

Licensed Insolvency Practitioner Compliance Agreement

Pursuant to section 58 of the Insolvency Practitioners Regulation Act 2019

Between

New Zealand Institute of Chartered Accountants (**NZICA**)

and

....., an applicant to NZICA to be issued with a licence to become a Licensed Insolvency Practitioner under section 9 of the Insolvency Practitioners Regulation Act 2019 (**Applicant**).

Background

- A. The Insolvency Practitioners Regulation Act 2019 (**Act**) provides for the regulation of Insolvency Practitioners undertaking Insolvency Engagements through a licensing regime. Capitalised terms not defined in this agreement (**Agreement**) shall have the meaning given to them in the Act.
- B. NZICA is an Accredited Body under the Act and can issue a non-NZICA member a Licence (under section 9 of the Act, to become a Licensed Insolvency Practitioner) provided they meet certain statutory criteria, and are:
 - (a) an Overseas Insolvency Practitioner; or
 - (b) a member of a recognised body under section 57 of the Act; or
 - (c) a practising member of a religious society or order whose doctrines or beliefs preclude membership of any organisation or body other than the religious society or order of which the Applicant is a member.
- C. Before it can issue a Licence to an Applicant who is not an NZICA member, NZICA and the Applicant must enter an agreement (**Agreement**) complying with section 58 of the Act. The Agreement must accompany the Applicant's Licence application.
- D. This Agreement confirms that certain NZICA Rules set out in section 36 of the Act and NZICA's Code of Ethics (**Code of Ethics**) will apply to the Applicant when they hold a Licence, as if they were an NZICA member. This includes, but is not limited to, the Applicant agreeing to be bound by NZICA's disciplinary jurisdiction, which includes NZICA's Professional Conduct Committee, Disciplinary Tribunal and Appeals Council.
- E. This Agreement also provides for other matters including the Applicant's obligations relating to NZICA's Engagement Standard for Insolvency Engagements, NZICA's practice review requirements and processes, licence conditions, the disclosure of certain information, and the payment of fees and charges and the disclosure of certain information.

Agreement

Applicant's obligations as if they were an NZICA member

1. The Applicant has applied for a Licence to become a Licensed Insolvency Practitioner.
2. This Agreement has been entered for the purposes of section 58 of the Act.
3. Without limiting in any way the means of enforcing the Agreement, this Agreement is binding on the Applicant as if they were a member of NZICA.
4. If the Applicant's application for a Licence is granted by NZICA, by signing the Agreement the Applicant agrees to be subject to the NZICA Rules described in section 36(1) of the Act, as if the Applicant was a member of NZICA. These are the NZICA Rules that provide for:
 - (a) the investigation of complaints against a member or former member of NZICA;
 - (b) the hearing of complaints and other matters by a Disciplinary Body;
 - (c) appeals against decisions of a Disciplinary Body;
 - (d) the kinds of conduct for which a member or former member of NZICA may be disciplined;
 - (e) the actions that may be taken in respect of, and the penalties that may be imposed on, a member or former member for such conduct;
 - (f) eligibility to carry out Insolvency Engagements; and
 - (g) the Code of Ethics that governs the professional conduct of the members of NZICA.

Other matters agreed between NZICA and the Applicant

5. In accordance with section 58(2) of the Act, at all times during which the Applicant holds a Licence, the Applicant further agrees as follows to:
 - (a) comply with the CPD requirements applicable to NZICA members where they exceed the requirements set under the prescribed minimum standards;
 - (b) comply with the terms of NZICA's Engagement Standard for Insolvency Engagements and any related standards in force from time to time, and with the terms of any replacement or additional Engagement Standard or similar instrument issued in the future;
 - (c) comply with NZICA's practice review requirements as specified in the NZICA Rules and amended from time to time;
 - (d) address any action plan matters arising from an NZICA practice review;
 - (e) comply with any conditions or restrictions the Applicant's licence may be subject to;

- (f) comply with NZICA's requirements relating to notifications (including Rule 15) and declarations (including Rule 16) and amended from time to time;
- (g) provide NZICA with reports and notifications that NZICA may specify from time-to-time; and
- (h) pay any NZICA and Chartered Accountants Australia and New Zealand (CA ANZ) fees and charges applicable to the Applicant, as and when they fall due, including any practice review costs and the costs of any process taken in relation to the Applicant, or the Applicant's practice, under the NZICA Rules and/or any other instrument, legislation, enactment, statute or other law.

Term of Agreement

- 6. This Agreement expires on the earlier of:
 - (a) the date the Applicant's Licence is suspended or cancelled (if applicable); or
 - (b) the date the Applicant's Licence expires pursuant to section 13 of the Act,and can be varied during its duration on agreement between NZICA and the Applicant.

Grounds for Licence revocation

- 7. NZICA must revoke the Applicant's Licence if:
 - (a) NZICA ceases to be satisfied that the Applicant is an Overseas Insolvency Practitioner, a member of a Recognised Body, or a practising member of a religious society or order whose doctrines or beliefs preclude membership of any organisation or body other than the religious society or order (as appropriate), and gives written notice of the fact to the Applicant; or
 - (b) this Agreement is terminated or otherwise comes to an end (unless a subsequent agreement that complies with section 58 of the Act is entered into); or
 - (c) NZICA considers that the Applicant has failed to comply with the Agreement in any material respect.

Licence not to imply any membership of NZICA or CA ANZ

- 8. The Applicant shall not by reason of holding a Licence:
 - (a) become a member of NZICA or CA ANZ;
 - (b) be entitled to apply for membership of NZICA or CA ANZ; or
 - (c) hold themselves out as a member of NZICA or CA ANZ or otherwise imply that they are a member of NZICA or CA ANZ.

9. Any breach of clause 8 above may be an offence under section 14 of the New Zealand Institute of Chartered Accountants Act 1996 for which NZICA may enforce against the Applicant.

Counterparts

10. This Agreement may consist of a number of counterparts, each of which when executed and delivered (whether in original, copy, fax or via email in PDF format) shall together constitute one and the same instrument.

Variation

11. This Agreement may be altered in writing and signed by each party.

Electronic Signature

12. Each party agrees that an Electronic Signature whether digital or encrypted, is intended to authenticate execution of this Agreement and has the same force and effect as a manual signature. For the purpose of this Agreement, "**Electronic Signature**" has the meaning given to it in the Contract and Commercial Law Act 2017.

Governing Law

13. This Agreement is governed by the laws of New Zealand. Each of the parties submits to the to the non-exclusive jurisdiction of the courts having jurisdiction in New Zealand for the resolution of any disputes arising out of, or in connection with this Agreement.

Executed as an Agreement

Signed by the Applicant: _____

Print full name: _____

Date: _____

Signed for and on behalf of the New Zealand Institute of Chartered Accountants by:)
)

Signature of authorised signatory

Print full name

Date: _____