

# NEW ZEALAND COMPANY REGISTRATION



## NEW ZEALAND LIMITED LIABILITY COMPANY REGISTRATION WITH ABACONDA MANAGEMENT GROUP LTD

*In the last few decades, New Zealand has become an attractive option for the international financial planning community, specifically in regards to high-net worth clients.*

*Despite the amateur publications of recent years, New Zealand is not a tax haven or offshore jurisdiction, it never has been nor is it planning to be. New Zealand is a developed Western country: member of the Commonwealth of Nations, United Nations, World Bank, World Trade Organization, Organization for Economic Co-operation and Development, International Monetary Fund, Asia Pacific Economic Cooperation. New Zealand participating in a number of free trade agreements, of which the most important are the China-New Zealand Free Trade Agreement (the only comprehensive free trade agreement China has entered into with a developed country) and Closer Economic Relations with Australia. It does not face any blacklisting or sanctions by any international regulatory or fiscal bodies.*

## NEW ZEALAND LIMITED LIABILITY COMPANIES

A New Zealand Limited Liability Company is recognized as having come into existence after it is incorporated under the Companies Act 1993. Upon completion of incorporation it is henceforth recognized in law as an independent legal entity. This means that it is treated as being a separate "body" from its directors and shareholders. Therefore, as a legal entity, it can do many of the same things as a natural person – e.g. hold property in its own name, enter into contracts, etc

# Requirements

Every New Zealand Company has certain basic elements:

1. A name, which has been reserved by the Registrar of Companies.

To register a New Zealand company or an overseas company under a name, that name has to be approved and reserved by the Registrar (sections 20 & 333(1) Companies Act 1993). Thereafter, a company may choose to change its name. The name must be comprised entirely from the English alphabet and include word LIMITED.

2. Issued capital of one or more share.
3. One or more shareholder (any nationality, private or corporate).
4. One or more directors (any nationality, private).

A person is **ineligible** to be a director of a company if he/she is:

- under 18 years of age; or
- an undischarged bankrupt; or
- prohibited from directing, promoting, or participating in the management of a company under any statutory provisions; or
- subject to a property order made under sections 30 or 31 of the Protection of Personal and Property Rights Act 1988; or
- not qualified pursuant to the constitution of a particular company.

The Registrar must be notified to any changes in the directorship of the company or information, which relates to the director(s).

New appointments or resignations of a director must be notified within 20 working days of the appointment being made or resignation coming into effect.

For other changes (e.g. new director's address) notification must be given within 20 working days of the company first becoming aware of the change or event.

It is deemed an offence under the Companies Act 1993 (Section 159) if these requirements are not complied with.

Any new director must give consent to act as a director and to also certify that he/she is not disqualified from being appointed or holding office as a director.

***As your authorized accountant, AMG may provide service of Non-executive Directorship for your new Company.***

5. Address for the Registered Office and Address for Service in New Zealand.

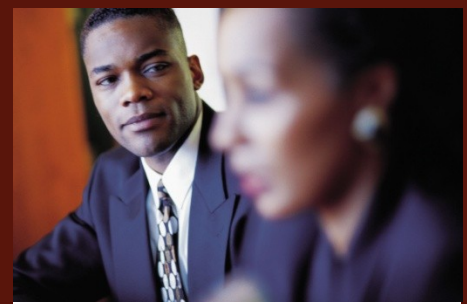
Additionally, the Registrar also requests that an Address for Communications be provided.

All documentation kept at the Registered Office address must be available for inspection and audit on the first request of the New Zealand authorities.

The Registered Office and Address for Service need not be at the same place or even at the company's place of business. Although, it is required that they are at a physical address, not a postal centre or document exchange. However, the address for communications can be a postal address. These addresses are the first notified to the Registrar on the application for incorporation.

To change the Registered Office or Address for Service, the company must notify the Registrar, with the change and the date of the change, at least 5 days before it comes into effect.

***As your authorized accountant, AMG can provide you with a Registered Office address.***



## New Zealand

New Zealand is an island nation located 2000 kilometers south-east of Australia. It is comprised of two primary landmasses, known as the North and South Islands, and a significant number of smaller islands. The largest city in New Zealand is Auckland, in the top half of the North Island, while the capital, Wellington, lies in the Southern tip of the northern island. The land mass of New Zealand consists of 368,680 square kilometers, making it the 75th biggest nation in the world and covers 0.18% of the world's surface.

New Zealand Gross Domestic Product per capita is \$30,234, comparable to Hong Kong, Italy and Spain. The total GDP for the nation is USD\$128.1 billion. As a country that exports nearly a quarter of its annual output, New Zealand is heavily dependent on trade. Subsequently New Zealand holds a number of Free-Trade Agreements such as the Trans Pacific Economic Partnership between New Zealand, Singapore, Chile and Brunei, there are talks of Australia, Peru and the United States joining also. Along with Australia, New Zealand holds free trade deals with Vietnam, Thailand, Singapore, Philippines, Myanmar, Malaysia, Laos, Indonesia, Cambodia, Brunei Darussalam, as the nations of The Association of Southeast Asian Nations. New Zealand is also a respected member of APEC.

The New Zealand economy draws heavily on the service industry (tertiary sector), which produces nearly 70% of its GDP annually; this is followed by manufacture and construction (secondary sector) at 27%; and the rest in the farming and raw material industry (primary sector). Due to the reputation of New Zealand as a holiday destination, 8.9% of the New Zealand GDP comes from services centered around the tourism industry. Estimates have placed the increase of tourists to New Zealand as rising by 4% each, until 2013.

# Books, Records and Registers

The Companies Act 1993 mandates that a company is required to keep and maintain certain records, including the constitution (if the company has adopted one), minutes of both the shareholders' and directors' meetings, the financial statements, accounting records, the share register, etc.

Under normal business practice these records are kept at the company's Registered Office. Any change in the record's permanent keeping requires a notification of change of address, at least 5 days before it is carried out.

## Share Register

A share register must be maintained by a company, it must record the shares issued by the company and also state:

- What restrictions or limitations on their transfer, if any; and
- The location of the documents that state the restrictions and/or limitations.

The share register must also record an alphabetical list of the:

- Name(s) of each shareholder, and
- Last known address of each shareholder, and
- Number of shares held by each shareholder

(Note: this includes both the current shareholders and those who have been shareholders within the last 10 years).

The share issues date, repurchases or redemptions and share transfers must also be shown.

An agent, your lawyer or your accountant may maintain the share register for your company.

The company's constitution may also provide that the share register may be divided into two or more registers, which are subsequently kept in varying locations. Notice of

the locations of each register must be delivered to the Registrar within 10 working days post the division of the original register. In the case that the Share Register is undivided, it is considered to be the company's principal register and must therefore be kept at its Registered Office. In the case of share register division, it may be kept elsewhere.

## Accounting Records

All active companies have to prepare Financial Statements annually. Further, these Financial Statements must be audited unless agreed otherwise by all company shareholders. In the case that an auditor is required, the appointment must be made at the Annual Meeting. Companies that are required to file Financial Statements under the Financial Reporting Act 1993 are always required to appoint an Auditor.

It is the responsibility of the board of the company to ensure that accounting records are kept, and that they:

- Accurately record the company's transactions and adequately explain them;
- Allow the financial position of the company to be accurately determined at any time;
- Enable the directors to ensure that the company's financial statements comply with the Financial Reporting Act 1993; and
- Allow the proper auditing of the company's Financial Statements, in a timely manner.

Please note that dormant (non-active, non-trading) companies are not required to keep accounting records.

***As your authorized accountants, AMG is able to provide a full range of accounting and taxation service.***



## New Zealand

New Zealand is a developed country in all understandings of the term. The banking, economic and infrastructure system ranks amongst the best in the world. New Zealand has a thorough, complete and tested set of laws relating to its economic system, along with its own perks and unique features like New Zealand Foreign Trusts.

While due to its reliance on foreign trade New Zealand can be exposed to price fluctuations on equity markets, the country is highly stable in all other aspects of its economic structure. New Zealand has been relatively unscathed by the economic turbulence experienced by many world markets since the year 2000. Namely, New Zealand and neighboring Australia did not face recessions like the United States. More recently, unlike many developed nations of the world, New Zealand felt no serious repercussions from the 2008 financial market breakdown. This was due heavily to New Zealand's low reliance on foreign debt markets and the active preventative measures taken by the New Zealand government.

While New Zealand does not have one ultimate constitution, it does have a formal statement of constitutional structure in the Constitution Act 1986. Further, the effective constitution of New Zealand consists of a number of statutes, Treatise, court decisions, Letters patent and conventions. Prior to 2004 New Zealand's highest court was the Privy Council in London, although since the passing of the Supreme Court Act 2003 it has been the Supreme Court of New Zealand.



## New Zealand

New Zealand is a constitutional monarchy with a parliamentary democracy. The parliament building resides in the capital, Wellington, in a building dubbed "The Beehive". Queen Elizabeth II is currently the Queen of New Zealand, although is represented by Governor-General Anand Satyanand. The Governor General of New Zealand is able to exercise a certain number of reserve powers like the appointment and dismissal of Governors and Prime Ministers, dissolving of Parliament, and refusing the Prime-Minister's request for an election. In a ceremonial sense the Governor-General is the de-facto head of state, as such the position entitles its bearer the same privilege and status as that of the actual head of state. The position entails with itself the further role of Commander-in-Chief of the Defense Force. This leads to interesting hypothetical constitutional arguments, in regards to what exact role is played by the Governor-General if their wishes happen to differ from that of the Prime-Minister, but due to New Zealand's peaceful history and nature this has never had to be tested.

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## Facts about New Zealand

**Population:** 4,173,000 people  
**Language:** English, Maori, Sign Language  
**Capital:** Wellington  
**Government Type:** parliamentary democracy  
**Land Area:** 268,680 square kilometers  
**Coastline:** 15,134 kilometers  
**Natural resources:** natural gas, iron ore, sand, coal, timber, gold, limestone  
**GDP-per capita:** USD\$30,234

## The Constitution

A constitution is not required for a New Zealand registered company. Companies that opt to incorporate without a constitution will have their internal procedures automatically governed by the Companies Act 1993. Your options for incorporation for a new company are:

- Preparing your own company constitution
- Using a standard constitution provided by Abaconda Management Group
- Incorporation without a constitution.

## Annual Meetings

Every company must hold an Annual Meeting once every calendar year. Within 6 month of a company's balance date they are required to hold the meeting, it must also be no later than 15 months after the previous annual meeting.

While it is not required for a company to hold its first annual meeting in the calendar year of incorporation, it is a requirement to hold one within the first 18 month of incorporation.

***As your authorized accountants, AMG could provide you with a Corporate Secretary service, to perform annual meetings.***

## Annual Return and Annual Filing Obligations

In their designated months, all companies must file an annual return, although a company is not required to file an annual return in the calendar year of its incorporation. To continue maintaining its registration with the Companies Office, a company must file an Annual Return each year. In the case that an Annual Return has not been filed by the due date, the company faces the risks of removal from the New Zealand Register of Companies. The filing of the Annual Return is also considered as an opportunity to confirm and/or update any company information held on the Register of Companies.

Please visit our online questioner located at <http://www.abaconda.info/status/> to check New Zealand Company's Annual Filing Obligations under the Companies Act 1993, Financial Reporting Act 1993 and Income Tax Act 2004.

***As your authorized accountants, AMG can complete all your filing obligations on your behalf.***

***As an AMG client your new company will be linked to our tax agency within the New Zealand Inland Revenue Department, and will receive significant extensions of time to pay your tax obligations.***

# Process of Company Registration with Abaconda Management Group



1. The initial step in the incorporation of a company is the reservation of its name.

We suggest that before you complete the application, you use our free service at <http://www.abaconda.info/company> to check the New Zealand Register of Companies for an identical or nearly identical name. Technical limitations prohibit us from guaranteeing 100% that any particular result of this search is not already in use. It is recommended that you try and check for keywords or names similar to the one you have already chosen.

2. The Application Form, located at <http://www.abaconda.info/docs/CR2008.pdf> or attached to this brochure, is to be filled in next and returned to us. A scanned email copy of the signed application is also acceptable.
3. An invoice will be issued to you via email when we receive and accept your application. Your payment options are Credit Card, Wire Transfer, or Bank Transfer.
4. Next, your chosen Company name will be checked manually and we will advise you as to the results.

Your order will be processed once your payment is received and confirmed. The name will be reserved and an application with the New Zealand Register of Companies will be lodged.

In the case that your chosen Company name is unavailable, we will inform you as to the reason that it was declined. Otherwise, the Companies Office will issue a letter of confirmation, stating that the name has been reserved.

5. We will send you an email containing the official director(s) and shareholder(s) Consent Forms. These need to be printed off, signed by the appropriate director(s) and shareholder(s) and faxed back to the number on the form or emailed back to us. Once these forms have been received and accepted by New Zealand Register of Companies, the company will be incorporated and the Certificate of Incorporation will be issued by New Zealand the Register of Companies.

The New Zealand company formation procedure typically takes less than 24 hours, and this depends largely on how fast you sign and return the Consent Forms (p.5 above). In most cases we are able to complete a company formation within one hour.

Upon the completion of the registration process, the ordered set of documents will be delivered to you. Please check the Company Incorporation Packages for more details.

## Before proceeding, make sure you have all of the following:

- The Name(s) of the Director(s) and their residential address (must have at least one director).
- The number of shares (must have at least one share).
- The names and address of the Shareholder(s) (must have at least one shareholder).
- The Registered Office, Address for Service and Address for Communication for the company (AMG may provide for our authorised clients).
- The place of business and main business activity of the new company.
- The Company Constitution (optional).



## Due Diligence Requirements

As Corporate Accountants and registered Tax Agents we will provide company formation service and any of the above mentioned services to our Authorised Clients only, subsequently you must sign an Authorisation Form before we can commence any work. While this may seem as an inconvenience, it is nothing short of necessity when conducting international business in today's environment and is an integral part in maintaining the integrity and reputation of the New Zealand, our own reputation and reputation of your new Company.

Please note, it is a Tax Regulation of New Zealand requirement that all companies must be registered with the New Zealand Inland Revenue Department. This registration is included in the price estimation above and is mandatory for Trading and Non-trading companies.

In dealing with our Client we accept written instruction in English only, signed by Director(s) or Authorised Agent of the Company.

We would appreciate you providing us with a general description as to the proposed activities of the Company and copies of valid photo IDs of the Director(s) and Shareholder(s) for all our new Clients. Please rest assured that all of the information you provide to us will be kept in complete confidentiality.

As an indicator of potentially provide documents, please inspect the following list of possible services.

- Certificate of the Incorporation;
- Company Constitution;
- Company Meeting Minutes;
- Copy of Register of Shares Issued and Payment Made;
- Copy of Share Register;
- Copy of Register of Address for Service;
- Copy of Register of Directors;
- Copy of Register of Address of Service;
- Copy of Register of Registered Office;
- Copy of Register of Address for Communication;
- Name Reservation Certificate;
- Confirmation Letter;
- Company Extract;
- Consent of Shareholder;
- Consent of Director;
- Inland Revenue Department Registration;
- Goods and Service Tax Registration;
- Non-Trading Form;
- Non-Active Form;
- Tax Agent and Accountant Authorization Form;
- Guide to your New Zealand company.

At your request, the set of documents may be certified by Public Notary, and/or Apostille (by New Zealand Department of Internal Affairs) may be affixed.

*As corporative accountant and tax agent for your newly registered Company, we are legally entitled to keep on our premises a full set of Company's Documents and Registers as per the requirements of the Law of New Zealand. In this case, our address may be indicated as your Registered Office in your Registers, and may be used for the further communication with all Government departments (although no mail forwarding, nor any office service). At your request we will keep your Registers for the current financial year only (till 31th day of the following March).*

## Payments

Before we can proceed with the formation of a new company, we require that payment is received and confirmed in full. We may apply monthly payment terms under certain conditions for our regular clients, but we cannot extend this offer to first-time or individual requests.

Since we are offering non-tangible irrevocable goods and service we do not issue refunds after your order is accepted by us. Those exclusions do not limit any rights you may have under the Consumer Guarantees Act 1993.



### Legal Disclaimer

Neither this brochure nor our website provides neither tax, nor legal or accounting advice. Please do not confuse the information given in our brochures, websites and communications with a professional consultation. Further, this brochure should not be construed as a solicitation or offering of company formation or any other service of Abaconda Management Group Ltd.

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