



What are the advantages of becoming an incorporated society?

There are several advantages of becoming an incorporated society:

- A society becomes a separate legal entity once incorporated.
- An incorporated society can lease, rent, buy and sell property, borrow money and enter contracts in its own name. No member of the society can have personal rights or interests in any of the assets of the society.
- An incorporated society will continue as a separate entity even though its membership changes.
- Members will not be personally liable for the debts, contracts or other obligations of the society unless:
 - The debts or obligations are incurred from activities undertaken to obtain money for pecuniary gain (profit), in which case every member involved will be personally liable for those debts or obligations; or
 - The debts and obligations are incurred through unlawful activities, in which case every member involved will be personally liable for those debts or obligations
- Because the rules governing the incorporated society must meet the minimum requirements set out in the Incorporated Societies Act 1908, members can be assured that there will be certainty to the way the society is run.
- An incorporated society may be entitled to an income tax exemption. Contact Inland Revenue on 0800 377 774 or visit their website at www.ird.govt.nz for more information.