



Auditor Amendment Regulations 2015

Rt Hon Dame Sian Elias, Administrator of the Government

Order in Council

At Wellington this 25th day of May 2015

Present:

Her Excellency the Administrator of the Government in Council

Pursuant to section 84 of the Auditor Regulation Act 2011, Her Excellency the Administrator of the Government, acting on the advice and with the consent of the Executive Council, makes the following regulations.

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Regulations

- 1 Title**
These regulations are the Auditor Amendment Regulations 2015.
- 2 Commencement**
These regulations come into force on 1 July 2015.

3 Principal regulations

These regulations amend the Auditor Regulations 2012 (the **principal regulations**).

4 New regulation 5A inserted (Prescribed requirements for authorisation of registration of corporate audit firms)

After regulation 5, insert:

5A Prescribed requirements for authorisation of registration of corporate audit firms

- (1) The requirements set out in subclauses (2) to (4) are prescribed for the purposes of sections 25(1)(b)(iii) and 26(1)(ab)(iv) of the Act.
- (2) Qualified persons must control all, or the majority of, the voting rights in the company or overseas company.
- (3) All, or the majority of, the directors of the company or overseas company must be qualified persons.
- (4) The company or overseas company must hold professional indemnity insurance that can reasonably be regarded as adequate and appropriate for the scale and nature of the business of the company or overseas company.
- (5) In this regulation,—

approved association means an association of accountants that is approved for the time being by the Registrar under section 36(1)(c) of the Financial Reporting Act 2013

control, in relation to a voting right, means having, directly or indirectly, effective control of the voting right

qualified person means a natural person who—

- (a) is a member of a relevant body; and
- (b) holds a practising certificate issued by that relevant body

relevant body means the Institute, another accredited body, or an approved association

voting right means a currently exercisable right to cast a vote at meetings of members or shareholders of a company or overseas company.

Michael Webster,
Clerk of the Executive Council.

Explanatory note

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

These regulations, which come into force on 1 July 2015, prescribe requirements for the purposes of sections 25(1)(b)(iii) and 26(1)(ab)(iv) of the Auditor Regulation Act 2011 (the **Act**) (as inserted by sections 7 and 8 of the Auditor Regulation Amendment Act 2014 (the **Amendment Act**)). These regulations coincide with the making of the Auditor Regulation Amendment Act 2014 Commencement Order 2015 that brings the Amendment Act into force on 1 July 2015.

Sections 25 and 26 of the Act make provision for authorising the registration of corporate audit firms under Part 2 of the Act if certain requirements, including prescribed requirements, are met.

The prescribed requirements relate to the persons who control voting rights in the corporate audit firm, the persons who are the directors of the corporate audit firm, and the professional indemnity insurance held by the corporate audit firm.

Regulatory impact statement

The Ministry of Business, Innovation, and Employment produced a regulatory impact statement to help inform the decisions taken by the Government relating to the contents of this instrument.

A copy of this regulatory impact statement can be found at <http://www.treasury.govt.nz/publications/informationreleases/ris/pdfs/ris-mbie-afi-nov13.pdf>

Issued under the authority of the Legislation Act 2012.

Date of notification in *Gazette*: 28 May 2015.

These regulations are administered by the Ministry of Business, Innovation, and Employment.