



## Glossary

### Our words and their meanings

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#### A

##### Accounting period

In relation to a company, accounting period means a year ending on a balance date of the company, and if as a result of the date of registration of the company or a change of the balance date of the company, the period ending on that date is longer or shorter than a year, that longer or shorter period is an accounting period.

##### Accounting records and appointment of auditors

Every company must prepare financial statements annually. These must be audited unless all shareholders in the company agree otherwise (Auditor Resolution). If an auditor is to be appointed, the appointment is made at each Annual Meeting. There are some companies that must always appoint an auditor (that is, those that are required to file financial statements under the Financial Reporting Act 1993).

The board of a company must ensure that the company keeps accounting records. These records must:

- Correctly record and explain the company's transactions;
- At any time enable the financial position of the company to be determined with reasonable accuracy;
- Enable the directors to ensure that the company's financial statements comply with the Financial Reporting Act 1993; and
- Enable the company's financial statements to be readily and properly audited.

##### Address for communication

The address for communication is used to establish a regular communication channel with the company. The Registrar uses this address to contact the company (for example, Annual Return email reminders). A postal or physical address is acceptable in addition to an email address.

##### Address for records

A company must keep a variety of documents at its Registered Office including the constitution, minutes of shareholders and directors meetings, financial statements and accounting records and the share register.

Notwithstanding the general requirements to keep these records at a company's registered office, the records may be kept at any location in New Zealand provided their location is notified to the Registrar.

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##### Address for service

A company must have an address for service in New Zealand. The address for service must be a physical address, it must not be an address at a postal centre or document exchange or a 'virtual office' (that is a mail or message collection point).

## **Administrator**

Your Administrator performs an important role for your organisation. Administrators have advanced access rights to the system and effectively control the way your User IDs operate for your organisation. For example: Administrators can open, maintain & close Branches and User IDs.

An Administrator can also update information for the Customer, its Branches and for all Users. This includes direct debit and invoice information as well as access rights to the various websites. An Administrator is sometimes also referred to as a Global Administrator.

## **Adopt, alter or revoke a constitution**

The shareholders of a company without a constitution may adopt one by special resolution. Shareholders may also alter or revoke a constitution by special resolution. The board of a company must ensure that notice of an adoption, alteration or revocation is filed with the Registrar within ten working days of the event taking place. There is no fee to adopt, alter or revoke a constitution.

## **Amalgamation**

Two or more companies may amalgamate, and continue as one company, which may be one of the amalgamating companies, or may be a new company.

## **Annual meeting (AGM)**

Every company must hold an annual meeting of shareholders. Generally the meeting must be no later than six months after the company's balance date and no later than 15 months after the previous annual meeting.

A company does not have to hold its first annual meeting in the calendar year of its incorporation, but must hold that meeting within 18 months of incorporating.

## **Annual return**

An annual return is a snapshot of general information about a company's directors, shareholders and addresses. As a limited liability company, a company must file an Annual Return with the Companies Office each year to maintain its registration. If an Annual Return is not filed by the due date, the company risks being removed from the New Zealand Register of Companies. Filing your Annual Return is an opportunity to confirm and update information held on the Register of Companies about that company. Each company is designated a month for filing their Annual Return and this is generally based on the last numeral of a company's six-digit registration number. We will send you a reminder when your Annual Return is due.

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## **Approved auditors**

There is no list of approved auditors. Most of the overseas auditors who are appointed to audit the accounts of NZ companies or branches of overseas companies do so by virtue of Section 199(c). The approved associations are:

- The Institute of Chartered Accountants in Australia
- Australian Society of Certified Practising Accountants
- The Institute of Chartered Accounts in England & Wales
- The Chartered Association of Certified Accountants (UK)
- The Institute of Chartered Accountants of Scotland

- American Institute of Certified Public Accountants
- The Canadian Institute of Chartered Accountants (plus its constituent provincial institutes)

## **Audit**

An audit is an opinion about whether the financial statements present a 'true and fair view'. It is provided by an independent external auditor to give protection to all members and management. Financial statements are given an unqualified (or clean) opinion, or a qualified opinion (which indicates some serious disagreement about the way the accounts have been prepared or presented).

Internal audits can also be carried out to determine breakdowns in internal control systems or fraud, but these are separate from the annual audit opinion. The external auditor has a statutory responsibility to report on the truth and fairness of the accounts. The Auditor-General is the auditor of every public entity and reports to Parliament and to Select Committees (refer to [www.oag.govt.nz](http://www.oag.govt.nz)).

## **Auditor**

An auditor is the person who checks and examines accounts. The external auditor is usually selected by the board at the annual meeting. An internal auditor is an employee of the company.

## **Authorised person**

An authorised person is generally an accountant or solicitor who can act on behalf of a company.

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## **Balance date**

Balance date has the meaning set out in section 7 of the Financial Reporting Act 1993:

1. In this Act, the term balance date in relation to an entity, means the close of the 31st day of March or of such other date as the directors of the entity adopt as the entity's balance date.
2. Subject to subsections (3) and (4) of this section, an entity must have a balance date in each calendar year.
3. An entity need not have a balance date in the calendar year in which it is formed or incorporated if its first balance date is in the following calendar year and is not later than 15 months after the date of its formation or incorporation.
4. If an entity changes its balance date, it need not have a balance date in a calendar year if—
  1. The period between any two balance dates does not exceed 15 months; and
  2. The Registrar approves the change of balance date before it is made.
1. The Registrar may approve a change of balance date with or without conditions.
2. If an entity changes its balance date, the period between any two balance dates must not exceed 15 months.
3. The board of a reporting entity (not being an issuer) that is a company must ensure that, unless in the board's opinion there are good reasons against it, the balance date of each subsidiary of the company is the same as the balance date of the company.
4. The board of an issuer must ensure that the balance date of the issuer is the same as the balance date of its subsidiaries.
5. Subject to subsection (11) of this section the Registrar may, by notice in writing and subject to such conditions as the Registrar thinks fit, exempt an issuer from subsection (8) of this section either completely or in relation to a subsidiary or a class of subsidiaries.
6. The existence of the exemption must be stated in a note to the consolidated [statement of financial position] for a group.
7. If the balance date of a subsidiary of a reporting entity is not the same as that of the reporting entity, the balance date of the subsidiary for the purposes of any particular group financial statements must be that preceding the balance date of the reporting entity.

## **Banned director**

Section 385 of the Companies Act 1993 gives the Registrar of Companies the power to prohibit a person from involvement as a director, manager or promoter in companies for a period not exceeding five years.

A person may fit within the scope of Section 385 if they have been involved, as a director or manager, in one or more companies that have failed within the last five years, and where failure is at least partially due to mismanagement.

## **Board and Board of directors**

1. Directors of the company who number not less than the required quorum acting together as a board of directors; or
2. If the company has only one director, that director.

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## **Body corporate**

A Body Corporate is an organisation which has been incorporated as a company, a cooperative company, an incorporated society or a charitable trust.

## **Branch**

A branch means the New Zealand operations of an Overseas Company. It is not a separate legal entity. The company incorporation is still held under another country's jurisdiction, but the New Zealand operations are governed by New Zealand law.

Part XVIII of the Companies Act 1993 (sections 332 to 337) allows overseas companies to establish and register a branch operation in New Zealand on the Overseas Register.

## **Browser**

A browser is Software that allows you to 'surf' the Internet. Internet Explorer, Netscape, Firefox, Mozilla, Safari and Mosaic are some examples of Web browsers. A browser provides an easy to use interface for accessing the information on the World Wide Web.

## **Building society**

A building society may be established under the Building Societies Act 1965 with a minimum of twenty members. On registration of rules a building society becomes a body corporate with the members having limited liability. Funds are raised by the issue of shares to members who usually pay for them by subscription over time.

## **Business update newsletter**

The Business Update was a free monthly email newsletter that provide news about the business units and branches within the Ministry of Economic Development. It ceased publication in 2011 - the last issue was sent out to subscribers in September 2011.

## **C**

## **Certificate of good standing**

From 1 October 2010 the New Zealand Companies Office stopped providing Certificates of Good Standing.

## Certificate of incorporation

A certificate of incorporation is a legal document issued by the Registrar of Companies to the effect that all legal formalities of registration have been complied with and is proof the company has been brought in to existence.

## Charge

A charge includes a right or interest in relation to property owned by a company, by virtue of which a creditor of the company is entitled to claim payment in priority to creditors entitled to be paid under section 313 of the Companies Act 1993; but does not include a charge under the charging order issued by a court in favour of a judgment creditor.

## Charitable trust

The trustees of any trust or society that is exclusively or principally for charitable purposes can be incorporated as a Board under the Charitable Trusts Act 1957.

A Charitable purpose means every purpose that in accordance with the law in New Zealand is charitable. Charitable purposes may include:

The relief of poverty, education, religious instruction, promotion of athletic sports or recreation.

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## Classes of shares

Subject to the constitution of the company, different classes of shares may be issued in a company. The different classes of shares a company has is not recorded with the Companies Office but must be kept on the company's own [share register](#). For more information on classes of shares refer to Section 37 of the New Zealand Companies Act 1993.

## Company Authority

Company Authority is the name given to the authority management system for users of this website who want to maintain company information on the Register of Companies.

The company authority system replaces company keys but you may still need your company key for the transition to establish Company Authority.

- [Read more](#)

## Company key

Company keys were introduced to extend the range of online transactions offered by the Companies Office. The seven-character company key was a type of password that is used to authenticate online transactions.

Company keys have been replaced by a new authority management system called [Company Authority](#).

## Company names

The Registrar of Companies is responsible for the approval and reservation of company names.

A New Zealand company or an overseas company intending to carry on business in New Zealand cannot be registered under a name unless that name has been approved and reserved by the Registrar (sections 20 & 333(1) Companies Act).

A company may choose to change its name. It must first apply to the Registrar of Companies to reserve the name it has chosen. After the company has been notified that the new name has been reserved, the director(s) must pass a resolution to change the name and then notify the Registrar of the change. There is a NZ\$10.22 fee for reserving a company name online but there is no fee for changing a company name.

Registration of a company name only provides limited name protection – that is, it will prevent another company being incorporated under an identical or almost identical name.

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## **Company records**

A company must keep a variety of documents at its Registered Office including the constitution, minutes of shareholders and directors meetings, financial statements and accounting records and the share register.

Notwithstanding the general requirements to keep these records at a company's registered office, the records may be kept at any other location in New Zealand provided their location is notified to the Registrar with ten working days advance notice of the change.

## **Consent form**

For a company to be incorporated each of the Directors and Shareholders of the proposed company must sign and send back to the Registrar a consent form that consents to them becoming a Director / Shareholder and certifies that they are not disqualified from being appointing or holding office as a director of a company.

Each time a new Shareholder or Director is added to a company a consent form must be signed and sent back to the Registrar. Signed consent forms can either be uploaded online or faxed in to the Registrar.

## **Constitution**

A Constitution is a written document, which establishes the fundamental rules and principles by which an organisation is governed.

New Zealand companies can be incorporated with or without a constitution - that is, filing a constitution is optional.

If the proposed company does not have a constitution, the company, the board, each director and each shareholder of the company will have the rights, powers, duties and obligations set out in the Companies Act 1993.

## **Cookies**

A cookie is a small text file downloaded to a user's computer that can be used to track user behaviour on a website or store user information and particular preferences allowing customisation of a user's subsequent visits to that website.

## **Co-operative company**

A co-operative company is a company incorporated under the Companies Act 1993 that applies for registration as a co-operative company under the Co-operative Companies Act 1996. Application can be made on incorporation or at a later time. A co-operative company is one formed to carry on a co-operative activity, as defined in its constitution, as its principle activity with not less than sixty percent of the voting rights being held by transacting shareholders. Co-operative activity is defined in the Act.

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## **Credit union**

Credit unions are member owned co-operative financial organisations set up to provide savings and loan facilities for their members. A credit union cannot exist unless it is registered. Registration requires at least 21 adult members with objects and rules that comply with the Friendly Societies and Credit Unions Act 1982.

## **D**

## **Designation**

The office or position a person holds within a company. For example, Secretary or Director.

## Digital certificate

An electronic certificate used to establish credentials when performing transactions over the internet. They are used to ensure the transaction originates from a recognised user.

## Direct debit

If when you set up your account you decided to pay for services using a direct debit facility, you will only be able to charge fees using that facility after the direct debit form has been returned to us and the direct debit facility has been activated. We do not automatically charge any fees to your direct debit facility. As you use our online services you are presented with a 'Pay Now' screen and have the option to charge fees for the service you are about to use to your direct debit facility. Each time you charge a service to your direct debit account it is added to your [online invoice](#).

## Director

A director is responsible for managing the company's day-to-day business. In doing so, directors owe duties to the company, to the company's shareholders and to others dealing with the company.

Directors must act honestly in what they believe to be the best interests of the company and with such care as may reasonably be expected of them in all circumstances.

Directors must not carry on the business in a manner likely to create a substantial risk of serious loss to the company's creditors.

## Distributions to shareholders

The board of a company may authorise a distribution by the company at any time, and of any amount, and to any shareholders it sees fit. But before doing so it must:

be satisfied, on reasonable grounds, that the company will be able to satisfy the solvency test immediately after the distribution; and ensure that it does not breach section 53 of the Act, or any provision in its constitution relating to distributions.

directors who vote in favour of a distribution must sign a certificate stating that the company can satisfy the solvency test and give the grounds for that opinion. A company satisfies the solvency test if:

it is able to pay its debts as they become due in the normal course of business; and

the value of the company's assets is greater than the value of its liabilities including contingent liabilities.

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## Dividend

Dividend has the meaning set out in section 53 of the Companies Act 1993:

1. A dividend is a distribution other than a distribution to which section 59 or section 76 of the Act applies.
2. The board of a company must not authorise a dividend—
  1. In respect of some but not all the shares in a class; or
  2. That is of a greater value per share in respect of some shares of a class than it is in respect of other shares of that class — unless the amount of the dividend in respect of a share of that class is in proportion to the amount paid to the company in satisfaction of the liability of the shareholder under the constitution of the company or under the terms of issue of the share [or is required, for a portfolio tax rate entity, [[as a result of]] [[section HL 7]] of the Income Tax Act 2004].
1. Notwithstanding subsection (2) of this section, a shareholder may waive his or her entitlement to receive a dividend by notice in writing to the company signed by or on behalf of the shareholder.

## E

### Entitled person

In relation to a company an 'entitled person' means -

- (a) A shareholder; and
- (b) A person upon whom the constitution confers any rights and powers of a shareholder.

### Executive director

An executive director is a member of a board who also carries out executive or management functions within the organisation (usually a company). Examples would be the CEO, managing director and finance director.

### Existing company

An existing company means a body corporate registered or deemed to be registered under Part II or Part X of the Companies Act 1955, or under the Companies Act 1993, the Companies Act 1908, the Companies Act 1903, the Companies Act 1882, or the Joint Stock Companies Act 1860.

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## F

### Family Trust

A Family Trust is a way of transferring the legal ownership of your assets and to hold them for the future. It allows you to sell major assets to trustees who hold these on terms for named or identifiable persons (beneficiaries). It is recommended that you seek independent legal advice if you wish to establish a family trust.

Under the Companies Act 1993, family trusts cannot hold shares in a company because they are not separate legal entities. If trusts are entered as shareholders, the application will be rejected. Instead you should enter the trustees as holding the shares jointly.

However trusts registered under certain acts of legislation (e.g. Charitable Trusts Act 1957 and Maori Land Act 1993) are legal entities that can hold shares.

### Fees

To view the current Companies Office Fees, view our [Fee Schedule](#).

### Financial statements

You are required to file financial statements under s19 of the Financial Reporting Act 1993 if your company is:

- An Overseas Company or
- A "large company" in which 25 percent or more of the voting shares are held by
  - A company or body corporate incorporated outside New Zealand; or
  - A subsidiary of a company or body corporate incorporated outside New Zealand; or

- A person not ordinarily resident in New Zealand.

You are required to file financial statements under s18 of the Financial Reporting Act 1993 if your company is:

- A person who has allotted securities pursuant to:
  - An offer for which, or for which but for an exemption granted by the Financial Markets Authority pursuant to s5 of the Securities Act 1978, an investment statement or a registered prospectus, or both, is or was required under that Act (other than an offer of a unit in a unit trust); or
  - An offer required to be contained in a prospectus required to be registered under the Companies Act 1955.
- A manager of a unit trust (within the meaning of s2 of the Unit Trusts Act 1960) in which securities have been allotted, whether before or after the commencement of this Act, pursuant to an offer of securities to the public within the meaning of the Securities Act 1978.
- A person who is a party to a listing agreement with a stock exchange registered under the Sharebrokers Act 1908 and who has issued securities, which are quoted on such an exchange.
- An insurer (within the meaning of s13 of the Accident Insurance Act 1998.)
- A registered bank (within the meaning of s2(1) of the Reserve Bank of New Zealand Act 1989) that has allotted securities to the public within the meaning of the Securities Act 1978.

## Firewall

A firewall is a hardware or software solution that protects the resources of one network against users from other networks.

## Friendly society

A friendly society is not a body corporate. It can be best described as a voluntary society funded by the subscriptions from members for their welfare and that of their families and near relations in sickness, childhood, old age and infirmity. Friendly societies may be registered or unregistered. If registration is desired, this can only be done through the friendly Societies and Credit Unions Act 1982 on the application of seven adults.

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## G

### Gazette (New Zealand Gazette)

The New Zealand Gazette (or NZ Gazette) is the official newspaper of the Government of New Zealand and is produced weekly by the NZ Gazette Office at the Department of Internal Affairs. The NZ Gazette publishes notices such as Company Removals and Restorations and Receiverships.

### Gazette (Mercantile Gazette)

The Mercantile Gazette is a magazine that is published on a regular basis and is a published source of court and public record information. Judgments in particular are published in the Mercantile Gazette.

### General partner

A General Partner is involved in the day to day management of a [Limited Partnership](#) and is liable (jointly and severally with any other General Partners and the Limited Partnership itself) for all the debts and liabilities incurred by the Limited Partnership. [See also Limited Partner.](#)

### Goods and services tax (GST)

You must register for GST if your annual turnover in the previous 12 months was more than NZ\$60,000 (or is likely to be in the next 12 months). Turnover is the total value of taxable supplies made for all your taxable activities, excluding GST. For more information on GST or to apply for a GST number visit the Inland Revenue website at [www.ird.govt.nz](http://www.ird.govt.nz).

## Group financial statements

Group financial statements has the meaning set out in section 9 of the Financial Reporting Act 1993:

1. In this Act, the term group financial statements, in relation to a group and a balance date, means—
  1. A consolidated (statement of financial position) for the group as at that balance date; and
  2. Where a member of the group trades for profit, a consolidated (statement of financial performance) for the group in relation to the accounting period ending on that balance date; and
  3. Where no member of the group trades for profit, a consolidated income and expenditure statement for the group in relation to the accounting period ending on that balance date; and
  4. If an applicable financial reporting standard requires a consolidated statement of cash flows for the group, a consolidated statement of cash flows for the group in relation to the accounting period ending on that balance date,—together with any notes or documents giving information relating to the (statement of financial position) or statement.
1. In this Act, the term group financial statements, in relation to a group that comprises a reporting entity that is an overseas company and its subsidiaries, includes, in addition to the financial statements of the group, financial statements referred to in subsection (1) of this section for the group's New Zealand business prepared as if the members of the group were companies formed and registered in New Zealand.
2. Where the Registrar notifies an overseas company that he or she is satisfied that the financial statements of the group that comply with subsection (1) of this section comply with subsection (2) of this section, those financial statements shall be taken to comply with subsection (2) of this section.

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## Group of companies

A group comprised of the reporting entity and its subsidiaries.

## H

## Https

A secure protocol for the exchange of sensitive information over the internet designed to ensure the safety of the data.

## Holding company and subsidiary

1. For the purposes of the Companies Act 1993, a company is a subsidiary of another company if, but only if,—
  1. That other company—
    1. Controls the composition of the board of the company; or
    2. Is in a position to exercise, or control the exercise of, more than one-half the maximum number of votes that can be exercised at a meeting of the company; or
    3. Holds more than one-half of the issued shares of the company, other than shares that carry no right to participate beyond a specified amount in a distribution of either profits or capital; or
    4. Is entitled to receive more than one-half of every dividend paid on shares issued by the company, other than shares that carry no right to participate beyond a specified amount in a distribution of either profits or capital; or
  2. The company is a subsidiary of a company that is that other company's subsidiary.
2. For the purposes of this Act, a company is another company's holding company, if, but only if, that other company is its subsidiary.
3. In this section and sections 7 and 8 of this Act, the expression company includes a body corporate.

# I

## Imaged documents

Imaged documents are paper documents that have been filed manually with the Companies Office and then scanned and uploaded to the website. These can include documents like financial statements and company constitutions.

## Incorporation

Incorporation of a company means you have gone through the process of registering your company and its details with the New Zealand Companies Office Register. Once all company details required for incorporation of a company have been received the Registrar of Companies will issue a Certificate of Incorporation. This certificate will include the company's name, number and date of incorporation and will be signed by the Registrar.

## Incorporated society

An incorporated society is a group, usually of people with a common interest (sports club, social club, cultural group, service or activist group) registered under the Incorporated Societies Act 1908.

## Industrial and provident society

An industrial and provident society may be established under the Industrial and Provident Societies Act 1908 on the application of seven persons. These societies are identifiable by having names ending in 'Society Limited' and operate according to registered rules.

A society has to be either:

- a bona fide co-operative society or
- where the business to be carried on will improve the
  - conditions of living or social well-being of members of the working classes or
  - be for community benefit.

## Insolvent

A situation in which a person or business is unable to pay off their debts even if all their assets are liquidated.

## Interested

1. For the purposes of the Companies Act 1993, a director of a company is interested in a transaction to which the company is a party if, and only if, the director—
  1. Is a party to, or will or may derive a material financial benefit from, the transaction; or
  2. Has a material financial interest in another party to the transaction; or
  3. Is a director, officer, or trustee of another party to, or person who will or may derive a material financial benefit from, the transaction, not being a party or person that is—
    1. The company's holding company being a holding company of which the company is a wholly-owned subsidiary; or
    2. A wholly-owned subsidiary of the company; or
    3. A wholly-owned subsidiary of a holding company of which the company is also a wholly-owned subsidiary; or

4. Is the parent, child, [spouse, civil union partner, or de facto partner] of another party to, or person who will or may derive a material financial benefit from, the transaction; or
  5. Is otherwise directly or indirectly materially interested in the transaction.
2. For the purposes of this Act, a director of a company is not interested in a transaction to which the company is a party if the transaction comprises only the giving by the company of security:
- to a third party which has no connection with the director,
  - at the request of the third party,
  - in respect of a debt or obligation of the company for which the director or another person has personally assumed responsibility in whole or in part under a guarantee, indemnity or by the deposit of a security.

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## Interest group

1. In the Companies Act 1993, unless the context otherwise requires, —  
Class means a class of shares having attached to them identical rights, privileges, limitations, and conditions:
2. Interest group, in relation to any action or proposal affecting rights attached to shares, means a group of shareholders —
  1. Whose affected rights are identical; and
  2. Whose rights are affected by the action or proposal in the same way; and
  3. Subject to subsection (2)(b) of this section, who comprise the holders of one or more classes of shares in the company.
3. For the purposes of this Act and the definition of the term interest group, —
  1. One or more interest groups may exist in relation to any action or proposal; and
  2. If —
    1. Action is taken in relation to some holders of shares in a class and not others; or
    2. A proposal expressly distinguishes between some holders of shares in a class and other holders of shares of that class, — holders of shares in the same class may fall into two or more interest groups.

## Intellectual property rights

The right to own and to exploit ideas or inventions, or literary or other works. Sometimes intellectual property rights are given a monetary value in financial statements, e.g. ownership of a patent to manufacture battery lawn mowers, or ownership of the score and text of a musical.

## Internet services provider (ISP)

ISP stands for Internet Service Provider. An ISP provides access to the Internet. Examples of ISP's include xtra, clear, ihug etc.

## IRD number

When setting up your business you may need to apply for a different type of IRD number. You may also need to register as an employer, or for additional tax types such as goods and services tax (GST) or fringe benefit tax (FBT).

You are able to apply for a company IRD number and register for GST online with the New Zealand Companies Office when you incorporate a new company. For further information on IRD numbers, GST or fringe benefit tax go the Inland Revenue website at [www.ird.govt.nz](http://www.ird.govt.nz).

## Issue of shares

After incorporation a company must issue to any person named in the application as a shareholder, the number of shares that the application says the shareholder will receive. After the first issue of shares, the board of a company may issue shares at any time, to any person, and in any quantity it sees fit. This power is subject to the provisions of the Act and any provisions in a company's constitution that may modify its right to issue shares. The Registrar must receive notice of the share issue as appropriate within 10 working days of the issue.

## Issuer

- A person who has allotted securities pursuant to:
  - An offer for which, or for which but for an exemption granted by the [Financial Markets Authority](#) pursuant to section 5 of the Securities Act 1978, an investment statement or a registered prospectus, or both, is or was required under that Act (other than an offer of a unit in a unit trust); or
  - An offer required to be contained in a prospectus required to be registered under the Companies Act 1955. A manager of a unit trust (within the meaning of section 2 of the Unit Trusts Act 1960) in which securities have been allotted, whether before or after the commencement of this Act, pursuant to an offer of securities to the public within the meaning of the Securities Act 1978.
- A recipient of money from a conduit issuer.
- A person who is a party to a listing agreement with a stock exchange registered under the Sharebrokers Act 1908 and who has issued securities, which are quoted on such an exchange.
- An insurer (within the meaning of section 13 of the Accident Insurance Act 1998).
- An operator of a retirement village (within the meaning of section 5 of the Retirement Villages Act 2003).
- A registered bank (within the meaning of section 2(1) of the Reserve Bank of New Zealand Act 1989) that has allotted securities to the public within the meaning of the Securities Act 1978.

For a full definition of 'issuer' please refer to section 4 of the [Financial Reporting Act 1993](#).

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## J

### Joint venture

A joint venture is a term used to describe a company incorporated by partners in a particular project. It is only mentioned once in the Companies Act 1993 in section 131(4) where, if the constitution allows, a director can act in the best interests of the joint venture shareholder who appointment s/he and only secondly to the company of which s/he is a director.

For example - If Person A and Person B decide to put up a building, they could incorporate a company with, say, 100 shares, with each Group holding 50 shares. That is essentially a joint venture company. It usually has some special provisions in its constitution providing that the shares are held in two groups – Group A and Group B - where the Group A shareholder(s) elect the Group A director(s) and similarly for Group B. Resolutions are only passed at shareholder level and at board level if majorities of both Groups A and B approve (at shareholder level) or the Group A director and the Group B director approve (at board level).

## K

### Keyless transaction agreement

Historically some clients were able to enter into a Keyless Transaction Agreement with the Companies Office. A Keyless Transaction Agreement allowed you to conduct a certain number of key dependant transactions each day without entering the [company key](#) (keyless transactions).

The Companies Office is releasing a new IT system later in 2010. To help us prepare for this change, the Companies Office is reviewing all Keyless Transaction Agreements.

Key points to note include -

- The Companies Office will no longer enter into any new Keyless Transaction Agreements.
- If you previously held a Keyless Transaction Agreement but have not used it in the past 12 months, you will now need to revert to using the company key whenever you conduct a key dependant transaction.
- If you currently hold an active Keyless Transaction Agreement we will make contact with you within the next few months to work through the changes required.

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## L

### Liability

Members are legally bound and answerable for the decisions they take. Members have rights to receive indemnity and insurance covering members or employees against all liabilities, defence costs and settlement costs with some exceptions. It is important to seek professional advice.

### Limited liability company

A Limited Liability Company is a company similar in structure to a partnership, however its members are not personally liable for the entity's debts and liabilities. Shareholders of a limited liability company are not liable for the business debts of the company (subject to any personal guarantees given) - they are only liable (to the liquidator) for any unpaid money owing on their shares. If they have fully paid for their shares prior to the company being placed in liquidation, they will have no further liability to the company's creditors.

### Limited partner

A Limited Partner is only liable for the debts and liabilities of a [Limited Partnership](#) to the value of their financial contribution provided they have not been involved in the management of the Limited Partnership. A Limited Partner is restricted in the activities that they can be involved in with the running of the Limited Partnership. A set of activities that they may engage in are called safe harbour activities. [See also General Partner](#).

### Limited partnership

The Limited Partnerships Act 2008 came into force on 2 May 2008 enabling registration of Limited Partnerships and Overseas Limited Partnerships.

Limited Partnerships are a form of partnership involving General Partners, (who are liable for all the debts and liabilities of the partnership) and Limited Partners (who are liable to the extent of their capital contribution to the partnership). The Limited Partnerships Act will replace Special Partnerships that exist under Part 2 of the Partnership Act 1908.

The primary objective of the introduction of the Limited Partnerships regime is to facilitate sustainable growth in New Zealand's venture capital and private equity industries.

### Liquidation

Liquidation is a way of dealing with debts that a company cannot pay, and is the process whereby a company has its assets realised by a liquidator for the benefit of the company's creditors and shareholders. For more information on company liquidation visit the [Insolvency and Trustee Service \(ITS\)](#) website.

### Logon

Enter your User ID and Password to logon to the Companies Office website. Logging on to the website will help us recognise who you are and will default some of the mandatory information you are required to enter.

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## Loss attributing qualifying company (LAQC)

### 1 April 2011 tax changes in New Zealand

Some of the tax law changes announced in May last year come into effect from the start of the new financial year on 1 April 2011. For businesses these include changes to the rules for Loss Attributing Qualifying Companies (LAQCs) and Qualifying Companies (QCs).

[Read more about these changes at business.govt.nz](http://business.govt.nz)

## M

### Manager

A manager is a person responsible for directing and running an organisation or project, the manager may or may not be the Director of the company.

### Major transaction

1. A company must not enter into a major transaction unless the transaction is—
  1. Approved by special resolution; or
  2. Contingent on approval by special resolution.
2. In this section,— Assets includes property of any kind, whether tangible or intangible; major transaction, in relation to a company, means:
  1. The acquisition of, or an agreement to acquire, whether contingent or not, assets the value of which is more than half the value of the company's assets before the acquisition; or
  2. The disposition of, or an agreement to dispose of, whether contingent or not, assets of the company the value of which is more than half the value of the company's assets before the disposition; or
  3. A transaction that has or is likely to have the effect of the company acquiring rights or interests or incurring obligations or liabilities[[, including contingent liabilities,]] the value of which is more than half the value of the company's assets before the transaction.]

[(2A)Nothing in [[paragraph (b) or]] paragraph (c) of the definition of the term 'major transaction' in subsection (2) of this section applies by reason only of the company giving, or entering into an agreement to give, a ... charge secured over assets of the company the value of which is more than half the value of the company's assets for the purpose of securing the repayment of money or the performance of an obligation.]

[(2B)In assessing the value of any contingent liability for the purposes of paragraph (c) of the definition of 'major transaction' in subsection (2), the directors—

1. must have regard to all circumstances that the directors know, or ought to know, affect, or may affect, the value of the contingent liability; and
2. may rely on estimates of the contingent liability that are reasonable in the circumstances; and may take account of—
  1. the likelihood of the contingency occurring; and
  1. any claim the company is entitled to make and can reasonably expect to be met to reduce or extinguish the contingent liability.
  1. Nothing in this section applies to a major transaction entered into by a receiver appointed pursuant to an instrument creating a charge over all or substantially all of the property of a company.

### Mutual Recognition of Securities Offerings

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In June 2008 New Zealand and Australia introduced the Securities (Mutual Recognition of Securities Offerings - Australia) Regulations 2008 (MRS) which allows for trans-Tasman securities offers. The objective of the MRS regime is to remove unnecessary regulatory barriers, so that an issuer lawfully offering securities in either Australia or New Zealand can use the same offer documents and offer structure in both countries.

[Read more..](#)

## N

### **Name reservation**

Reserve your company name online.

Before you apply for a name we recommend that you conduct a free **Register Search** on the Companies Office website to ensure that an identical or almost identical name does not already exist on the register. We also recommend that you conduct a free Trade Mark Search on the Intellectual Property Office of New Zealand (IPONZ) website. Visit the [Intellectual Property Office of New Zealand \(IPONZ\)](#) website.

Whether you are applying for a name to form a company or to change a name for an existing company the process is the same. Access an online application form for name reservation by selecting either Form a Company or Maintain Company Details from the left hand menu of the Companies Office website.

Reserving a company name is not a form of protection. Reserving a company name only prevents another company being registered with an identical name. To protect your company name you may wish to register a trade mark. To register a trade mark online visit the [Intellectual Property Office of New Zealand \(IPONZ\)](#) website.

### **New Zealand register**

The register of companies incorporated in New Zealand.

### **Nominee**

**A term used when applying for a company IRD number as part of the process to incorporate a new company.**

A person nominated to act on another person's or a company's behalf in dealing with Inland Revenue. This includes making enquiries, receiving statements, refunds and other correspondence. A nominee for a company can only be set up by a company director or shareholder, a trustee or estate administrator, or an executive officer.

## O

### **Online invoice**

Online invoices are available to clients who have elected to pay for online services by direct debit when setting up their customer details. Clients can choose to be invoiced at Customer or Branch level. You can choose to receive original invoices via email and you can access a copy of your invoice at any time from our website. Invoices are sent at the beginning of each month detailing all fee bearing services used during the previous month.

### **Operating system**

An operating system (sometimes abbreviated as "OS") is the software that manages your computer system for example, Windows, Mac etc.

### **Ordinary resolution**

A resolution that is approved by a simple majority of the votes of those shareholders entitled to vote and voting on the question.

## **Other registers search**

Building Societies, Charitable Trusts, Contributory Mortgage Brokers, Credit Unions, Friendly Societies, Incorporated Societies, Industrial and Provident Societies, Limited Partnerships, Other Bodies, Overseas Issuers, Overseas Limited Partnerships, Participatory Securities, Retirement Villages, Superannuation Schemes and Unit Trusts are able to be searched online using the '**Other Registers Search**'.

## **Overseas company**

An "overseas company" is defined in the Companies Act 1993 as "a body corporate that is incorporated outside New Zealand" (section 2(1)). An overseas company can operate in New Zealand in one of three ways:

By establishing a wholly owned New Zealand subsidiary company and registering on the New Zealand register under Part II of the Act (sections 11 to 15).

By establishing a branch operation and registering as an overseas company on the overseas register under Part XVIII of the Act (sections 332 to 337).

By transferring its incorporation from the country in which it is registered to New Zealand under Part XIX of the Act and becoming a New Zealand company by registering under Part II of the Act (sections 344 to 349 and 11 to 15).

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## **Overseas limited partnership**

The Limited Partnerships Act 2008 came into force on 2 May 2008 enabling registration of Limited Partnerships and Overseas Limited Partnerships.

Limited Partnerships are a form of partnership involving General Partners, (who are liable for all the debts and liabilities of the partnership) and Limited Partners (who are liable to the extent of their capital contribution to the partnership). The Limited Partnerships Act will replace Special Partnerships that exist under Part 2 of the Partnership Act 1908.

The primary objective of the introduction of the Limited Partnerships regime is to facilitate sustainable growth in New Zealand's venture capital and private equity industries.

## **Overseas register**

An overseas register means the register of bodies that are incorporated outside New Zealand kept pursuant to section 360(1)(b) of the Companies Act 1993.

## **P**

## **Parent company**

A parent company is a company that has established fully owned subsidiaries. A subsidiary is a legal entity in its own right quite separate, except in very limited circumstances, from its parent organisation.

## **Personal Property Securities Act 1999 (PPSA)**

The Personal Property Securities Act 1999 (PPSA) is legislation relating to security interests in personal property. It affects lending, leasing and other types of credit-providing activities.

Personal property is given a wide definition by the PPSA. With few exceptions it covers any property someone can own other than land. Where personal property is offered as security in a lending or leasing transaction the PPSA refers to it as collateral. There are specific provisions in relation to consumer goods and motor vehicles, but as a general rule all collateral is treated in the same way.

Usually there are two distinct parties involved in the creation of a security interest. The lender, grantee or lessor is referred to as a secured party and the borrower, grantor or lessee is referred to as a debtor. Under the PPSA it does not matter if the secured party is an organisation or an individual – as a general rule they are treated the same.

### **Personal Property Securities Register (PPSR)**

The PPSA created a register called the Personal Property Securities Register (PPSR) that commenced operation on 1 May 2002. The PPSR is a form of electronic 'notice board' recording specific details of security interests held in respect of personal property. People can search for and view information held in the PPSR. It is accessible via the internet 24 hours a day, seven days a week.

Information about a security interest registered in the PPSR is referred to as a financing statement. Subject to privacy restrictions set out in the PPSA, people can search for and view information held in financing statements in the PPSR by debtor name or by specific collateral details such as vehicle registration, VIN and chassis numbers.

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### **Personal representative**

A personal representative in relation to an individual, means the executor, administrator or trustee of the estate of that individual.

### **Power of Attorney**

Power of attorney means giving written authority to another person to enable them to act on your behalf if required.

### **Prescribed form**

A prescribed form means a form prescribed by regulations made under the Companies Act 1993 that contains, or has attached to it, such information or documents as those regulations may require.

### **Public Notice**

Where, pursuant to the New Zealand Companies Act 1993, public notice must be given of any matter affecting a company, that notice must be given by publishing notice of the matter -

(a) in at least one issue of the Gazette; and

(b) in at least one issue of a newspaper circulating in the area which is situated -

(i) the place of business in New Zealand of the overseas company; or

(ii) if the overseas company has more than one place of business in New Zealand, the principle place of business in New Zealand of the overseas company.

## **Q**

### **Quorum**

A quorum is the minimum number of members that must be present at a meeting to make proceedings valid. The quorum is usually specified in the constitution and is often a majority of members. If members do not turn up the agenda can still be discussed but any decisions will only be binding when endorsed at another meeting when the minimum number making up the quorum are present.

## R

### **Receivership**

Receivership is an appointment under the terms of a security, or by a Court, to realise assets or manage the business of a company for the benefit of the security holders.

The legislation governing receiverships in New Zealand is the Receiverships Act 1993.

### **Reckless trading**

A director of a company must not -

- (a) Agree to the business of the company being carried on in a manner likely to create a substantial risk of serious loss to the company's creditors; or
- (b) Cause or allow the business of the company to be carried on in a manner likely to create a substantial risk of serious loss to the company's creditors.

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### **Records**

Records means the documents required to be kept by a company under section 189(1) of the Companies Act 1993.

### **Redeemable**

A share is redeemable if—

1. The constitution of the company makes provision for the company to issue redeemable shares; and
2. The constitution or the terms of issue of the share makes provision for the redemption of that share by the company—
  1. At the option of the company; or
  2. At the option of the holder of the share; or
  3. On a date specified in the constitution or the terms of issue of the share— for a consideration that is—
  4. Specified; or
  5. To be calculated by reference to a formula; or
  6. Required to be fixed by a suitably qualified person who is not associated with or interested in the company.

### **Registered office address**

Every company must have a Registered Office and Address for Service in New Zealand.

The registered office and address for service need not be at the company's place of business, nor in the same place. However they must be at a physical location not a postal address or document exchange or a 'virtual office' (that is a mail or message collection point).

### **Registered user**

Registering as a user of our websites provides fast and convenient access to our online services.

If you use the Companies Office website regularly, registering as a customer and getting a User ID offers a number of advantages. For example, on the Companies Office website:

- Keep track of your activity on the website with your 'Submitted Document Log' and 'Search Log'.
- Cut down on data entry requirements - your contact details are stored for you to reuse each time you logon.
- Manage your Annual Return portfolio with the Annual Return filing list option.
- Access to modules not available to casual users eg. Receivership & Liquidation Module.
- You have the option to pay by direct debit (which is available only to registered Users) as well as credit card (which is available to both registered users and casual users).
- Access electronic copies of your monthly invoices (direct debit customers only).
- Determine the levels of access users have to online services.

If you also intend to use the [Personal Property Securities Register \(PPSR\)](#) you must be a registered user. However, if you are a casual user of our other websites you are able to use most of the online services without getting a User ID but when you encounter any fee paying services you will need to pay for these by credit card.

## Registration

Registration is the process of incorporating your company. The registration process with the New Zealand Companies Office begins when you reserve your company name, and is completed when the last director or shareholder consent form has been registered against the company, at this time the Registrar of Companies will issue you with a Certificate of Incorporation.

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## Related company

A company is related to another company if—

1. The other company is its holding company or subsidiary; or
2. More than half of the issued shares of the company, other than shares that carry no right to participate beyond a specified amount in a distribution of either profits or [capital,] is held by the other company and companies related to that other company (whether directly or indirectly, but other than in a fiduciary capacity); or
3. More than half of the issued shares, other than shares that carry no right to participate beyond a specified amount in a distribution of either profits or capital, of each of them is held by members of the other (whether directly or indirectly, but other than in a fiduciary capacity); or
4. The businesses of the companies have been so carried on that the separate business of each company, or a substantial part of it, is not readily identifiable; or
5. There is another company to which both companies are related;—

## Removal of a company

A company can be removed from the register either when it becomes insolvent or the Registrar is satisfied the company has ceased trading. A company that has been removed from the register for any reason will be known as "struck off".

## Resignation of a director

A director of a company may resign by signing a written notice of resignation and delivering it to the address for service of the company. The notice is effective when it is received at that address or at a later time specified in the notice. You must notify the resignation of a Director with the Registrar within 20 [working days](#) of the change occurring.

## Resolution

A resolution is a written motion of a formal expression agreed to by vote. An example would be the shareholders of a company come to a resolution at their Annual Meeting that they will not appoint an auditor for their annual accounts.

## Restoration

A company is able to be restored to the register after it has been "struck off". The company had to be carrying on business at the date of its removal or some other reason had to exist for it to remain on the register or it had to be party to legal proceedings or, with the last categories of possible applicants, be in liquidation or in receivership.

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## S

### Secured creditor

A secured creditor in relation to a company, means a person entitled to a charge on or over property owned by that company.

### Security interest

Security interests over personal property (for example, secured loans, leases or hire purchases) can be registered and searched on the [Personal Property Securities Register \(PPSR\)](#) website.

A search of the PPSR for any registered security interests in respect of a specific company can now also be conducted via the Companies Register website.

**Note** | Historically the Companies Act required companies to maintain a register of charges. This provision was removed with the introduction of the Personal Property Securities Act 1999 - although it would be considered good practice for companies to maintain details of their security interests.

### Separate legal personality

A company is a separate legal entity in its own right separate from its shareholders and continues in existence until it is removed from the New Zealand register.

## Shares

A share represents ownership in part of a company. When you buy a share in a company you become a part of the business and share in the future of that business. This is also known as an equity. A company must have at least one share and one shareholder.

### Shareholder

Shareholders are investors in the company. They pay money into the company in return for shares. The amount shareholders pay for shares is determined by agreement with the company. Shareholders do not participate in the management of the company other than voting on the appointment and removal of directors.

### Share allocations

A share allocation is an allocated number of shares. Shares can be allocated to individuals or entities and can be held individually or jointly with another individual or entity.

For example - A company has 100 shares. Person A holds 30, Person B holds 30 and together (in one share allocation) Person A, Person B and Person C hold 40 shares.

Share allocations were previously known as share parcels.

## Share capital

Share capital is money put in to a business by its owners for use by the business in acquiring assets and retained profits.

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## Share register

A company must maintain a share register that records the shares issued by the company and states:

whether there are any restrictions or limitations on their transfer; and

where any document that contains the restrictions or limitations may be inspected.

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

- Name(s)
- Last known address, and
- Number of shares held for each shareholder (Note: includes both current shareholders and those who have been shareholders within the last 10 years).
- The register must also show the date of share issues, repurchases or redemptions and share transfers.
- An agent (such as a professional share registry) may maintain the share register of any company.

Subject to a company's constitution, a share register may be divided into two or more registers and kept in different locations. A notice of the location of each register must be delivered to the Registrar within ten working days after the share register is divided. The Share Register, if undivided, is the company's principal register and must be kept at its Registered Office. If divided, the Share Registers may be kept elsewhere.

## Share transfer

If you simply want to transfer ownership of existing shares then you will need to complete a share transfer form or 'Off-market Securities Transfer forms'. These forms can be purchased from Bennetts Government Bookshop or your accountant or solicitor should be able to help you with these.

Share transfer forms and any other documents relating to share transfers and ownership should be sent to the registered office of the company. This information is recorded in the company's share register. The entry of a person's name in the company's share register is evidence of that person's title to the share.

The company is responsible for maintaining a share register (section 87 of the Companies Act 1993) and this is the true record of that company's share ownership. A share transfer form or document has no effect until the transfer is recorded by the company in its share register.

Once this has been recorded you can also update the information on the Companies Office website.

- [Read more about using our online services to update company details.](#)

## Solvency test

For the purposes of the New Zealand Companies Act 1993, a company satisfies the solvency test if -

- (a) The company is able to pay its debts as they become due in the normal course of business; and
- (b) The value of the company's assets is greater than the value of its liabilities including contingent liabilities.

## **Solvent**

The state of a company which is able to meet all its debts as they fall due.

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## **Special meeting**

A special meeting of shareholders entitled to vote on an issue—

1. May be called at any time by—
  1. The board; or
  2. A person who is authorised by the constitution to call the meeting;
2. Must be called by the board on the written request of shareholders holding shares carrying together not less than five percent of the voting rights entitled to be exercised on the issue.

## **Special resolution**

A special resolution means a resolution approved by a majority of 75 percent or, if a higher majority is required by the constitution, that higher majority of the votes of those shareholders entitled to vote and voting on the question.

## **Statutory management**

Statutory management is not covered by the Companies Act 1993 but is covered by the Corporations (Investigation and Management) Act 1989. If a company is placed into statutory management, it will be done in accordance with the C (I & M) Act.

Section 38 of the Act provides that the Governor-General may, from time to time, by Order in Council, on the advice of the Minister given in accordance with a recommendation of the Financial Markets Authority declare that any corporation is subject to statutory management and may appoint one or more persons as statutory manager or statutory managers of that corporation.

Section 39 sets out the grounds on which a corporation can be declared to be subject to statutory management.

Basically, the statutory manager takes over the running of the company - for example, this person can exercise the powers of the directors and shareholders of a corporation and can suspend payment of debts due by the corporation. The powers of the statutory manager are set out in section 41 to 55 of the Act.

## **Struck off**

Any company that has been removed from the register will be known as 'struck off'. If a company has been struck off the register the company name becomes available for use again.

## **Subsidiary**

1. For the purposes of the Companies Act 1993, a company is a subsidiary of another company if, but only if,—
  1. That other company—
    1. Controls the composition of the board of the company; or
    2. Is in a position to exercise, or control the exercise of, more than one-half the maximum number of votes that can be exercised at a meeting of the company; or
    3. Holds more than one-half of the issued shares of the company, other than shares that carry no right to participate beyond a specified amount in a distribution of either profits or capital; or

4. Is entitled to receive more than one-half of every dividend paid on shares issued by the company, other than shares that carry no right to participate beyond a specified amount in a distribution of either profits or capital; or
2. The company is a subsidiary of a company that is that other company's subsidiary.
2. For the purposes of this Act, a company is another company's holding company, if, but only if, that other company is its subsidiary.
3. In this section and sections 7 and 8 of this Act, the expression company includes a body corporate.

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## T

### Trade mark

A trade mark is a unique identifier often referred to as a 'brand' or 'logo'. Once a trade mark is registered, the ® symbol may be legally used against the trade mark. Trade marks include words, logos, colours, sounds, smells or any combination of these. For more information on trade marks please visit the Intellectual Property Office of NZ website at [www.iponz.govt.nz](http://www.iponz.govt.nz).

### Trading name

A trading name is the name which a business trades under. The trading name may also be the legal name of a business.

## U

### Unit trust

A unit trust is an arrangement or scheme made for the purpose of making a profit or income for the members (beneficiaries) from an investment of some type. Each unit trust has a manager and a trustee.

### Unlimited company

Companies can be formed with the shareholders having unlimited liability. Unlimited companies are registered in the same way as limited liability companies but with a constitution providing for unlimited liability and they have a name that does not end in Limited or Tapui (Limited).

### User ID

When you set up an account with the Ministry of Economic Development you are issued with a User ID and Password that you will need to use when logging on to the Companies Office website.

## V

### Vest / vested

A change of ownership or land gives the recipient of that interest the ownership and its associated rights. Land may be vested in a trustee or shares may be vested in another person.

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## W

## **Watershed**

The watershed meeting is a meeting of creditors called by the administrator, when a company has been placed in voluntary administration, to decide the future of the company and, in particular, whether the company and the deed administrator should execute a deed of company arrangement.

## **Web services**

Web applications that interact with other web applications for the purpose of sending and receiving information in a common format.

## **Working day**

A 'working day' means a day of the week other than-

- (a) Saturday, Sunday, Good Friday, Easter Monday, ANZAC Day, the Sovereign's Birthday, Labour Day and Waitangi Day; and
- (b) A day in the period commencing with the 25th day of December in any year and ending with the 2nd day of January in the following year; and
- (c) If the 1st day of January in any year falls on a Friday, the following Monday; and
- (d) If the 1st day of January in any year falls on a Saturday or a Sunday, the following Monday and Tuesday.

## **X**

## **XML**

Short for Extensible Mark-up Language, it allows information to be exchanged between computers in an understandable format. It allows for considerable freedom in creating the structure of the message.

## **Y**

## **Yield**

A yield is the Rate of return gained on an investment. It also refers to the dividend payable on a share (and is expressed as a percentage of the market price).

## **Z**