

# BuiltReady Registration for Certified Manufacturers

Once a manufacturer has been certified by an accredited and registered certification body, they can apply to the Ministry of Business, Innovation and Employment (MBIE) to be registered. Only certified and registered modular component manufacturers (MCMs) can issue BuiltReady manufacturer's certificates.

Certified and registered MCMs can issue BuiltReady manufacturer's certificates, which can be used in building consent applications as a deemed to comply pathway with the New Zealand Building Code. Where a manufacturer's certificate is provided in a building consent application, building consent authorities must accept that the component/s comply with the Building Code (providing that they fall within the scope and limitations of the MCM's certification). Building consent authorities will not inspect these component/s except where they may impact compliance aspects of the building design for which the building consent authority has responsibility e. foundations, connections to services, or connections between modular components and any conventional onsite construction.

The building consent authority is still responsible for processing the building consent, onsite inspections of other building work, and the code compliance certificate. However, the MCM is liable for the aspects of work covered by the manufacturer's certificate. Certified and registered manufacturers are liable for any civil claims that may arise in relation to their manufacture and design (if applicable) of modular components.

Certification is the first step in becoming a BuiltReady scheme participant. Certification is an assessment by a modular component manufacturer certification body (MCMCB). The MCMCB assesses a manufacturer's technical capability, policies, procedures, management and quality systems, and suitability for participation in the BuiltReady scheme against certification criteria prescribed in the Building Act 2004 (the Act), Building (Modular Component Manufacturer Scheme) Regulations 2022 (the Regulations), and the BuiltReady scheme rules.

The registration process is an assessment undertaken by MBIE of the non-technical suitability of applicants for registration. The registration process includes two main assessments:

1. The fit and proper person assessment.
2. The adequate means assessment.

These assessments consider and assess the history, reputation, financial viability, and insurance (if applicable) of the applicant to determine whether they are the right fit for the BuiltReady scheme. Assessments are conducted during the registration process to ensure applicants are suitable to participate in the BuiltReady scheme and meet registration criteria prescribed in the Act, the Regulations, and the BuiltReady scheme rules.

Please note MBIE can be contacted for guidance and advice prior to applying for registration and throughout the registration process, to answer questions on the fit and proper person assessment and the adequate means assessment to support applicants through their registration application.

## Contact Us

MBIE is available to provide support and answer questions throughout the registration process. Please get in contact if you are considering becoming an MCM or have been certified and have questions about the fit and proper person assessment, the adequate means assessment or any other aspect of the registration process.

**By email:** [BuiltReady@MBIE.govt.nz](mailto:BuiltReady@MBIE.govt.nz)

**By mail:** **BuiltReady Service**  
Ministry of Business, Innovation and Employment  
PO Box 1473  
Wellington, 6140

**More information about BuiltReady and resources:**  
[BuiltReady](#) | [Building Performance](#)

## Fit and Proper Person Assessment

Fit and proper person is a term to describe a person's suitability for a specific purpose. The fit and proper person assessment for BuiltReady registration assesses the character and integrity, qualifications, professional conduct, and likely ability of the applicant to conduct business in a responsible and ethical manner, among other factors. The assessment has also been designed to consider the history of the manufacturer, as well as their conduct in the industry and in similar schemes.

The rationale behind this assessment is to assure both MBIE and consumers that applicants to the BuiltReady scheme are likely to conduct themselves in an ethical and trustworthy manner, and that they have a well-established reputation for doing so.

MBIE will continue to monitor the fit and proper person criteria through an annual audit process of a manufacturer. Registered MCMs must notify MBIE of any changes to their circumstances that could impact the registration criteria.

The fit and proper persons assessment takes the following into consideration when assessing the suitability of manufacturers (and their key people) applying for registration:

- civil proceedings history
- relevant offences/convictions history
- history in similar schemes
- professional history
- financial management history
- conflicts of interest
- and other relevant factors.

More detailed information, which MBIE will request as part of the fit and proper person assessment, is provided on the application form for registration. The application form and more information on the BuiltReady scheme is available on the Building Performance website. You can also find more information about requirements for the fit and proper persons assessment in regulation 22 of the Regulations.

## Adequate means assessment

The adequate means assessment considers the financial viability of applicants for registration under the BuiltReady scheme. Under section 272Y(1)(b) of the Act, manufacturers may be registered under the modular component manufacturing scheme if the chief executive of MBIE is satisfied that they "meet any prescribed requirements to have adequate means to cover any civil liabilities that may arise in relation to their manufacture and design (if applicable) of modular components".

The test is based on two assessments:

1. the first is of the financial viability of the applicant.
2. the second is of insurance policies held by the applicant in relation to the activities they have been certified to conduct under the BuiltReady scheme.

MBIE will make its decision on whether the applicant satisfies adequate means criteria based on a combination of the two assessments. Adequate means may be demonstrated through one or both of these assessments. Expertise will be sought from external providers on both components of the adequate means assessment. MBIE understands applicants may still be in the process of acquiring insurance or may not have insurance policies available for their certified BuiltReady scheme activities – MBIE will take this into consideration when conducting the assessment. Being in the process of acquiring insurance or not having insurance available for certified BuiltReady activities does not necessarily exclude applicants from the BuiltReady scheme, if adequate means can be demonstrated through the financial viability assessment.

## Financial viability assessment

The financial viability of applicants is assessed based on commercial and financial information provided by the applicant in the application form for registration. Financial viability is assessed on both historical financial performance and current financial position.

The historical financial performance of the applicant will be assessed through an analysis of their previous two years of financial statements (or such lesser number of accounting periods if the applicant is newly formed or incorporated) and supplementary information provided in the application form. The information provided will be used to identify key trends in the applicant's financial performance, indicators of the applicant's financial performance, and any associated risk factors.

The financial position of the applicant will be assessed, including its balance sheet strength, working capital position, and asset quality. Balance sheet trends over the previous two years (or such lesser number of accounting periods if the applicant is newly formed or incorporated) will also be assessed.

Financial ratios will be calculated to assess the financial position of the applicant.

Future performance and any other issues that may potentially impact on the applicant's financial position will also be taken into consideration as part of the adequate means assessment.

MBIE will continue to monitor the financial viability of registered MCMs through an annual audit. Registered MCMs must notify MBIE of any changes to their circumstances that could impact the registration criteria.

In order to conduct the financial viability assessment, MBIE will request the following information:

- corporate structure
- historical financial performance
- current financial performance and position
- scope of BuiltReady certification
- future business activities
- any other relevant information.

## **Insurance**

The insurance policies held by the applicant are assessed based on the insurance information provided by the applicant in the application form for registration. This assessment considers whether the applicant has insurance policies in place that cover their certified BuiltReady activities. As part of the insurance assessment, MBIE will consider Professional Indemnity and Products Liability insurance held by the applicant. The insurance assessment will consider the policies and procedures that applicants have in place for risk transferred and retained, in relation to their certified BuiltReady activities.

Professional Indemnity insurance provides cover to defend and settle civil liability claims arising out of alleged or actual acts, errors, or omissions causing financial loss to a third party from the service or advice provided.

Products Liability insurance provides cover in respect of acts or omissions of the insured, including Products Hazards, which give rise to claims by third parties who suffer property damage or personal injury. Cover includes associated defence costs.

MBIE will assess the insurance policies the applicant has in place (if any) and the extent of cover these provide the applicant for their certified BuiltReady activities.

MBIE may also take into consideration other insurance policies held by the applicant that relate to their certified BuiltReady activities.

Applicants can contact MBIE if they have questions regarding insurance policies not provided for in the application form.

MBIE will continue to monitor the insurance policies held by certified and registered MCMs through an annual audit process. Registered MCMs must notify MBIE of any changes to their circumstances that could impact the registration criteria.

In order to conduct the insurance assessment, MBIE will request the following information:

- Professional Indemnity policies
- Products Liability policies
- other relevant insurance policies.

More detailed information MBIE will request as part of the adequate means assessment is provided on the application form for registration. The application form and more information on the BuiltReady scheme is available on the Building Performance website. You can also find more information about requirements for adequate means, in section 272Y of the Act and in the Regulations.

## Privacy statement

MBIE collects your personal information (eg contact details, information relating to the fit and proper person assessment, financial and commercial information, and insurance information), in order to assess your application for registration and for ongoing scheme monitoring and communication if your application is successful. As BuiltReady is a voluntary scheme, providing this information is not mandatory. However, if you decide not to provide the information requested on the application form, MBIE will likely be unable to complete an assessment against the registration criteria in the Building Act 2004. If MBIE is unable to complete an assessment you will not be registered or be able to participate in the scheme as a modular component manufacturer. Besides MBIE staff, we may share this information with external financial and insurance specialists in line with the Privacy Act 2020 or as otherwise required or permitted by law. MBIE keeps your information safe by limiting access to only those relevant to the assessment of your application for registration as a modular component manufacturer and by storing your information securely in accordance with MBIE's Privacy Policy, Records Management Policy, and the MBIE Code of Conduct, and in compliance with the Public Records Act 2005.

This information will be held by MBIE. You have the right to ask for a copy of any personal information held about you, and to ask for it to be corrected if you think it is wrong. If you'd like to ask for a copy of your information, or to have it corrected, please contact us at **BuiltReady@MBIE.govt.nz**.