

Chapter 3

Society registration

3.1 Effect of registration

- 3.1** **G** This chapter covers the effect of registration, registration requirements, details of the application process and our approach to society names.
- 3.1.1** **G** The main benefits of registering as a society under the Act include:
- (1) Corporate body status
 - (a) The society is a legal person. It can act, hold property, sue and be sued in its own name.
 - (b) It has 'perpetual succession'. This means a society continues to exist even if its membership changes, unless it stops being registered.
 - (2) Limited liability
 - (a) Members are only personally liable for the share capital they hold in the society and the amount of any share capital they have not yet paid for.
 - (b) Anyone can check that the society is a registered society under the Act and see any other information we receive from the society under the Act by searching the public register we keep.
 - (c) Members are not liable for any debts, contracts and other liabilities the society has taken on.
 - (d) The officers of the society can be prosecuted if they breach their duties under the Act.
 - (3) Other effects of registration
 - (a) The rules of a society are binding between the society and its members.
 - (b) The society's board can make, change or end contracts on behalf of the society.
 - (c) The society can recover debts that members owe it in court.
 - (d) If a member owes the society any money then the society can set the value of a member's shares against their debt.