



# **Export Finance and Insurance Corporation Amendment Act 2000**

**No. 11, 2000**



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**An Act to amend the law relating to the Export  
Finance and Insurance Corporation, and for  
related purposes**

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# **Export Finance and Insurance Corporation Amendment Act 2000**

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## **An Act to amend the law relating to the Export Finance and Insurance Corporation, and for related purposes**

*[Assented to 15 March 2000]*

The Parliament of Australia enacts:

### **1 Short title**

This Act may be cited as the *Export Finance and Insurance Corporation Amendment Act 2000*.

### **2 Commencement**

- (1) Subject to this section, this Act commences on the day on which it receives the Royal Assent.

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- (2) Item 4 of Schedule 1 is taken to have commenced on 1 July 1998.
  - (3) Subject to subsection (4), items 2, 3 and 4 of Schedule 2 commence on a day to be fixed by Proclamation.
  - (4) If the items referred to in subsection (3) do not commence under that subsection before 1 July 2000, they commence on that day.

### **3 Schedule(s)**

Subject to section 2, each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

## **Schedule 1—Amendment of the Export Finance and Insurance Corporation Act 1991**

### **1 Subsection 3(1)**

Insert:

*short-term insurance contract* means an export payments insurance contract under section 14 that covers a loss or detriment arising out of a contract or arrangement whose initial payment term is no longer than 360 days, but does not include an export payments insurance contract that EFIC has entered into, whether wholly or partly, in accordance with an approval or direction under Part 5.

### **2 After section 61**

Insert:

#### **61A Debt neutrality charge**

- (1) The Minister may inform EFIC in writing of arrangements that are to apply to EFIC in relation to a debt neutrality charge to be paid by EFIC to the Commonwealth in respect of short-term insurance contracts entered into by EFIC.
- (2) The arrangements may specify:
  - (a) the period in respect of which a debt neutrality charge is payable; and
  - (b) the amount of the charge, or the way in which it is to be worked out; and
  - (c) the period within which the amount must be paid by EFIC to the Commonwealth.
- (3) EFIC must pay a debt neutrality charge to the Commonwealth in accordance with the arrangements.
- (4) The Minister may at any time, in writing, vary or revoke arrangements made under this section.

### **3 After section 62**

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Insert:

#### **62A Guarantee fees**

- (1) The Minister may inform EFIC in writing of arrangements that are to apply to EFIC in relation to guarantee fees to be paid by EFIC to the Commonwealth in respect of short-term insurance contracts entered into by EFIC.
- (2) The arrangements may specify:
  - (a) the period in respect of which a guarantee fee is payable; and
  - (b) the amount of the fee, or the way in which it is to be worked out; and
  - (c) the period within which the amount must be paid by EFIC to the Commonwealth.
- (3) EFIC must pay guarantee fees to the Commonwealth in accordance with the arrangements.
- (4) The Minister may at any time, in writing, vary or revoke arrangements made under this section.

#### **4 After section 63**

Insert:

#### **63A Tax-equivalent payments**

- (1) EFIC must pay to the Commonwealth a tax-equivalent payment in respect of each financial year.
- (2) The amount of the tax-equivalent payment to be made in respect of a financial year is to be determined in writing by the Minister, having regard to the purpose of ensuring that EFIC does not enjoy a net competitive advantage over other insurers because of the operation of section 63 in relation to its short-term insurance contracts.
- (3) The amount determined under subsection (2) in respect of a financial year must not be greater than the amount, or the sum of the amounts, of tax that EFIC would, but for section 63, have been liable to pay in respect of that year in relation to its short-term insurance contracts.



- (4) EFIC must pay to the Commonwealth the amount determined under subsection (2) in respect of a financial year in accordance with the written directions of the Minister.

## Schedule 2—Amendment of other Acts

### *Insurance (Agents and Brokers) Act 1984*

#### **1 At the end of paragraph 7(c)**

Add “, other than short-term insurance contracts within the meaning of that Act”.

### *Insurance Contracts Act 1984*

#### **2 At the end of paragraphs 9(1)(a) and (b)**

Add “or”.

#### **3 Paragraph 9(1)(c)**

Omit “society or by the Export Finance and Insurance Corporation;”, substitute “society; or”.

#### **4 After paragraph 9(1)(c)**

Insert:

- (ca) of insurance entered into, or proposed to be entered into, by the Export Finance and Insurance Corporation, other than short-term insurance contracts within the meaning of the *Export Finance and Insurance Corporation Act 1991* that are entered into on or after the commencement of this paragraph;
- or

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[Minister’s second reading speech made in—  
*House of Representatives on 30 June 1999*  
*Senate on 30 September 1999*]

(130/99)

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