



Intended for

- All Ministers
- Speaker of the House
- All Chief Executives
- All Senior Private Secretaries
- All Private Secretaries

New Zealand Business Number – Implementation Requirements

Introduction

- 1 This circular sets out the requirements agreed to by Cabinet for agencies to implement the New Zealand Business Number (the NZBN). This circular updates and replaces CO (16) 3.
- 2 An agency must give effect to, or have regard to, some or all of the requirements set out in paragraph 7 below. Whether an agency must give effect to, or have regard to, a requirement and when it must do so is set out in Schedule 1 to this circular.
- 3 The NZBN has been created primarily to enable improved electronic delivery of services. As such, where an agency maintains electronic and paper-based systems, priority is to be given to electronic systems when implementing the requirements. This circular does not apply to an agency's policy processes.
- 4 Except in respect of the Ministry of Business, Innovation, and Employment; the Inland Revenue Department; the Ministry of Primary Industries; the New Zealand Customs Service; and Statistics New Zealand, systems that are planned to be retired or replaced by May 2019 are exempt from the requirements providing that any new or replacement systems comply with this circular.
- 5 Commentary elaborating the requirements is set out in paragraph 7. An example used in the commentary is only illustrative of the requirement to which it relates. The commentary does not limit any requirement. If commentary and the requirement to which it relates are inconsistent, the requirement prevails.

Definitions

- 6 In this circular:

Act means the New Zealand Business Number Act 2016;

agency means a department as defined in section 2 of the Public Finance Act 1989 but does not include the departments listed in Schedule 2;

NZBN entity means an entity eligible for a NZBN under the Act (pursuant to sections 10 to 12 of the Act, the definitions of “entity” and “government agency” in section 5 of the Act and the definitions of “corporate or public entity” and “unincorporated entity” in section 9 of the Act);

NZBN means New Zealand Business Number; and

identifier, primary business data, register and **Registrar** have the same meanings as in section 5 of the Act.

Where an agency must “**give effect**” to a requirement in this circular, the agency must implement the requirement.

Where an agency must “**have regard**” to a requirement in this circular, the agency must seriously consider implementing the requirement. However, the agency has scope to consider factors such as cost, risk and benefits when making the final implementation decision. Any decision not to implement the requirement should be documented at a senior management, or board, level along with the rationale as to why. Decisions not to retrofit the NZBN to an existing system are likely to be more justifiable than any decision not to include the NZBN in scope of any significant system replacement or new build.

Requirements

- 7 The requirements for agencies to implement the NZBN are: If a person or system provides the agency a valid NZBN, the agency must be able to identify the NZBN entity that the NZBN applies to (without requiring an additional identifier from the person or system).

Comment: this requirement does not prevent an agency seeking further information that is necessary as part of a transaction with the NZBN entity, that is required by law or that the agency is empowered by an enactment to require be provided to it.

‘Identify’ means accurately associating the NZBN entity with relevant entity records in agency system(s) by:

- *storing the NZBN in the system as part of the records, or*
- *searching the NZBN Register (manually or automatically) and matching the entity’s legal name or trading name(s) with the agency records.*

The requirement to identify does not apply where neither the legal name nor trading name(s) of an unincorporated entity are public on the NZBN Register.

In distinguishing a ‘key’ customer facing system, the main things to consider are the number and regularity of transactions with business customers. Large numbers of transactions or continuous/regular use of the system imply a ‘key system’. The term ‘system’ includes ‘procedures and methods’.

The requirement applies to all agency systems, including non-business customer-facing systems, that contain business identifiers at legal entity level (e.g. for debtors, creditors, vendors and suppliers). Typically, these business references are found in enterprise resource planning (ERP), finance, payroll and procurement systems.

The references to customer facing and finance and procurement systems in the application requirements do not limit scope— rather, they reflect a staged approach

to NZBN implementation.

The requirement does not prevent an agency from seeking additional information to validate the identity or authority of any person who contacts the agency (e.g. to protect privacy or confidentiality).

- 7.2 The agency must access and consume public primary business data on the register that is relevant to the agency's functions by way of an application programming interface or other electronic means.

Comment: an agency may only access primary business data on the register if (pursuant to section 27(1) of the Act), the primary business data is public, an enactment, other than the Act, authorises the agency to collect that information, or the NZBN entity has consented to the agency accessing that primary business data.

The term 'relevant' should be interpreted as meaning necessary for carrying out the agency's functions.

The requirement does not apply where the NZBN entity has specifically advised the agency to use alternative data for the relevant agency function (i.e. data additional to and different from the data on the NZBN Register).

- 7.3 The agency must, during a transaction with an NZBN entity (or their authorised agent), be able to:

- 7.3.1 give the NZBN entity/agent advice on how to access the Register so the entity/agent can update, or add new, primary business data themselves; and
- 7.3.2 if practicable in the medium being used for the transaction (e.g. on-line), provide the entity/agent the means to access the Register and make the changes to the data themselves.

- 7.4 A NZBN entity's NZBN must be included in any written outward communication from the agency to the NZBN entity, except for:

- 7.4.1 any communications which have no identifier other than the NZBN entity's name; and
- 7.4.2 the agency considers that having no identifier other than the NZBN entity's name in the communication is consistent with good administrative practice.

Comment: this requirement does not apply to generic mass communications that are sent from the agency to a group or groups of NZBN entities.

Determining consistency with good administrative practice in public service and agency-specific contexts will involve considering matters such as:

- *the value of inclusion (to the business and the agency); and*
- *the practicability of inclusion given the nature and form of the communication.*

Where there is no administrative need to include an identifier other than the entity's name in written outwards communications, then an agency may decide not to include the receiving entity's NZBN in the communication.

- 7.5 When changing its system or systems, the agency must consider phasing out identifiers that identify a legal entity (other than the NZBN entity's name) and replacing them with the NZBN.

Comment: this requirement does not apply to identifiers that are nominated by the NZBN entity itself, for example agencies are not expected to replace usernames used to access online services. However, consideration should be given to allowing a NZBN entity to use their NZBN as their self-nominated identifier.

This requirement does not apply in respect of identifiers that are established or required by agreement with an international jurisdiction if the international jurisdiction does not or will not recognise the NZBN in the context in which the identifier is used.

The term 'legal entity' includes both corporate and public entities and unincorporated entities as they are defined in the New Zealand Business Number Act 2016.

- 7.6 Where an agency is uncertain or does not believe that this direction applies to a system or identifier, the agency must consult with the Registrar and abide by any determination of the Registrar in that respect.
- 7.7 The agency must provide the Registrar all reasonable assistance the Registrar requires to perform the Registrar's function of monitoring the State sector's implementation of the NZBN.

Comment: the term 'reasonable assistance' includes responding to any information requests from the Registrar within 20 working days or any shorter timeframe the Registrar might specify if the purpose of the request necessitates a faster response. Where practicable, response timeframes shorter than 20 working days will be agreed in advance with the affected agency or agencies.

- 7.8 The agency must give the Registrar all reasonable assistance the Registrar requires to perform the Registrar's function of keeping the public-sector component of the register up-to-date.

Comment: this requirement is expected to be limited to notifying, within legislative constraints, the Registrar of any changes to the agency's own primary business data, or changes to the primary business data of NZBN entities for which the agency has administrative authority (whether under legislation or otherwise).

Maintenance and review

- 8 The Minister responsible for NZBN implementation, in consultation with the Minister of Finance and the Minister of State Services (joint Ministers), may, without referral back to Cabinet but otherwise subject to meeting any Parliamentary process requirements, lead and coordinate actions necessary to:
- 8.1 make any newly created agency subject to the requirements in paragraph 7;
- 8.2 determine and prescribe the Tier status of the agency in consultation with the Minister responsible for the agency; and

- 8.3 following any restructuring or merging of agencies, amend this circular to ensure the circular remains current and relevant for the affected agencies, in consultation with the Minister(s) responsible for the affected agencies.
- 9 A review of this circular will be undertaken in 2019/2020. During that review, consideration will be given to whether all agencies should be required to give effect to all the requirements. Consideration will also be given to whether public sector agencies not already covered by this circular should be added and be required to give effect, or to have regard, to the requirements at some point after 2020.

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Schedule 1: Agencies subject to the requirements

- 1 The table below sets out three tiers to which each agency has been allocated and whether the agency must give effect to or have regard to a requirement.
- 2 In the table:
 - 2.1 “E” means “to give effect”;
 - 2.2 “R” means “to have regard”.
- 3 Tier One agencies must give effect to requirement 1:
 - 3.1 in respect of key business customer-facing systems, by 31 December 2017;
 - 3.2 in respect of finance and procurement systems, by 31 December 2018.
- 4 Tier Two agencies must give effect to requirement 1 by 31 December 2018.
- 5 Tier Three agencies must have regard to requirement 1 by 31 December 2018 and ongoing after that if not implemented.
- 6 Tier One agencies must give effect to requirements 2 to 4 by 31 December 2020.
- 7 Tier Two and Three agencies must have regard to requirements 2 to 4 by 31 December 2020 and ongoing after that if not implemented.
- 8 The requirement for all agencies to give effect to requirements 5 to 7 is ongoing from the date of this circular and applies as relevant i.e. when the agency changes a system or when assistance is sought by the Registrar.
- 9 The requirement for all agencies to give effect to requirement 8 is ongoing from the date of this circular and applies as relevant i.e. when assistance is sought by the Registrar.

Type	Name	Requirements									
		1	2	3	4	5	6	7	8		
Tier One											
	Inland Revenue Department	E	E	E	E	E	E	E	E		
	Ministry for Primary Industries	E	E	E	E	E	E	E	E		
	Ministry of Business, Innovation, and Employment	E	E	E	E	E	E	E	E		
	New Zealand Customs Service	E	E	E	E	E	E	E	E		
	Statistics New Zealand	E	E	E	E	E	E	E	E		

Tier Two											
	Department of Conservation	E	R	R	R	E	E	E	E		
	Department of Corrections	E	R	R	R	E	E	E	E		
	Department of Internal Affairs	E	R	R	R	E	E	E	E		
	Education Review Office	E	R	R	R	E	E	E	E		
	Land Information New Zealand	E	R	R	R	E	E	E	E		
	Ministry for Culture and Heritage	E	R	R	R	E	E	E	E		
	Ministry of Defence	E	R	R	R	E	E	E	E		
	Ministry of Education	E	R	R	R	E	E	E	E		
	Ministry of Health	E	R	R	R	E	E	E	E		
	Ministry of Justice	E	R	R	R	E	E	E	E		
	Ministry of Social Development	E	R	R	R	E	E	E	E		
	Ministry of Transport	E	R	R	R	E	E	E	E		
	New Zealand Defence Force	E	R	R	R	E	E	E	E		
	New Zealand Police	E	R	R	R	E	E	E	E		
	Oranga Tamariki – Ministry for Children	E	R	R	R	E	E	E	E		
	Te Puni Kokiri - Ministry of Maori Development	E	R	R	R	E	E	E	E		
	The Treasury	E	R	R	R	E	E	E	E		
Tier Three											
	Ministry for Pacific Peoples	R	R	R	R	E	E	E	E		
	Ministry for Women	R	R	R	R	E	E	E	E		
	Ministry for the Environment	R	R	R	R	E	E	E	E		
	Ministry of Civil Defence and Emergency Management	R	R	R	R	E	E	E	E		
	Ministry of Foreign Affairs and Trade	R	R	R	R	E	E	E	E		
	Serious Fraud Office	R	R	R	R	E	E	E	E		
	State Services Commission	R	R	R	R	E	E	E	E		

Schedule 2: Agencies not subject to the requirements

- 1 The following departments are not subject to this circular but may choose to give effect to some or all of its requirements:
 - 1.1 Crown Law Office;
 - 1.2 Department of the Prime Minister and Cabinet (excluding the Ministry of Civil Defence and Emergency Management);
 - 1.3 Government Communications Security Bureau;
 - 1.4 New Zealand Security Intelligence Service;
 - 1.5 Office of the Clerk of the House of Representatives;
 - 1.6 Parliamentary Counsel Office; and
 - 1.7 Parliamentary Service.