of the Financial Reporting Amendment Act 2014 (2014 No 64).

36N Register of approved persons

(1) The Registrar must keep a register of all persons that the Registrar has approved for the purposes of section 36(1)(c) or (d).

(2) The purpose of the register is to enable any person to determine whether a person is approved for the purposes of section 36(1) and, if so, to obtain relevant information relating to the approval.

(3) The register may—

(a) be an electronic register; or

(b) be kept in any other manner that the Registrar thinks fit.

(4) The register must contain the following information about each approved person:

(a) the full name of the person:

(b) the town or city in which the person's principal place of business is located:

(c) the conditions or limitations on the approval (if any):

(d) any other prescribed information.

Section 36N: inserted, on 1 July 2015, by section 8 of the Financial Reporting Amendment Act 2014 (2014 No 64).

36O Search of register

(1) A person may search the register kept under section 36N in accordance with this Act or the regulations.

(2) The register may be searched only by reference to the contents of the register required by section 36N or any other prescribed criteria.

(3) A search of the register may be carried out only by the following persons for the following purposes:

(a) a person, for a purpose referred to in section 36N(2):

(b) a person, for the purpose of advising another person in connection with any of the purposes referred to in this subsection:

(c) an individual, or a person with the consent of the individual, for the purpose of searching for information about that individual.

Section 36O: inserted, on 1 July 2015, by section 8 of the Financial Reporting Amendment Act 2014 (2014 No 64).

36P Appeals in respect of recognition or approval matters

(1) A person may appeal to the District Court against any decision of the Institute, an accredited body, an approved association, or the Registrar—

(a) to decline to recognise the person for the purposes of section 36(1); or

(b) to decline to approve the person for the purposes of section 36(1)(d); or

(c) to cancel or suspend that recognition or approval.

(2) An association may appeal to the District Court against any decision of the Registrar—

(a) to decline to approve the association for the purposes of section 36(1)(c)(i); or

(b) to cancel or suspend that approval.

(3) Subsection (1) does not apply to a decision if the rules of the Institute, the accredited body, or the approved association provide for an appeal against the decision to a body established to hear appeals against the decision (for example, the Appeals Council referred to in section 6(1)(h) of the New Zealand Institute of Chartered Accountants Act 1996).

(4) Subsection (1) does not apply to a decision under sections 36R to 36T.

(5) An appeal to the District Court under this section must be brought—

(a) in accordance with the rules of court; and

(b) within 20 working days after notice of the decision is communicated to the appellant, or within any further time a District Court Judge allows on application made before or after the period expires.

Section 36P: inserted, on 1 July 2015, by section 8 of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 36P(1): amended, on 1 March 2017, by section 261 of the District Court Act 2016 (2016 No 49).

Section 36P(2): amended, on 1 March 2017, by section 261 of the District Court Act 2016 (2016 No 49).

Section 36P(5): amended, on 1 March 2017, by section 261 of the District Court Act 2016 (2016 No 49).

36Q False declarations and representations

(1) Every person commits an offence who, for the purpose of obtaining or maintaining recognition or approval for the purposes of section 36(1) either on the person's own behalf or on behalf of any other person,—

(a) either orally or in writing, makes any declaration or representation to the Institute, another accredited body, an approved association, or the Registrar that, to the person's knowledge, is false or misleading in any material particular; or

(b) provides to the Institute, another accredited body, an approved association, or the Registrar any document knowing that the document—

(i) contains any declaration or representation that is false or misleading in any material particular; or

(ii) is not genuine; or

(c) makes use of any document knowing that the document—

(i) contains any declaration or representation that is false or misleading in any material particular; or

(ii) is not genuine.

(2) A person who commits an offence under subsection (1) is liable on conviction to,—

(a) in the case of an individual, a fine not exceeding $50,000:

(b) in the case of a body corporate, a fine not exceeding $150,000.

Section 36Q: inserted, on 1 July 2015, by section 8 of the Financial Reporting Amendment Act 2014 (2014 No 64).

36R Exemption from membership requirement for certain members of religious societies or orders

(1) Section 36(1)(a)(i) or (ab)(i) (requirement to be a chartered accountant or member of an accredited body) does not apply to a person (**A**) if—

(a) the relevant body is satisfied that A is a practising member of a religious society or order whose doctrines or beliefs preclude membership of any

organisation or body other than the religious society or order of which A is a member; and

(b) the relevant body has entered into a written arrangement with A that complies with section 36T.

(2) The exemption under subsection (1) ceases if—

(a) the relevant body ceases to be satisfied as referred to in subsection (1)(a) and gives written notice of that fact to A; or

(b) the arrangement is terminated or otherwise comes to an end (unless a subsequent arrangement that complies with section 36T is entered into).

(3) *See* also section 36I(2), which provides for the cancellation or suspension of recognition if there has been a material failure to comply with an arrangement.

(4) In this section, **relevant body** means,—

(a) in relation to section 36(1)(a)(i), the Institute; or

(b) in relation to section 36(1)(ab)(i), another accredited body.

Section 36R: inserted, on 1 July 2015, by section 8 of the Financial Reporting Amendment Act 2014 (2014 No 64).

36S Institute or other accredited body may recognise as qualified statutory accountants certain members of religious societies or orders

(1) Subsection (2) applies if—

(a) the Institute or another accredited body is satisfied that a person (**A**) is a practising member of a religious society or order whose doctrines or beliefs preclude membership of any organisation or body other than the religious society or order of which A is a member; and

(b) the Institute or other accredited body has entered into a written arrangement with A that complies with section 36T; and

(c) the Institute or other accredited body is satisfied that A—

(i) has satisfactory competence, qualifications, and experience to act as a qualified statutory accountant; and

(ii) is otherwise a fit and proper person to be a qualified statutory accountant.

(2) The Institute or other accredited body may recognise A as a qualified statutory accountant by including a statement of that recognition in or with the arrangement under section 36T.

(3) The recognition under subsection (2) ceases if—

(a) the Institute or other accredited body ceases to be satisfied as referred to in subsection (1)(a) and gives written notice of that fact to A; or

(b) the arrangement is terminated or otherwise comes to an end (unless a subsequent arrangement that complies with section 36T is entered into).

Section 36S: inserted, on 1 July 2015, by section 8 of the Financial Reporting Amendment Act 2014 (2014 No 64).

36T Requirements for arrangement

(1) For the purposes of section 36R or 36S (or both), the arrangement must—

(a) state that the arrangement is entered into for the purposes of this section; and

(b) include a binding agreement by A to be subject to the following:

(i) the rules relating to the investigation of complaints against a member or former member of the Institute or other accredited body:

(ii) the rules relating to the hearing of complaints and other matters by a disciplinary body:

(iii) the rules relating to appeals from decisions of a disciplinary body:

(iv) the rules relating to the kinds of conduct for which a member or former member of the Institute or other accredited body may be disciplined:

(v) the rules relating to the actions that may be taken in respect of, and the penalties that may be imposed on, a member or former member of the Institute or other accredited body for such conduct:

(vi) in the case of section 36R, the rules referred to in section 36(1)(a)(ii) or (ab)(ii):

(vii) the code of ethics that governs the professional conduct of the members of the Institute or other accredited body.

(2) The arrangement may provide for any other matters that the Institute or other accredited body thinks fit, including matters—

(a) relating to practice reviews:

(b) relating to continuing professional development:

(c) relating to reports and access to information:

(d) to promote compliance with the requirements imposed by or under any enactment that relate to the conduct of audits or other accounting engagements:

(e) to promote compliance with auditing and assurance standards and financial reporting standards:

(f) to otherwise promote reasonable care, diligence, and skill in the carrying out of audits or other accounting engagements:

(g) relating to the payment of fees:

(h) relating to the term of the arrangement.

(3) Without limiting the means of enforcing the arrangement, the arrangement is binding on A as if A were a member of the Institute or other accredited body.

(4) In this section,—

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

rules means the rules of the Institute or other accredited body (as the case may be).

Section 36T: inserted, on 1 July 2015, by section 8 of the Financial Reporting Amendment Act 2014 (2014 No 64).

Appointment of partnership

Heading: inserted, on 1 July 2015, by section 8 of the Financial Reporting Amendment Act 2014 (2014 No 64).

37 Appointment of partnership

(1) A partnership may be appointed by the firm name to be the auditor of a specified entity if,—

(a) in the case of a specified entity that is an FMC reporting entity or a person to whom section 55 applies, the partnership is a registered audit firm:

(b) in any other case, all or some of the partners are persons who are qualified to be appointed as auditors of the specified entity.

(2) The appointment of a partnership by the firm name to be the auditor of a specified entity is deemed, despite section 36, to be the appointment of,—

(a) in the case of a specified entity that is an FMC reporting entity or a person to whom section 55 applies, all the partners in the firm, from time to time, who are licensed auditors:

(b) in any other case, all the partners in the firm from time to time.

(3) If a partnership that includes persons who are not qualified to be appointed as auditors of a specified entity is appointed as auditor of a specified entity, the persons who are not qualified to be appointed as auditors must not act as auditors of the specified entity.

Auditor access to information

38 Specified entity must give auditor access to information

(1) A specified entity must ensure that an auditor of the specified entity has access at all times to the accounting records and other documents of the specified entity.

(2) If a specified entity fails to comply with subsection (1), every director commits an offence and is liable on conviction to a fine not exceeding $50,000.

(3) It is a defence to a director charged with an offence in relation to the duty imposed under subsection (1) if the director proves that—

(a) the specified entity took all reasonable and proper steps to ensure that the duty would be complied with; or

(b) he or she took all reasonable steps to ensure that the specified entity complied with the duty; or

(c) in the circumstances, he or she could not reasonably have been expected to take steps to ensure that the specified entity complied with the duty.

Compare: 1993 No 105 s 206(1), (3)

39 Auditor may require information and explanations from director or employee

(1) An auditor of a specified entity is entitled to require from a director or an employee of the specified entity the information and explanations that he or she thinks necessary for the performance of his or her duties as auditor.

(2) A director or an employee who fails to comply with a requirement to provide information or an explanation under subsection (1) commits an offence and is liable on conviction to a fine not exceeding $50,000.

(3) It is a defence to an employee charged with an offence against subsection (2) if he or she proves that—

(a) he or she did not have the information required in his or her possession or under his or her control; or

(b) by reason of the position occupied by him or her or the duties assigned to him or her, he or she was unable to give the explanations required.

Compare: 1993 No 105 s 206(2), (4), (5)

Offences concerning unqualified persons

Heading: inserted, on 1 July 2015, by section 9 of the Financial Reporting Amendment Act 2014 (2014 No 64).

39A Offence for unqualified auditor to act

(1) A person who acts as the auditor of a specified entity or of its financial statements commits an offence if the person is not a qualified auditor in respect of the entity.

(2) A person who commits an offence under subsection (1) is liable on conviction to,—

(a) in the case of an individual, a fine not exceeding $50,000:

(b) in the case of a body corporate, a fine not exceeding $150,000.

Section 39A: inserted, on 1 July 2015, by section 9 of the Financial Reporting Amendment Act 2014 (2014 No 64).

39B Offence to hold out as qualified auditor or as approved person

(1) A person must not hold out that the person is—

(a) recognised for the purposes of section 36(1)(a), (ab), (c)(ia), (f), or (g) if the person is not so recognised; or

(b) approved for the purposes of section 36(1)(c) or (d) if the person is not so approved; or

(c) qualified to act as the auditor of a specified entity or of its financial statements if the person is not a qualified auditor in respect of the entity.

(2) A person who fails to comply with subsection (1) commits an offence and is liable on conviction to,—

(a) in the case of an individual, a fine not exceeding $50,000:

(b) in the case of a body corporate, a fine not exceeding $150,000.

Section 39B: inserted, on 1 July 2015, by section 9 of the Financial Reporting Amendment Act 2014 (2014 No 64).

Subpart 4—Standard provisions relating to balance dates

40 Purpose and application

(1) The purpose of this subpart is to provide for the balance dates of entities for the purposes of various enactments.

(2) This subpart applies to an entity (a **specified entity**) if an enactment defines its balance date by reference to section 41.

41 Meaning of balance date

(1) The **balance date** of a specified entity is the close of—

(a) 31 March; or

(b) any other date that the directors of the entity adopt as the entity's balance date with the approval of the Commissioner of Inland Revenue.

(2) However, if, immediately before the commencement of this section, a specified entity has a balance date (or a last day of a financial year) other than 31 March (whether under the Financial Reporting Act 1993 or otherwise), the balance date of the entity continues to be that date (until the entity changes its balance date).

(3) If a specified entity is affected by an Act that defines the balance date or the financial year of the entity, the balance date of the entity is that balance date or the last day of that financial year (for example, the balance date of a Crown entity under the definition of financial year in section 136(1) of the Crown Entities Act 2004 is 30 June or any other date determined for that entity by the Minister of Finance).

42 Entity must have balance date in each calendar year

(1) A specified entity must have a balance date in each calendar year.

(2) However, a specified entity need not have a balance date in the calendar year in which it is formed or incorporated if its first balance date is in the following calendar year and is not later than 15 months after the date of its formation or incorporation.

(3) If a specified entity changes its balance date, it need not have a balance date in a calendar year if—

(a) the period between any 2 balance dates does not exceed 15 months; and

(b) the Commissioner of Inland Revenue approves the change of balance date before it is made.

43 Approval of Commissioner of Inland Revenue and other provisions relating to change of balance date

(1) The Commissioner of Inland Revenue may approve a balance date, or a change of balance date, with or without conditions.

(2) If a specified entity changes its balance date, the period between any 2 balance dates must not exceed 15 months.

Subpart 5—Meaning of large and specified not-for-profit entity

44 Purpose

The purpose of this subpart is to—

(a) define the terms large and specified not-for-profit entity for the purposes of various enactments that refer to section 45 or 46.

(b) *[Repealed]*

Section 44(b): repealed, on 28 October 2021, by section 42 of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

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 $66 million:

(b) in each of the 2 preceding accounting periods, the total revenue of the entity and its subsidiaries (if any) exceeds $33 million.

Example

ABC Limited has an accounting period of 1 April 2014 to 31 March 2015.

The balance dates of the 2 preceding periods are 31 March 2013 and 31 March 2014. As at 31 March 2013, ABC Limited and its subsidiaries had total assets of $50 million. As at 31 March 2014, those total assets were $55 million.

During the period 1 April 2012 to 31 March 2013, ABC Limited and its subsidiaries had total revenue of $25 million. During the period 1 April 2013 to 31 March 2014, that total revenue was $35 million. Given that the $33 million threshold in paragraph (b) is crossed in only 1 of those preceding periods, paragraph (b) is not satisfied.

ABC Limited is not a large company in relation to the accounting period of 1 April 2014 to 31 March 2015.

(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:

(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 $22 million:

(b) in each of the 2 preceding accounting periods, the total revenue of the entity and its subsidiaries (if any) exceeds $11 million.

(2A) In addition,—

(a) an entity (other than an overseas company or a subsidiary of an overseas company) is **large** in respect of an accounting period if the entity has, on the balance date of the period, 1 or more subsidiaries that are large in respect of that accounting period under subsection (1):

(b) an overseas company or a subsidiary of an overseas company is **large** in respect of an accounting period if the entity has, on the balance date of the period, 1 or more subsidiaries that are large in respect of that accounting period under subsection (2).

(3) Despite subsections (1) to (2A), an entity is not large in respect of an accounting period (**period A**) if—

(a) the entity was an inactive entity in respect of period A; and

(b) the entity, within 5 months after the end of period A, delivers to the Registrar a declaration, in the prescribed form, stating that it was an inactive entity in respect of period A.

(4) In subsection (3), an entity is an **inactive entity** in respect of an accounting period if,—

(a) during that period, the entity—

(i) has not derived, or been deemed to have derived, any income; and

(ii) has no expenses; and

(iii) has not disposed of, or been deemed to have disposed of, any assets; and

(b) at the end of that period, the entity has no subsidiaries or all of its subsidiaries are inactive entities in respect of that period.

(5) In determining whether an entity is an inactive entity, no account may be taken of any—

(a) statutory company filing fees or associated accounting or other costs; or

(b) bank charges or other minimal administration costs totalling not more than $50 in the accounting period; or

(c) interest earned on any bank account during the accounting period, to the extent that the total interest does not exceed the total of any charges or costs incurred by the entity to which paragraph (b) applies.

Section 45(1)(a): amended, on 1 January 2022, by regulation 4(1) of the Financial Reporting (Inflation Adjustments) Regulations 2021 (LI 2021/307).

Section 45(1)(b): amended, on 1 January 2022, by regulation 4(2) of the Financial Reporting (Inflation Adjustments) Regulations 2021 (LI 2021/307).

Section 45(1) example: amended, on 1 January 2022, by regulation 4(3) of the Financial Reporting (Inflation Adjustments) Regulations 2021 (LI 2021/307).

Section 45(2)(a): amended, on 1 January 2022, by regulation 4(4) of the Financial Reporting (Inflation Adjustments) Regulations 2021 (LI 2021/307).

Section 45(2)(b): amended, on 1 January 2022, by regulation 4(5) of the Financial Reporting (Inflation Adjustments) Regulations 2021 (LI 2021/307).

Section 45(2A): inserted, on 29 September 2025, by section 108(1) of the Regulatory Systems (Economic Development) Amendment Act 2025 (2025 No 11).

Section 45(3): replaced, on 1 July 2015, by section 10 of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 45(3): amended, on 29 September 2025, by section 108(2) of the Regulatory Systems (Economic Development) Amendment Act 2025 (2025 No 11).

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 and all entities it controls (if any) are $140,000 or more.

Section 46: amended, on 29 September 2025, by section 109 of the Regulatory Systems (Economic Development) Amendment Act 2025 (2025 No 11).

Section 46: amended, on 1 January 2022, by regulation 5 of the Financial Reporting (Inflation Adjustments) Regulations 2021 (LI 2021/307).

47 Financial reporting standards must be complied with

A financial reporting standard (or a part of a standard) that is expressed as applying for the purposes of section 45(1)(a) or (b) or (2)(a) or (b) or 46 must be applied in determining whether that provision applies (for example, the standard may define operating payments or control for the purposes of section 46).

Section 47: amended, on 29 September 2025, by section 110 of the Regulatory Systems (Economic Development) Amendment Act 2025 (2025 No 11).

Subpart 6—Monetary amounts adjusted for inflation

Subpart 6 heading: inserted, on 28 October 2021, by section 43 of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

48 Minister must regularly review amounts to take into account inflation

(1) The Minister—

(a) must review the monetary amounts specified in sections 45 and 46 of this Act, section 42D of the Charities Act 2005, section 103(2)(b) and (4) of the Incorporated Societies Act 2022, section 204(3) of the Companies Act 1993, section 64(2) of the Friendly Societies and Credit Unions Act 1982, and sections 461Q and 461S of the Financial Markets Conduct Act 2013 for the purpose of determining whether or not to recommend that an adjustment be made to those amounts in order to take into account any increase in the CPI during the period to which the review relates; and

(b) may, after conducting a review, make a recommendation for the purposes of section 49.

(2) The first review under this section must be completed on or before the date that is 8 years after the date on which this section comes into force.

(3) Subsequent reviews under this section must be completed on or before the date that is 6 years after the previous review was completed.

(4) The Minister may, in making a recommendation, make any rounding adjustments that he or she thinks fit.

(5) In this section, **CPI** means the Consumers Price Index (all groups) published by Statistics New Zealand or, if that index ceases to be published, any measure certified by the Government Statistician as being equivalent to that index.

Section 48(1)(a): amended, on 5 April 2026, by section 270(1) of the Incorporated Societies Act 2022 (2022 No 12).

Section 48(1)(a): amended, on 27 October 2022, by section 44(1) of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

Section 48(1)(a): amended, on 1 July 2015, by section 11 of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 48(3): amended, on 28 October 2021, by section 44(2) of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

Section 48(5): replaced, on 1 September 2022, by section 107(1) of the Data and Statistics Act 2022 (2022 No 39).

49 Order may amend amounts

(1) The Governor-General may, by Order in Council, on the recommendation of the Minister, make regulations for all or any of the following purposes:

(a) amending the amount specified in section 45(1)(a):

(b) amending the amount specified in section 45(1)(b):

(c) amending the amounts in the example in section 45(1):

(ca) amending the amounts specified in section 42D of the Charities Act 2005:

(cb) amending the amounts specified in section 103(2)(b) and (4) of the Incorporated Societies Act 2022:

(d) amending the amount specified in section 45(2)(a):

(e) amending the amount specified in section 45(2)(b):

(f) amending the amount specified in section 46:

(g) amending the amounts specified in section 204(3) of the Companies Act 1993:

(h) amending the amount in section 64(2) of the Friendly Societies and Credit Unions Act 1982:

(i) amending the amounts specified in sections 461Q and 461S of the Financial Markets Conduct Act 2013:

(j) amending the amounts in the example in section 461S of the Financial Markets Conduct Act 2013.

(2) Regulations under this section are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

Legislation Act 2019 requirements for secondary legislation made under this section		
Publication	PCO must publish it on the legislation website and notify it in the *Gazette*	LA19 s 69(1)(c)
Presentation	The Minister must present it to the House of Representatives	LA19 s 114, Sch 1 cl 32(1)(a)
Disallowance	It may be disallowed by the House of Representatives	LA19 ss 115, 116

This note is not part of the Act.

Section 49(1)(ca): inserted, on 1 July 2015, by section 12 of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 49(1)(cb): inserted, on 5 April 2026, by section 270(1) of the Incorporated Societies Act 2022 (2022 No 12).

Section 49(1)(i): inserted, on 27 October 2022, by section 45 of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

Section 49(1)(j): inserted, on 27 October 2022, by section 45 of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

Section 49(2): inserted, on 28 October 2021, by section 3 of the Secondary Legislation Act 2021 (2021 No 7).

Part 3
Miscellaneous provisions

Subpart 1—Regulations and levies

50 Regulations

(1) The Governor-General may, by Order in Council, make regulations for all or any of the following purposes:

(a) prescribing matters for the purposes of section 32(1)(b)(iii):

(ab) prescribing matters that must be taken into account under section 36A(1) or (2) or 36C:

(ac) prescribing requirements for the purposes of section 36A(1) or (2)(a):

(ad) prescribing requirements for the purposes of section 36C(1)(a), including (without limitation) requirements relating to a company's or an overseas company's—

(i) ownership, including requirements relating to who may be a shareholder or member and who may exercise voting rights (for example, requiring all or a majority of voting rights to be held by members of the Institute, an accredited body, or an approved association):

(ii) governance, including requirements relating to who may be a director or senior manager (for example, requiring all or a majority of directors to be members of the Institute, an accredited body, or an approved association):

(iii) systems, policies, and procedures that relate to any of the following:

(A) promoting compliance with the requirements imposed by or under any enactment that relates to the conduct of audits:

(B) promoting compliance with auditing and assurance standards:

(C) promoting reasonable care, diligence, and skill in the carrying out of audits:

(iv) professional indemnity insurance:

(ae) prescribing minimum standards for the purposes of section 36A(2)(b) or 36C(1)(b):

(af) prescribing fees payable in respect of applications under section 36A or reports under section 36B(1) (or the manner in which those fees may be calculated):

(ag) prescribing matters relating to reports under section 36B, including the times and events referred to in that section and the information that must

be contained in the reports (including prescribing the manner in which the information is to be presented, calculated, or prepared):

(ah) prescribing procedures, requirements, and other matters, not inconsistent with this Act, for the register kept under section 36N, including matters that relate to—

(i) the operation of the register:

(ii) the form of the register:

(iii) the information to be contained in the register:

(iv) access to the register:

(v) search criteria for the register:

(vi) circumstances in which amendments must be made to the register:

(ai) prescribing a form for the purposes of section 45(3):

(b) prescribing classes of persons for the purposes of section 55(1)(b)(ii) and dates, or a method by which dates are to be determined, for the purposes of section 55(3):

(c) providing for any other matters contemplated by this Act, necessary for its administration, or necessary for giving it full effect.

(2) Any regulations made under subsection (1)(ad) relating to professional indemnity insurance may, without limitation,—

(a) specify the terms and conditions upon which insurance is to be available and any circumstances in which the insurance cover may be excluded or modified:

(b) specify the minimum terms and conditions that an insurance policy must satisfy:

(c) specify circumstances in which a body corporate or any class of bodies corporate are exempt from the requirements:

(d) require a body corporate to have arrangements in place that ensure that an accredited body or approved association can ascertain whether the insurance is being maintained in accordance with the regulations.

(3) For the purposes of subsection (1)(af),—

(a) regulations may authorise the Registrar to refund or waive, in whole or in part and on any conditions that may be prescribed, payment of the fee in relation to any person or class of persons:

(b) the Registrar may refuse to perform a function or exercise a power until the prescribed fee is paid:

(c) any fee payable under the regulations is recoverable by the Registrar in any court of competent jurisdiction as a debt due to the Registrar.

(4) Different requirements, dates, methods, or other matters may be prescribed under the regulations in respect of different classes of persons or different circumstances.

(5) Regulations under this section are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

(6) If regulations under subsection (3)(a) authorise the Registrar to refund or waive payment of a fee,—

(a) the instrument by which the waiver or refund is granted is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements), unless it applies only to 1 or more named persons; and

(b) the regulations must contain a statement to that effect.

Legislation Act 2019 requirements for secondary legislation referred to in subsection (5)		
Publication	PCO must publish it on the legislation website and notify it in the *Gazette*	LA19 s 69(1)(c)
Presentation	The Minister must present it to the House of Representatives	LA19 s 114, Sch 1 cl 32(1)(a)
Disallowance	It may be disallowed by the House of Representatives	LA19 ss 115, 116

This note is not part of the Act.

Legislation Act 2019 requirements for secondary legislation referred to in subsection (6)(a)		
Publication	See the relevant publication, presentation, and disallowance table in the secondary legislation referred to in subsection (5)	LA19 ss 73, 74, Sch 1 cl 14
Presentation	The Minister must present it to the House of Representatives, unless a transitional exemption applies under Schedule 1 of the Legislation Act 2019	LA19 s 114, Sch 1 cl 32
Disallowance	It may be disallowed by the House of Representatives	LA19 ss 115, 116

This note is not part of the Act.

Section 50(1)(ab): inserted, on 1 July 2015, by section 13(1) of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 50(1)(ac): inserted, on 1 July 2015, by section 13(1) of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 50(1)(ad): inserted, on 1 July 2015, by section 13(1) of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 50(1)(ae): inserted, on 1 July 2015, by section 13(1) of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 50(1)(af): inserted, on 1 July 2015, by section 13(1) of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 50(1)(ag): inserted, on 1 July 2015, by section 13(1) of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 50(1)(ah): inserted, on 1 July 2015, by section 13(1) of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 50(1)(ai): inserted, on 1 July 2015, by section 13(1) of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 50(2): replaced, on 1 July 2015, by section 13(2) of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 50(3): inserted, on 1 July 2015, by section 13(2) of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 50(4): inserted, on 1 July 2015, by section 13(2) of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 50(5): inserted, on 28 October 2021, by section 3 of the Secondary Legislation Act 2021 (2021 No 7).

Section 50(6): inserted, on 28 October 2021, by section 3 of the Secondary Legislation Act 2021 (2021 No 7).

51 Levies

(1) Every person that is included in a prescribed class of specified persons must pay to the Crown, or to a prescribed person who acts on behalf of the Crown, a levy prescribed by regulations made under section 52.

(2) If a person is in 2 or more classes of specified persons in respect of which different levies have been prescribed, the person must pay each of those levies (unless the regulations provide otherwise).

(3) In this subpart, **specified persons** means—

(a) qualified statutory accountants; and

(b) licensed auditors; and

(c) registered audit firms; and

(d) every person who applies for a licence or registration under the Auditor Regulation Act 2011; and

(e) the Auditor-General; and

(f) FMC reporting entities and other entities whose financial statements or group financial statements are required to be registered or lodged under any enactment; and

(fa) climate reporting entities; and

(g) every person who is a member, a fellow, or an associate of an association of accountants that is specified in the regulations and that is in the business of offering accounting or auditing services to the public in New Zealand, or who applies to become such a member, fellow, or associate; and

(h) public entities (within the meaning of section 5(1) of the Public Audit Act 2001); and

(i) every other person that is registered or incorporated, or who makes an application for registration or incorporation of a person, under any of the following Acts:

(i) Building Societies Act 1965:

(ii) Companies Act 1993:

(iii) Co-operative Companies Act 1996:

(iv) Friendly Societies and Credit Unions Act 1982:

(v) Industrial and Provident Societies Act 1908:

(vi) Limited Partnerships Act 2008.

Compare: 1993 No 106 s 42C(1), (2), (7)

Section 51(3)(a): replaced, on 1 July 2015, by section 14 of the Financial Reporting Amendment Act 2014 (2014 No 64).

Section 51(3)(fa): inserted, on 28 October 2021, by section 46 of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

52 Levy regulations

(1) The Governor-General may, by Order in Council made on the recommendation of the Minister, make regulations providing for the levies referred to in section 51.

(2) The levies must be prescribed on the basis that the following costs should be met fully out of the levies:

(a) a portion of the costs of the Board performing its functions and duties and exercising its powers under this Act, where the size of the portion to be met by levies under this Act is determined by the Minister; and

(b) the costs of collecting the levy money.

(3) The levies may be prescribed on the basis that any actual cost that could have been, but has not been, recovered as a levy shortfall for a year may be recovered (along with any financing charge) over any period of up to 5 years.

(4) The regulations may—

(a) specify the class or classes of specified persons that are required to pay a levy:

(b) provide for different levies for different classes of specified persons:

(c) specify the amount of levies, or method of calculating or ascertaining the amount of levies:

(d) include in levies, or provide for the inclusion in levies of, any shortfall in recovering the actual costs of performing or exercising the Board's functions, duties, and powers under this Act or the Financial Reporting Act 1993:

(e) refund, or provide for refunds of, those levies:

(f) provide for the payment and collection of those levies:

(g) specify the financial year or part financial year to which those levies apply, and apply those levies to that financial year or part financial year and each subsequent financial year until revoked or replaced:

(h) for the first financial year to which a levy applies, include in the levy amount or method costs incurred by the Board, on or after 1 July 2012, in connection with preparing itself to perform and exercise, and performing and exercising, its functions, duties, and powers under this Act,

irrespective of the fact that the regulations are made and come into effect after that year:

(i) require payment of a levy for a financial year or part financial year, irrespective of the fact that the regulations may be made after that financial year has commenced:

(j) exempt or provide for exemptions from, and provide for waivers of, the whole or any part of the levy for any case or class of cases.

(5) The levies for a financial year that starts after the Board begins to carry out any additional function under this Act may cover the costs of performing that additional function, irrespective of the fact that the regulations may be made and come into effect after the start of the financial year.

(6) Regulations under this section are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

(7) If regulations authorise a person to grant exemptions or waivers referred to in subsection (4)(j),—

(a) an instrument granting an exemption or a waiver is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements), unless it applies only in a particular case; and

(b) the regulations must contain a statement to that effect.

Compare: 1993 No 106 s 42C(3)–(6), (8)

Legislation Act 2019 requirements for secondary legislation referred to in subsection (6)		
Publication	PCO must publish it on the legislation website and notify it in the *Gazette*	LA19 s 69(1)(c)
Presentation	The Minister must present it to the House of Representatives	LA19 s 114, Sch 1 cl 32(1)(a)
Disallowance	It may be disallowed by the House of Representatives	LA19 ss 115, 116

This note is not part of the Act.

Legislation Act 2019 requirements for secondary legislation referred to in subsection (7)(a)		
Publication	See the relevant publication, presentation, and disallowance table in the secondary legislation referred to in subsection (6)	LA19 ss 73, 74, Sch 1 cl 14
Presentation	The Minister must present it to the House of Representatives, unless a transitional exemption applies under Schedule 1 of the Legislation Act 2019	LA19 s 114, Sch 1 cl 32
Disallowance	It may be disallowed by the House of Representatives	LA19 ss 115, 116

This note is not part of the Act.

Section 52(6): inserted, on 28 October 2021, by section 3 of the Secondary Legislation Act 2021 (2021 No 7).

Section 52(7): inserted, on 28 October 2021, by regulation 54 of the Legislation Act (Amendments to Legislation) Regulations 2021 (LI 2021/247).

53 Payment of levies

(1) The person to whom the levy is payable must ensure that each levy payment is paid into a Crown Bank Account and is separately accounted for.

(2) The amount of any unpaid levy is recoverable in any court of competent jurisdiction as a debt due to the Crown.

Compare: 1993 No 106 s 42C(9), (10)

Subpart 1A—Unqualified person must not hold out as qualified statutory accountant

Subpart 1A: inserted, on 1 July 2015, by section 15 of the Financial Reporting Amendment Act 2014 (2014 No 64).

53A Offence to hold out as qualified statutory accountant

(1) If any enactment requires a qualified statutory accountant to act in respect of a matter, a person must not hold out that the person is qualified to act in respect of the matter if the person is not a qualified statutory accountant.

(2) A person who fails to comply with subsection (1) commits an offence and is liable on conviction to,—

(a) in the case of an individual, a fine not exceeding $50,000:

(b) in the case of a body corporate, a fine not exceeding $150,000.

Section 53A: inserted, on 1 July 2015, by section 15 of the Financial Reporting Amendment Act 2014 (2014 No 64).

Subpart 2—Repeal and revocations

54 Repeal and revocations

(1) The Financial Reporting Act 1993 (1993 No 106) is repealed.

(2) The Financial Reporting (Fees and Forms) Regulations 2007 (SR 2007/109) are revoked.

(3) The Financial Reporting Order 1994 (SR 1994/134) is revoked.

Subpart 3—Transitional provisions

55 Financial Reporting Act 1993 continues to apply to issuers

[Repealed]

Section 55: repealed, on the close of 1 April 2019, by section 55(8).

56 Former law for FMC reporting entities generally continues to apply to accounting periods that commence before commencement of section

(1) This section applies to an entity if—

(a) any of the relevant transitional provisions or section 55(1) (or both) applies to the entity in relation to an accounting period that commenced before the commencement of this section (the **current period**); and

(b) the entity becomes an FMC reporting entity at any time during the current period.

(2) The relevant transitional provision or section 55(1) to (4) (or both) applies to the entity in relation to the current period (and, accordingly, Part 7 of the Financial Markets Conduct Act 2013 does not apply in relation to the current period).

(3) However, if the entity is an FMC reporting entity during the current period under section 451(a), (f), or (k) of the Financial Markets Conduct Act 2013 (or as a result of clause 20(2A) of Schedule 4 of that Act), Part 7 of that Act applies to the entity in relation to the current period (rather than the relevant transitional provision or section 55(1) to (4)).

(4) In this section, **relevant transitional provision** means any of sections 17(2), 44(2), 86(2), 87(2), 103(2), 108(2), 111(2), and 117(2) of the Financial Reporting (Amendments to Other Enactments) Act 2013.

Example

XYZ Credit Union has a financial year of 1 January to 31 December. It is an issuer under the Financial Reporting Act 1993.

If this section comes into force on 1 April 2014, the 1 January 2014 to 31 December 2014 financial year is its current period under this section. In addition, XYZ Credit Union becomes an FMC reporting entity on 1 April 2014 under section 451(i) of the Financial Markets Conduct Act 2013 (the **FMC Act**).

Under the transitional provision section 87(2) of the Financial Reporting (Amendments to Other Enactments) Act 2013, the Friendly Societies and Credit Unions Act 1982 (as in force before commencement) continues to apply to the current period. Under the former section 121(2)(c) of that Act (and section 55 of this Act), financial statements must be prepared in accordance with the Financial Reporting Act 1993. These requirements apply to the current period (rather than Part 7 of the FMC Act) even though XYZ Credit Union became an FMC reporting entity on 1 April 2014.

However, if XYZ Credit Union makes a regulated offer under the FMC Act on (say) 1 December 2014, it will also be an FMC reporting entity under section 451(a) of the FMC Act. This means that Part 7 of that Act will apply to the current period rather than the requirements of the law in force before commencement.

57 FMC reporting entity that is issuer or trustee of scheme that is not yet registered

(1) This section applies if—

(a) an entity is an FMC reporting entity and is required to prepare financial statements under Part 7 of the Financial Markets Conduct Act 2013 in relation to an accounting period (the **relevant period**); and

(b) the entity is an issuer or a trustee of a scheme referred to in section 9A(1) or (2) of the Financial Reporting Act 1993; and

(c) the scheme is not a registered scheme within the meaning of section 6(1) of the Financial Markets Conduct Act 2013.

(2) Section 461A of the Financial Markets Conduct Act 2013 (which requires financial statements for schemes and funds) applies in relation to the scheme and the relevant period as if it were a registered scheme.

(3) Subsection (2) ceases to apply on the effective date (as defined in clause 16 of Schedule 4 of the Financial Markets Conduct Act 2013) of a security in the scheme.

58 Financial reporting standards and auditing and assurance standards continue in effect

Every financial reporting standard or auditing and assurance standard approved or issued under the Financial Reporting Act 1993 that is in effect immediately before the commencement of this section—

(a) continues in effect as a financial reporting standard or an auditing and assurance standard (as the case may be) as if issued under section 12; and

(b) may be amended or revoked under section 12.

59 External Reporting Board may exercise power before commencement

(1) The External Reporting Board (as continued under section 22 of the Financial Reporting Act 1993) may, before the commencement of subparts 1 and 2 of Part 2, exercise a power under those subparts to issue a financial reporting standard, an authoritative notice, or an auditing and assurance standard.

(2) Subsection (1) applies as if subparts 1 and 2 of Part 2 were in force when the power is exercised.

(3) This section does not limit section 11 of the Interpretation Act 1999.

60 Definitions of large and specified not-for-profit entity may take into account accounting periods that commence before commencement of section

In subpart 5 of Part 2, a reference to preceding accounting periods may include an accounting period regardless of whether it commenced before, on, or after the commencement of this section.

61 Approvals for auditors continue in effect

An approval in effect, immediately before the commencement of this section, under section 199(1)(c) or (d) of the Companies Act 1993—

(a) continues in effect as if given under section 36(1)(c) or (d) of this Act (as the case may be); and

(b) may be revoked by the Registrar of Companies by notice in the *Gazette*.

Schedule
Transitional, savings, and related provisions

s 9A

Schedule: inserted, on 1 July 2015, by section 16 of the Financial Reporting Amendment Act 2014 (2014 No 64).

Provisions relating to Financial Reporting Amendment Act 2014 [Repealed]

Heading: repealed, on 28 October 2021, by section 47(1) of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

Part 1
Provisions relating to Financial Reporting Amendment Act 2014

Schedule Part 1 heading: inserted, on 28 October 2021, by section 47(1) of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

1 Interpretation

In clauses 2 and 3,—

2014 Amendment Act means the Financial Reporting Amendment Act 2014

principal Act means the Financial Reporting Act 2013.

2 New requirements apply to accounting periods that commence on or after commencement of 2014 Amendment Act

(1) Section 36(1)(a) of the principal Act (as in force after the commencement of section 7(2) of the 2014 Amendment Act) applies to audits of financial statements for accounting periods that commence on or after the commencement of section 7(2) of the 2014 Amendment Act.

(2) Section 36(1)(a) of the principal Act (as in force before the commencement of section 7(2) of the 2014 Amendment Act) continues to apply to audits of financial statements for accounting periods that commence before the commencement of section 7(2) of the 2014 Amendment Act.

(3) Section 36(1)(c) of the principal Act (as in force after the commencement of section 7(4) of the 2014 Amendment Act) applies to audits of financial statements for accounting periods that commence on or after the commencement of section 7(4) of the 2014 Amendment Act.

(4) Section 36(1)(c) of the principal Act (as in force before the commencement of section 7(4) of the 2014 Amendment Act) continues to apply to audits of financial statements for accounting periods that commence before the commencement of section 7(4) of the 2014 Amendment Act.

(5) Section 45(3) of the principal Act (as in force after the commencement of section 10 of the 2014 Amendment Act) applies to accounting periods that commence on or after 1 April 2014.

3 Approval under section 36 continues for 1 year only unless re-approved by Registrar under new requirements

(1) This clause applies to—

(a) an association of accountants that, immediately before the commencement of this clause, has an approval that is in effect under section 36(1)(c); and

(b) a person who, immediately before the commencement of this clause, has an approval that is in effect under section 36(1)(d).

(2) The approval referred to in subclause (1) continues in effect after the commencement of this clause.

(3) However, that approval ceases to be in effect on the date that is 12 months after the date on which this clause comes into force unless the Registrar has re-approved the association of accountants or person under section 36(1)(c) or (d), as the case may be (in accordance with section 36A).

(4) Nothing in this clause limits the ability of the Registrar to do either or both of the following in respect of an association or a person referred to in subclause (1):

(a) cancel or suspend the approval of the association or person under this Act (and such a cancellation or suspension may take effect before or after the date that is 12 months after the date on which this clause comes into force); or

(b) impose, vary, revoke, add to, or substitute any conditions under section 36A at any time.

(5) However, for the 12-month period referred to in subclause (3), section 36B(2) to (4) does not apply.

(6) Section 61 is subject to this clause.

Part 2
Provisions relating to Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021

Schedule Part 2: inserted, on 28 October 2021, by section 47(2)(a) of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

4 Interpretation

In this Part, **2021 Amendment Act** means the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021.

Schedule clause 4: inserted, on 28 October 2021, by section 47(2)(a) of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

5 Guidance may apply to accounting periods that commence before section 19A commences

Guidance issued by the Board in accordance with section 19A (as inserted by section 40 of the 2021 Amendment Act) may apply in relation to—

(a) accounting periods that commence before, but end on or after, the commencement of section 19A:

(b) accounting periods that commence on or after the commencement of section 19A.

Schedule clause 5: inserted, on 28 October 2021, by section 47(2)(a) of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

6 Climate standards and authoritative notices may apply to accounting periods that commence before clause commences

(1) Climate standards issued by the Board may apply in relation to—

(a) accounting periods that commence before, but end on or after, the commencement of this clause:

(b) accounting periods that commence on or after the commencement of this clause.

(2) Authoritative notices issued by the Board for the purposes in section 12(c)(ii) may apply in relation to—

(a) accounting periods that commence before, but end on or after, the commencement of this clause:

(b) accounting periods that commence on or after the commencement of this clause.

Schedule clause 6: inserted, on 28 October 2021, by section 47(2)(a) of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

7 Transitional provisions relating to review of monetary amounts in sections 461Q and 461S of Financial Markets Conduct Act 2013

(1) Subclause (2) applies if section 44(1) of the 2021 Amendment Act (which amends section 48(1)(a) of this Act) comes into force before 1 April 2022.

(2) The monetary amounts in sections 461Q and 461S of the Financial Markets Conduct Act 2013 do not need to form part of the first review under section 48(2) of this Act.

(3) Subclause (4) applies—

(a) if the monetary amounts in sections 461Q and 461S of the Financial Markets Conduct Act 2013 do not form part of the first review under section 48(2) of this Act:

(b) despite the date on which section 45 of the 2021 Amendment Act (which amends section 49 of this Act) comes into force.

(4) The Minister's recommendation (if any) under section 48(1)(b), after conducting the first review, must not include a recommendation for the purposes of section 49(i) or (j).

Schedule clause 7: inserted, on 28 October 2021, by section 47(2)(a) of the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39).

Part 3
Provision relating to Regulatory Systems (Economic Development) Amendment Act 2025

Schedule Part 3: inserted, on 29 September 2025, by section 111(a) of the Regulatory Systems (Economic Development) Amendment Act 2025 (2025 No 11).

8 Application of change to definitions of large and specified not-for-profit entity

(1) Sections 45 and 46 (as in force on and after the commencement date) apply to accounting periods that commence on or after the commencement date.

(2) Sections 45 and 46 (as in force before the commencement date) continue to apply to accounting periods that commence before the commencement date.

(3) In this clause, **commencement date** means the date on which Part 10 of the Regulatory Systems (Economic Development) Amendment Act 2025 comes into force.

Schedule clause 8: inserted, on 29 September 2025, by section 111(a) of the Regulatory Systems (Economic Development) Amendment Act 2025 (2025 No 11).

Notes

1 General

This is a consolidation of the Financial Reporting Act 2013 that incorporates the amendments made to the legislation so that it shows the law as at its stated date.

2 Legal status

A consolidation is taken to correctly state, as at its stated date, the law enacted or made by the legislation consolidated and by the amendments. This presumption applies unless the contrary is shown.

Section 78 of the Legislation Act 2019 provides that this consolidation, published as an electronic version, is an official version. A printed version of legislation that is produced directly from this official electronic version is also an official version.

3 Editorial and format changes

The Parliamentary Counsel Office makes editorial and format changes to consolidations using the powers under subpart 2 of Part 3 of the Legislation Act 2019. See also PCO editorial conventions for consolidations.

4 Amendments incorporated in this consolidation

Parliament (Repeals and Amendments) Act 2025 (2025 No 63): section 51

Regulatory Systems (Economic Development) Amendment Act 2025 (2025 No 11): Part 10

Data and Statistics Act 2022 (2022 No 39): section 107(1)

Incorporated Societies Act 2022 (2022 No 12): section 270(1)

Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 (2021 No 39): Part 3

Financial Reporting (Inflation Adjustments) Regulations 2021 (LI 2021/307): regulations 4, 5

Legislation Act (Amendments to Legislation) Regulations 2021 (LI 2021/247): regulation 54

Secondary Legislation Act 2021 (2021 No 7): section 3

Privacy Act 2020 (2020 No 31): section 217

Regulatory Systems (Economic Development) Amendment Act 2019 (2019 No 62): Part 6

Friendly Societies and Credit Unions (Regulatory Improvements) Amendment Act 2018 (2018 No 17): section 57

District Court Act (2016 No 49): section 261

Financial Reporting Amendment Act 2014 (2014 No 64)

Financial Reporting Legislation Commencement Order 2014 (LI 2014/52)

Financial Reporting Act 2013 (2013 No 101): section 55(8)

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