

Reregistering as an Incorporated Society



Summary

Council has called a Special General Meeting (SGM) to adopt a new constitution and new Supplementary Bylaws for the New Zealand Chess Federation Incorporated (NZCF). If adopted, these will be applicable from the date of reregistration of NZCF as an incorporated society. Clubs are also asked to agree that Council may choose the date of reregistration to give some transition time between the current constitution and new constitution.

The SGM will be held online at 7pm on Sunday 19 October 2025.

At a Special General Meeting in February 2024, clubs agreed to a process to reregister, including updating or replacing the constitution and any other documents as required. This is the last part of the constitutional process to allow for reregistration.

Background

The Incorporated Societies Act 1908 (the 1908 Act) was replaced by the Incorporated Societies Act 2022 (the 2022 Act), and all existing societies are required to reregister with the Companies Office (part of the Ministry of Business, Innovation and Employment – MBIE) by 4 April 2026 or be deregistered and lose their legal status (and have to distribute all assets in line with the winding up clause of the current constitution).

The differences between the 1908 Act and 2022 Act are significant, as the 2022 Act aimed to modernise the legislation, fill in gaps (the 1908 Act was world-leading at the time, but times have changed in the past 100+ years...) and set minimum standards based on how most societies operate (the legislative process took 14 years – everyone involved was very keen to ensure a lot of consultation and finding a balance between new requirements being appropriate and onerous).

As examples of some updates, the 2022 Act provides for a management committee, officers (committee members), appointment/election of those officers, their conduct and general governance standards, dispute resolution/complaints, financial management, the annual general meeting etc. The Companies Office website has a checklist of requirements for constitutions: <https://is-register.companiesoffice.govt.nz/assets/incorporated-societies/2022-act/checklist-is22-constitutions.pdf>

Following the conclusion of a consultation process (<https://newzealandchess.co.nz/nzcf-constitution-review-online-workshop-4-may/> to see feedback and some analysis/collation), Council approved drafting instructions and Parry Field were engaged to draft a new constitution.

Constitutional Changes

Some key changes:

- Updates to purposes (previously objects) – some minor changes, removal of objects related to powers and ratings (legal advice)
- Adding individual membership (NB: non-voting)
- Closing associate membership as a category – existing associate members can choose to remain associate members, but no new associate members may join
- Adding affiliation to NZCF outside of membership (commonly used in other sports e.g. rugby) to replace associate membership for non-profit clubs which are unincorporated groups, or sections of

larger societies e.g. university chess clubs are commonly part of the students' association, or other entities e.g. schools, charities – will be managed via bylaws

- Adding Councillor election processes
- Expanding Councillor removal processes
- Modernising Council:
 - Moving to 2-year terms
 - Reduction in size to maximum of 10 – President becomes Chairperson, Vice-President, Treasurer and Secretary are removed
 - 8 Regional Councillors (3 Auckland, 1 Wellington, 2 rest of North Island, 1 Upper South Island, 1 Lower South Island) who must reside in the relevant region and be nominated by Club Members in the relevant region (and are also the only voters)
 - 1 optional Appointed Councillor to fill skills/knowledge gaps
 - Council no longer based in a region, so “resident councillors” are removed
 - As a transitional arrangement, current Councillors will continue in office until the AGM
 - As a transitional arrangement, terms of half the new Councillor positions will expire at the second AGM. After that, half of Council will be up for election each AGM.
- All AGM business that is additional to the legal requirements will require advance notice i.e. no new business at the AGM
- Club Members (new term for Affiliate Members) appoint representatives for NZCF purposes (similar to FIDE's model) who attend general meetings to speak/vote on behalf of club. If the club representative is unable to attend, the club may appoint NZCF chairperson as proxy (chairperson to vote as instructed in proxy)
- Other than the Supplementary Bylaws, Council maintains all other bylaws, regulations, policies etc. (legal advice)
- Disputes Resolution procedures (including complaints)
- Power to approve new members and remove/expel current members moving to Council (legal advice)
- Adding automatic grounds of termination of membership

Not all of these reflect consultation outcomes – departures from those outcomes are due to legal advice recommending against adding or continuing various practices. In particular:

- A legally compliant dispute resolution process (which includes complaints) requires fairness and natural justice in process and decision-making, and in the 2022 Act, decision-making is a function of the management committee. However, the common practice of clubs providing voting instructions to their general meeting delegates is predetermination in these situations which is a breach of natural justice, so is not compatible with decisions about complaints or other disciplinary proceedings (and would see decisions overturned if appealed to a court). Additionally, it is not practical to have membership approval or termination decisions made by general meeting whether initially or as an appeal of Council decisions because regardless of who makes these decisions, unfavourable decisions can effectively be appealed by raising a complaint which would then have to be resolved by Council.
- Under the 2022 Act, Councillors can be held financially liable for unlawful decisions, be removed from Council, and even be banned from being an officer (committee member), by courts, where there is no similar provision for poor decisions by club delegates at general meetings. One issue then is that Councillors could be held liable for implementing an unlawful decision of a general

meeting. This eliminated a lot of the desired outcomes around the powers and business of general meetings (setting subscriptions and removing councillors by no confidence were retained).

Supplementary Bylaws

The Supplementary Regulations are proposed to be replaced by Supplementary Bylaws as the 2022 Act provides for bylaws. There are key items that have been retained with some changes to update to the new structure. Anything not retained will either be added to other bylaws/regulations or is not required. Note that players in competitions rated by NZCF and/or FIDE will be required to be NZCF members unless exempt – this will be in other bylaws e.g. Rating Regulations. ‘Tournament’ becomes ‘competition’ as that is a broader term e.g. matches and leagues are not considered to be tournaments but could be rated.

Membership Subscriptions and Durations

Individual Members – \$5 for one month, \$25 for 12 months, both from start date of membership. Players could also join for multiple 1-month memberships if they only play rated chess occasionally rather than all year round.

For Individual Members who are also members of Club Members and signed up to NZCF by the club, \$20 for 12 months. Expiry date is the later of 12 months from when the club updates NZCF, or 31 March of the following year e.g. a club signs up a player to NZCF on 1 February – their NZCF membership expires on 31 March of the following year. If a club signs up a player on 1 August, their membership expires on 1 August of the following year.

Club and Associate Members – 10 × 12-month subscription i.e. \$250 per calendar year, reduced by 50% of the 12-month subscription for each member signed up with NZCF by the club. A club that signs up 20 full-year members with NZCF will therefore not be required to pay a subscription.

The reason for this slightly complex fee structure is to provide clubs with an incentive to sign up members with NZCF and to acknowledge the convenience of a club helping manage membership and subscription collection. Using 10 was based on the legal requirement for incorporated societies to have at least 10 members at all times. The expiry dates of members via clubs being 31 March provides some time to get started for the year, get tournaments underway, hold the AGM, collect subscriptions etc. before having to turn the mind to NZCF reporting.

While \$20 and \$25 are obviously higher than \$15, this is mostly to enable \$5 monthly memberships. \$5 memberships is to avoid ‘sticker price shock’ (a common complaint under registration) when a new player discovers they have to pay \$20-\$25 to play in one tournament. It also provides clubs with a lower-cost option for prospective members, while still collecting a contribution toward the costs of NZCF.

The slightly higher fees also reflect increased compliance costs under the 2022 Act (resolution of some complaints will have to be contracted out, and other legal and insurance costs have increased), expected higher credit card processing costs as members join and renew online with credit cards, and that NZCF is likely to have to register for GST within the next 12 months (finances permitting, GST will be absorbed rather than increase membership subscriptions or competition fees). For those who recall registration, that was set at \$20 for a calendar year by the AGM in 2011, so \$25 (or \$20 for members of clubs) is not a great imposition given inflation of 41% since then.

Membership including the register of members will be managed by cloud software from FedChess. The intention is to allow clubs to also use this for their members if they wish (access for club admins would be limited to their club members – this is common for national sports organisations).

Competition Fees (previously Tournament Levies)

Changing from \$7/player flat rate to \$5/player for rapid and \$10/player for classical – this reflects that entry fees are commonly lower for rapids and higher for classical competitions, and hopefully attracts higher volume organisers to start rating competitions.

All rated competitions will be liable unless waived as previously. On the waiver list, the exemption for internal club competitions is retained with tighter wording around being a club member and not paying entry fees (but can give prizes like books and trophies now, as the 2022 Act now allows for modest prizes as not being financial gain of members), as are interschool competitions (interschool levies would be payable instead), interclub team competitions with no entry fees and (W)IM/(W)GM norm round robins.

It is not intended to consider club subscription models like door fees as being entry fees but be advised that Council will take a dim view of clubs that have sham arrangements like compulsory “donations”.

FIDE

Current material largely retained with updates from the FIDE Handbook. Added that NZCF will be a FIDE member (so any proposals to resign from FIDE would require a general meeting decision).

Complaints

This part is retained but, given the new constitution and legal requirements, minor amendments are proposed to not contradict the constitution. On behalf of everyone involved in chess in NZ and NZCF, Council thanks Dr Helen Milligan and North Shore Chess Club for providing the initial wording, policies and impetus to adopt them.