



# **Auditor Regulation Act Commencement Order 2011**

Rt Hon Dame Sian Elias, Administrator of the Government

## **Order in Council**

At Wellington this 31st day of October 2011

Present:

Her Excellency the Administrator of the Government in Council

Pursuant to section 2(2) 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 order.

### **Contents**

		Page
1	Title	1
2	Commencement of certain provisions of Auditor Regulation Act 2011	2

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### **Order**

- Title**  
This order is the Auditor Regulation Act Commencement Order 2011.

## 2 Commencement of certain provisions of Auditor Regulation Act 2011

- (1) Subpart 3 of Part 2 and section 92 of the Auditor Regulation Act 2011 (the **Act**) come into force on 1 February 2012.
- (2) Subpart 5 of Part 2 (except sections 51, 52, and 55), subpart 8 of Part 2, section 91, and sections 93 to 96 of the Act come into force on 1 April 2012.
- (3) Subpart 4 of Part 2 and sections 85 to 88 of the Act come into force on 1 May 2012.

Michael Webster,  
for Clerk of the Executive Council.

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### Explanatory note

*This note is not part of the order, but is intended to indicate its general effect.*

This order brings various provisions of the Auditor Regulation Act 2011 (the **Act**) into force in 3 stages: on 1 February, 1 April, and 1 May 2012. In broad terms, these are machinery provisions which are being brought into force to facilitate the full operation of the Act on and after 1 July 2012.

Various preliminary provisions and the provision containing regulation-making powers are already in force. Under section 2(3) of the Act, the provisions not already in force and not brought into force by this order come into force on 1 July 2012 (if not brought into force before that date by a further order). These remaining provisions include sections 8 to 10 of Part 1 (key provisions), subpart 1 of Part 2 (licences), and subpart 2 of Part 2 (registration of audit firms).

The provisions that come into force on 1 February 2012—

- provide for the Financial Markets Authority (the **FMA**) to prescribe matters in respect of the auditor licensing system established by the Act, registration of audit firms, and other matters, including—
  - minimum standards for licensing;
  - conditions to which licences must, or may, be subject:

- requirements for ongoing competence:
- minimum standards for registration of an audit firm:
- minimum standards for accreditation that must be met in order for a person to be granted accreditation by the FMA:
- the procedure that accredited bodies must follow when performing regulatory functions:
- relate to the FMA's power to amend or revoke orders, directions, notices, or other instruments made, given, or published by it under the Act.

The provisions that come into force on 1 April 2012 relate to accreditation of accredited bodies (which may issue licences and carry out regulatory functions for the purposes of the Act) and miscellaneous matters, including—

- the FMA's powers to grant accreditation to persons for the purposes of the Act and to impose, remove, or change conditions of accreditation:
- treatment of the New Zealand Institute of Chartered Accountants as having been granted accreditation:
- the requirement for the FMA to publish its policies on how it acts, or proposes to act, in determining applications for accreditation and in imposing, removing, or changing conditions of accreditation:
- the requirement for the FMA to monitor the audit regulatory systems of accredited bodies:
- the FMA's power to give directions to an accredited body and an offence of failing to comply with directions:
- the FMA's powers to suspend or cancel an accreditation or to censure an accredited body:
- appeals against decisions of the FMA relating to accreditation:
- the application of certain provisions of the New Zealand Institute of Chartered Accountants Act 1996 to other accredited bodies:
- the FMA's power to take over and perform regulatory functions of an accredited body:
- protection of accredited bodies from liability:

- sharing of information between accredited bodies and the FMA:
- notice and service of documents under the Act:
- an offence for false declarations and representations.

The provisions that come into force on 1 May 2012—

- relate to the register of licensed auditors and registered audit firms required to be kept by the Registrar of Companies:
- deal with transitional matters, including—
  - provision for certain auditors and certain overseas auditors to be treated as holding a licence for a limited term:
  - provision for certain audit firms to be treated as registered audit firms for a limited period.

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Issued under the authority of the Acts and Regulations Publication Act 1989.  
Date of notification in *Gazette*: 3 November 2011.  
This order is administered by the Ministry of Economic Development.

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