

Full list of changes being proposed to the Charities Act (non-legislative changes in italics)

Regulatory decision-making and accountability

- The Charities Registration Board will be required to publish decisions on declining an application for registration and deregistering a charity
- There will be a clear process for charities to object to significant decisions of the Charities Registration Board and Charities Services
- The timeframe for submitting information to the Charities Registration Board or Charities Services on administrative matters and objections will be extended from 20 working days to two months
- Charities Services will be required to consult with the sector when developing significant guidance material for charities
- The number of Charities Registration Board members will increase from three members to five members
- *The Charities Registration Board and Charities Services will publish information on their regulatory decision-making policies and procedures*
- *The Department will review the performance measures that relate to Charities Services*

Judicial appeals

- The Taxation Review Authority will hear first appeals under the Charities Act instead of the High Court (with further appeals to higher courts on points of law)
- The decisions that can be appealed will be expanded to include significant decisions of Charities Services (as well as the existing decisions made by the Charities Registration Board)
- The timeframe for lodging an appeal with the Authority will be extended from 20 working days to two months

Compliance and enforcement powers

- The implicit requirements for charities to remain qualified for registration – maintaining charitable purpose, having a rules document, and having qualified officers – will be made explicit
- Part of the definition of ‘serious wrongdoing’ will be clarified so that it expresses a more consistent level of serious behaviour, by replacing the reference to an offence with a reference to an offence that is punishable by imprisonment for a term of two years or more
- The Charities Registration Board will be given a new power to disqualify an officer for ‘serious wrongdoing’ or a significant or persistent breach of obligations, without having to deregister the charity
- *The Department will undertake a post-implementation review of operational practice on the use of compliance and enforcement tools*

Charities accumulating funds

- *Charities Services will update the annual return form, in consultation with the sector and iwi, to require larger charities to report the reasons for their accumulated funds*

Reporting requirements for very small charities

- Charities Services will have the power to exempt very small charities from the financial reporting standards set by the External Report Board, instead requiring them to file an annual return with basic financial information (the threshold for charities included in the exemption will be developed in regulations)

Officers of charities and governance improvements

- The definition of officer will be amended to capture all persons with significant influence over the management or administration of the entity, regardless of the type of entity
- The role of an officer, to support the charity to meet its obligations under the Act, will be clarified
- Persons who have been convicted of an offence relating to the financing of terrorism will be prevented from holding an officer role in a charity
- At least one officer of the charity will need to be 18 years old or over (while the remaining officers can be 16 years old or over)
- Charities will be required to review their governance procedures annually