



# Commonwealth Banks Restructuring Act 1990

No. 118 of 1990

## TABLE OF PROVISIONS

### PART 1—PRELIMINARY

Section

1. Short title
2. Commencement
3. Interpretation
4. Extension to external Territories
5. Crown to be bound

### PART 2—AMENDMENTS OF THE COMMONWEALTH BANKS ACT 1959

6. Principal Act
7. Title
8. Interpretation
9. Heading to Part II
10. The Commonwealth Banking Corporation
11. Relocation of sections 7 and 7A
12. Repeal of section 8 and substitution of new sections:
  8. Powers and functions of the Commonwealth Bank Board and Managing Director
  - 8A. Treasurer's nominee on Board
  - 8B. Confidentiality of information obtained by the Treasurer's nominee on the Board
13. Functions of Board
14. Differences of opinion on questions of policy
15. Repeal of section 12
16. Delegation by the Managing Director
17. Managing Director and Secretary to Treasury to establish liaison
18. Repeal of Part III
19. Insertion of heading
20. Repeal of Division 1A of Part IV
21. Insertion of new Division:

TABLE OF PROVISIONS—*continued*

Section

*Division 1—Preliminary Steps before Conversion of Commonwealth Bank into a Public Company*

- 27A. Share capital of Commonwealth Bank
- 27B. Shares to be paid up and issued
- 27C. Commonwealth Bank to apply to be registered as company etc.
- 22. Insertion of new Divisions and heading:

*Division 2—Conversion of Commonwealth Bank into a Public Company*

- 27D. Commonwealth Bank taken to be registered under Companies Act
- 27E. Memorandum and articles of Commonwealth Bank
- 27F. Membership of the Commonwealth Bank
- 27G. Application of certain provisions of Companies Act
- 27H. Commonwealth Bank not a public authority etc.
- 27J. Operation of section 25B of Acts Interpretation Act

*Division 3—Restriction on Issue etc. of Shares in Commonwealth Bank*

- 27K. Foreign persons not to apply for issue of shares in the Commonwealth Bank
- 27L. Commonwealth to retain ownership and control of the Commonwealth Bank

*Division 4—Miscellaneous*

- 23. General functions of Commonwealth Bank
- 24. Repeal of section 29
- 25. Capital
- 26. Repeal of section 30A
- 27. Repeal of section 31
- 28. Repeal of section 32 and substitution of new section:
  - 32. Payment of dividends by Commonwealth Bank
- 29. Repeal of section 33
- 30. Repeal of section 35
- 31. Repeal of section 36
- 32. Repeal of section 37
- 33. Repeal of section 38
- 34. Profits of Savings Bank
- 35. Management of Savings Bank
- 35A. Repeal of sections 48, 49 and 50
- 36. Insertion of new section:
  - 74A. Share capital
- 37. Repeal of section 75
- 38. Commonwealth Development Bank Reserve Fund
- 39. Repeal of sections 77A and 78 and substitution of new section:
  - 77A. Profits of Development Bank
- 40. Management of Development Bank
- 41. Repeal of section 81
- 42. Repeal of section 82
- 43. Substitution of new heading
- 44. Repeal of section 87
- 46. Repeal of section 88 and substitution of new section:
  - 88. Appointment of officers
- 47. Repeal of Division headings
- 48. Superannuation fund
- 49. Repeal of section 110A
- 50. Repeal of section 114 and substitution of new section:
  - 114. Interpretation
- 51. Appointment of attorneys
- 52. Repeal of section 118 and substitution of new section:
  - 118. Application of Part VI of the Companies Act

**TABLE OF PROVISIONS—*continued***

**Section**

- 53. Taxation
- 54. Repeal of sections
- 55. Power to improve property and carry on business
- 56. Execution of contracts
- 57. Affixing of seals
- 58. Insertion of new section:
  - 128. Use of certain names
- 59. Regulations
- 60. Transitional provision—accounting records of Commonwealth Bank
- 61. Transitional provision accounts of Commonwealth Bank

**PART 3—CONSEQUENTIAL AMENDMENT OF OTHER ACTS**

- 62. Amendment of other Acts

**PART 4—TRANSFER OF STAFF OF THE COMMONWEALTH BANKING CORPORATION TO THE COMMONWEALTH BANK**

- 63. Interpretation
- 64. Transfer of staff

**PART 5—COMMONWEALTH BANK TO BECOME SUCCESSOR IN LAW OF THE STATE BANK OF VICTORIA**

- 65. Interpretation
- 66. Extra-territorial operation of Part
- 67. Commonwealth Bank to become successor in law of the State Bank
- 68. State Bank instruments
- 69. Places of business
- 70. Pending proceedings
- 71. Registration of interests in land
- 72. Transfer of State Bank staff to Commonwealth Bank
- 73. Application of Income Tax Assessment Act
- 74. Payment to Victoria
- 75. Regulations

**PART 6 MISCELLANEOUS**

- 76. Compensation for acquisition of property
- 77. Exemption from taxes and charges
- 78. Franking debit to arise for Commonwealth Bank and Development Bank

**SCHEDULE**



# Commonwealth Banks Restructuring Act 1990

No. 118 of 1990

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**An Act to give effect to an agreement between Victoria  
and the Commonwealth Bank relating to the succession of  
the Commonwealth Bank to the State Bank of Victoria,  
and for other purposes**

[Assented to 28 December 1990]

The Parliament of Australia enacts:

## PART 1—PRELIMINARY

### Short title

1. This Act may be cited as the *Commonwealth Banks Restructuring Act 1990*.

### Commencement

2. (1) Sections 1, 2, 3, 4, 5 and 6 commence on the day on which this Act receives the Royal Assent.

(2) The amendments made by paragraphs 48 (b) and (c) come into operation at the time when the first guidelines under section 6 of the

*Commonwealth Banks Restructuring No. 118, 1990*

*Superannuation Benefits (Supervisory Mechanisms) Act 1990* come into force in relation to the fund referred to in section 110 of the amended Act.

(3) Each of the remaining provisions of this Act commences on a day, or at a time, fixed by Proclamation in relation to the provision concerned.

(4) The *Acts Interpretation Act 1901* applies in relation to this Act as if references in that Act to the date of commencement of a provision of an Act included references to the time of commencement.

**Interpretation**

3. In this Act:

“amended Act” means the *Commonwealth Banks Act 1959*, as amended by this Act;

“Commonwealth Bank” means the Commonwealth Bank of Australia;

“Development Bank” means the Commonwealth Development Bank of Australia.

**Extension to external Territories**

4. This Act extends to all external Territories.

**Crown to be bound**

5. This Act binds the Crown in right of the Commonwealth, of each of the States, of the Australian Capital Territory, of the Northern Territory and of Norfolk Island.

**PART 2—AMENDMENTS OF THE COMMONWEALTH BANKS ACT 1959**

**Principal Act**

6. In this Part, “Principal Act” means the *Commonwealth Banks Act 1959*<sup>1</sup>.

**Title**

7. The title to the Principal Act is repealed and the following title is substituted:

“An Act relating to the constitution and operations of the Commonwealth banks”.

**Interpretation**

8. (1) Section 4 of the Principal Act is amended by omitting the definition of “Service” and substituting the following definition:

“‘Service’ means the Commonwealth Banks Service referred to in section 88;”.

(2) Section 4 of the Principal Act is amended:

*Commonwealth Banks Restructuring No. 118, 1990*

(a) by omitting the definition of “net profits” and substituting the following definition:

“ **‘net profits’** means operating profits (after provision for income tax) according to the accounts;”;

(b) by omitting the definitions of “former Commonwealth Bank” and “repealed Act”.

(3) Section 4 of the Principal Act is amended by inserting the following definitions:

“ **‘articles’** means articles of association;

**‘conversion time’** means the commencement of section 22 of the *Commonwealth Banks Restructuring Act 1990*;

**‘memorandum’** means memorandum of association;

**‘pre-conversion time’** means the commencement of section 21 of the *Commonwealth Banks Restructuring Act 1990*;

**‘Securities Commission’** means:

(a) before the date prescribed for the purposes of paragraph (b)—the National Companies and Securities Commission; or

(b) on and after the date prescribed for the purposes of this paragraph—the Australian Securities Commission;

**‘share’**, in relation to a body corporate, means a share in the share capital of the body corporate.”.

(4) Section 4 of the Principal Act is amended by omitting the definition of “Commonwealth Bank” and substituting the following definition:

“ **‘Commonwealth Bank’** means the Commonwealth Bank of Australia;”.

(5) Section 4 of the Principal Act is amended:

(a) by omitting the definitions of “Board” and “Managing Director” and substituting the following definitions:

“ **‘Board’** means the Board of Directors of the Commonwealth Bank;

**‘Managing Director’** means the Managing Director of the Commonwealth Bank;”;

(b) by omitting the definitions of “Deputy Managing Director” and “statutory office”.

(6) Section 4 of the Principal Act is amended by omitting the definition of “Corporation” and substituting the following definition:

“ **‘Corporation’** means the Commonwealth Bank Officers Superannuation Corporation;”.

## **Heading to Part II**

9. The heading to Part II of the Principal Act is repealed and the following heading is substituted:

**“PART II—THE COMMONWEALTH BANK BOARD AND  
MANAGING DIRECTOR”.**

**The Commonwealth Banking Corporation**

10. Section 7 of the Principal Act is amended:

(a) by omitting from subsection (1) “Commonwealth Banking Corporation” and substituting “Commonwealth Bank Officers Superannuation Corporation”;

(b) by omitting subsection (3) and substituting the following subsection:

“(3) Subject to section 110, the function of the Corporation is to conduct a superannuation fund for officers of the Service.”;

(c) by adding at the end the following subsection:

“(4) Subject to the rules in force from time to time under section 110, the Corporation is to be managed by the Managing Director.”.

**Relocation of sections 7 and 7A**

11. Sections 7 and 7A of the amended Act are renumbered as sections 108 and 109 and are relocated so that they appear immediately before section 110 of the amended Act.

**Repeal of section 8 and substitution of new sections**

12. Section 8 of the Principal Act is repealed and the following sections are substituted:

**Powers and functions of the Commonwealth Bank Board and Managing Director**

“8. The powers and functions conferred on the Board and Managing Director by or under this Act are additional to those conferred by the memorandum and articles of the Commonwealth Bank.”.

**Treasurer’s nominee on Board**

“8A. (1) The Secretary to the Department of the Treasury:

(a) by force of this section, is a member of the Board; and

(b) in addition to his or her functions as a director, has the function of representing the views of the Treasurer.

“(2) The Secretary to the Department of the Treasury may, by signed writing, delegate all or any of his or her powers or functions under or in relation to this section or section 8B to an officer of the Department of the Treasury.

**Confidentiality of information obtained by the Treasurer's nominee on the Board**

“8B. (1) The Treasurer's nominee may, in the course of his or her official duties:

- (a) divulge or communicate protected information to the Treasurer or to a Commonwealth officer; or
- (b) make a record of protected information.

“(2) Except as authorised by subsection (1), the Treasurer's nominee must not:

- (a) divulge or communicate protected information to any person; or
- (b) make a record of protected information.

“(3) Subject to subsection (4), a person to whom protected information has been divulged or communicated under subsection (1) or (4) must not:

- (a) divulge or communicate the information to any person; or
- (b) make a record of the information.

“(4) A person to whom protected information has been divulged or communicated under subsection (1) or this subsection may, in the course of his or her official duties:

- (a) divulge or communicate the information to the Treasurer or to a Commonwealth officer; or
- (b) make a record of the information.

“(5) In this section:

**‘protected information’** means information obtained by the Treasurer's nominee in the course of performing functions as the Treasurer's nominee;

**‘Treasurer's nominee’** means the person who for the time being is a member of the Board because of paragraph 8A (1) (a);

**‘Commonwealth officer’** has the meaning given by section 3 of the *Crimes Act 1914* for the purposes of section 70 of that Act.”.

**Functions of Board**

13. Section 9 of the Principal Act is amended:

- (a) by omitting from subsection (1) “the Corporation, of the Commonwealth Bank, of”;
- (b) by omitting from subsection (1) “of the Corporation and”;
- (c) by omitting from subsection (2) “the policy of the Corporation, and the banking policy of the Commonwealth Bank, of the Savings Bank and of the Development Bank, are” and substituting “the banking policies of the Commonwealth Bank, the Savings Bank and the Development Bank are”;
- (d) by omitting from subsection (3) “the Corporation,”;



*Commonwealth Banks Restructuring No. 118, 1990*

(e) by adding at the end the following subsection:

“(4) Subject to this Act, the duties of the Board include the duties (whether to shareholders or other persons) that apply under the *Companies Act 1981* and under any other relevant law.”.

**Differences of opinion on questions of policy**

14. Section 11 of the Principal Act is amended:

- (a) by omitting from paragraph (1)(a) “Corporation” and substituting “Commonwealth Bank”;
- (b) by omitting subsections (2D) to (2H);
- (c) by omitting from subsections (4) and (5) “the Corporation,”.

**Repeal of section 12**

15. Section 12 of the Principal Act is repealed.

**Delegation by the Managing Director**

16. Section 12A of the Principal Act is amended by omitting from subsection (1) “of the Corporation”.

**Managing Director and Secretary to Treasury to establish Liaison**

17. Section 13 of the Principal Act is amended by omitting “the Corporation,”.

**Repeal of Part III**

18. Part III of the Principal Act is repealed.

**Insertion of heading**

19. Before section 27 of the Principal Act the following heading is inserted in Part IV:

***“Division 1A—Constitution”.***

**Repeal of Division 1A of Part IV**

20. Division 1A of Part IV of the Principal Act is repealed.

**Insertion of new Division**

21. After section 27 of the Principal Act the following Division is inserted:

***“Division 1—Preliminary Steps before Conversion of Commonwealth Bank into a Public Company***

**Share capital of Commonwealth Bank**

“27A. (1) As from the pre-conversion time, the Commonwealth Bank is to have a share capital divided into shares of \$2 each or such other amount as is prescribed.

*Commonwealth Banks Restructuring No. 118, 1990*

“(2) The amount of the share capital is equal to the amount required to be applied under section 27B in paying up shares in the Commonwealth Bank.

“(3) The share capital may be divided into classes of shares.

“(4) Rights may be attached to shares included in a class of shares.

“(5) As from the conversion time, this section has effect subject to the *Companies Act 1981*.

**Shares to be paid up and issued**

“27B. (1) As soon as practicable after the pre-conversion time, the Commonwealth Bank must apply its capital, calculated immediately before the pre-conversion time, in paying up in full shares in the Commonwealth Bank.

“(2) If the amount of the capital is not a multiple of the nominal value of a share, subsection (1) applies as if the amount were reduced to the nearest multiple of the nominal value of a share.

“(3) As soon as practicable after complying with subsection (1), the Commonwealth Bank must issue to the Commonwealth all the shares paid up under that subsection.

“(4) The shares issued under subsection (3) are to be taken to have been issued for valuable consideration other than cash.

“(5) The Commonwealth is not a member of Commonwealth Bank at any time before the conversion time merely because the Commonwealth holds shares in Commonwealth Bank.

**Commonwealth Bank to apply to be registered as company etc.**

“27C. (1) The Commonwealth Bank must, before the conversion time:

- (a) apply to the Securities Commission under subsection 85 (1) of the *Companies Act 1981* to be registered as a company limited by shares within the meaning of that Act; and
- (b) apply to the Securities Commission under subsection 55 (1) of the *Companies Act 1981* for the reservation of the name ‘Commonwealth Bank of Australia’; and
- (c) lodge with the Securities Commission a proposed memorandum, and proposed articles, for the Commonwealth Bank; and
- (d) if the rights attached to shares included in a class of shares under subsection 27A (4) are not provided for in the memorandum or articles, lodge with the Securities Commission the statement referred to in subsection 124 (1) of the *Companies Act 1981*.

“(2) Subject to the regulations, the application mentioned in paragraph (1) (a) must be accompanied by the documents required by

*Commonwealth Banks Restructuring No. 118, 1990*

subsection 85 (4) of the *Companies Act 1981* to accompany such an application.

“(3) The applications mentioned in paragraphs (1) (a) and (b) must be made to the Securities Commission by delivering them to the office of the Corporate Affairs Commission for the Australian Capital Territory and the documents mentioned in paragraphs (1) (c) and (d) and subsection (2) must be lodged with the Securities Commission by lodging them at that office.

“(4) The Commonwealth Bank is to be taken to be entitled to make the applications referred to in paragraphs (1) (a) and (b), and to lodge the documents mentioned in paragraphs (1) (c) and (d) and subsection (2).

“(5) The Securities Commission is to be taken:

- (a) to have been required to reserve the name ‘Commonwealth Bank of Australia’ under subsection 55 (2) of the *Companies Act 1981*; and
- (b) to have so reserved that name immediately after the making of the application mentioned in paragraph (1) (b).”

**Insertion of new Divisions and heading**

22. After section 27C of the Principal Act the following Divisions and heading are inserted:

***“Division 2—Conversion of Commonwealth Bank into a Public Company***

**Commonwealth Bank taken to be registered under Companies Act**

“27D. (1) The Securities Commission is to be taken:

- (a) to have been required to grant the application mentioned in paragraph 27C (1) (a) and to register the Commonwealth Bank as a company under subsection 86 (2) of the *Companies Act 1981*; and
- (b) to have granted the application at the conversion time; and
- (c) to have so registered the Commonwealth Bank, at the conversion time:
  - (i) by the name ‘Commonwealth Bank of Australia’; and
  - (ii) in accordance with subsections 86 (3) and (4) of the *Companies Act 1981*, as a public company, and as a company limited by shares, within the meaning of that Act; and
- (d) to have registered the name ‘Commonwealth Bank of Australia’ in relation to the Commonwealth Bank at the conversion time, under subsection 55 (4) of the *Companies Act 1981*.

“(2) The date of commencement of the Commonwealth Bank’s registration as a company under Division 4 of Part III of the *Companies*

*Commonwealth Banks Restructuring No. 118, 1990*

*Act 1981* is to be taken to be the day on which the conversion time occurs.

“(3) For the purposes of Division 4 of Part III of the *Companies Act 1981*, the Commonwealth Bank shall be taken to have been on the day before the conversion time, and to be at the conversion time, a corporation within the meaning of that Act.

**Memorandum and articles of Commonwealth Bank**

“27E. (1) As from the conversion time, the proposed memorandum, and the proposed articles, lodged under paragraph 27C (1) (c):

- (a) are respectively the memorandum, and the articles, of the Commonwealth Bank; and
- (b) bind the Commonwealth Bank and its members accordingly.

“(2) As from the conversion time, the *Companies Act 1981* applies in relation to the Commonwealth Bank’s memorandum and articles as if they had been registered as such under that Act.

**Membership of the Commonwealth Bank**

“27F. The Commonwealth:

- (a) by force of this subsection, becomes a member of the Commonwealth Bank at the conversion time; and
- (b) in relation to membership of the Commonwealth Bank:
  - (i) is entitled to the same rights, privileges and benefits; and
  - (ii) is subject to the same duties, liabilities and obligations; as if the Commonwealth had become a member of the Commonwealth Bank under the Commonwealth Bank’s memorandum and articles.

**Application of certain provisions of Companies Act**

“27G. (1) Where all the shares in the Commonwealth Bank are beneficially owned by the Commonwealth, subsection 82 (1) and paragraph 364 (1) (d) of the *Companies Act 1981* do not apply in relation to the Commonwealth Bank and subsection 244 (6) of that Act applies as if:

- (a) the Commonwealth were a holding company, within the meaning of that subsection, of the Commonwealth Bank; and
- (b) the Commonwealth held the whole of the issued shares in the Commonwealth Bank; and
- (c) the Treasurer were a representative of the Commonwealth authorised under subsection 244 (3) of that Act.

“(2) Subsection 39 (1), paragraph 86 (6) (b) and subsection 87 (4) of the *Companies Act 1981* do not apply in relation to the Commonwealth Bank.

**Commonwealth Bank not a public authority etc.**

“27H. The Commonwealth Bank, as it exists after the conversion time, is to be taken for the purposes of a law of the Commonwealth or a State or Territory:

- (a) not to have been incorporated or established for a public purpose or for a purpose of the Commonwealth; and
- (b) not to be a public authority or an instrumentality or agency of the Crown; and
- (c) without limiting the generality of paragraphs (a) and (b), not to be a public authority under the Commonwealth for the purposes of the *Crimes Act 1914*;

except so far as express provision is made by a law of the Commonwealth, State or Territory, as the case may be.

**Operation of section 25B of Acts Interpretation Act**

“27J. Nothing in this Act or in the *Companies Act 1981* affects, or is affected by, section 25B of the *Acts Interpretation Act 1901* as that section applies in relation to the Commonwealth Bank.

**“Division 3—Restriction on Issue etc. of Shares in Commonwealth Bank**

**Foreign persons not to apply for issue of shares in the Commonwealth Bank**

“27K. (1) A person must not (whether as principal or agent), either within or outside Australia, apply to the Commonwealth Bank, or to any agent or underwriter, for the issue of shares in the Commonwealth Bank to:

- (a) if the applicant is a foreign person—the applicant or any other foreign person; or
- (b) if the applicant is not a foreign person—any foreign person.

“(2) Subsection (1) applies only in respect of the issue of shares by the Commonwealth Bank under its first registered prospectus.

“(3) Subject to the regulations, subsection (1) does not apply to an application made by a person in the capacity of trustee, or manager, of a fund in which, at the time the application is made, the total interests (if any) of all foreign persons represent not more than 40% of the total interests in the fund.

“(4) Subsection (1) has effect subject to such exceptions or modifications (if any) as are prescribed.

“(5) A person who contravenes subsection (1) is guilty of an offence punishable on conviction by a fine not exceeding \$50,000.

“(6) An offence against this section is an indictable offence but may be heard and determined, with the consent of the prosecutor and the defendant, by a court of summary jurisdiction.

*Commonwealth Banks Restructuring No. 118, 1990*

“(7) If an offence is dealt with by a court of summary jurisdiction, the penalty that the court may impose is a fine not exceeding \$10,000.

“(8) Subject to subsection (9), in proceedings for an offence against subsection (5), it is a defence if the defendant proves that, at all relevant times, the defendant was not aware, and could not have been reasonably expected to be aware, of a fact the existence of which was necessary to constitute the offence.

“(9) For the purposes of subsection (8), a person is to be conclusively presumed to have been aware at a particular time of a fact of which a servant or agent of the person (being a servant or agent having duties or acting on behalf of the master or principal in relation to any matter relevant to this section) was aware at that time.

“(10) Proceedings for an offence against this section must not be instituted without the consent in writing of the Treasurer.

“(11) The issue of shares is not affected by the fact that the application for the issue was made in contravention of this section.

“(12) In this section:  
‘foreign person’ has the meaning given by section 5 of the *Foreign Acquisitions and Takeovers Act 1975*.

**Commonwealth to retain ownership and control of the Commonwealth Bank**

“27L. (1) The Commonwealth must not transfer any of its shares in the Commonwealth Bank.

“(2) Neither the Commonwealth nor the Commonwealth Bank is allowed to do anything to cause or contribute to either of the following results:

- (a) that the Commonwealth no longer holds shares in the Commonwealth Bank that carry the rights to exercise at least 70% of the total voting rights attached to the voting shares in the Commonwealth Bank;
- (b) that the Commonwealth no longer controls the exercise of at least 70% of the total voting rights attached to the voting shares in the Commonwealth Bank.

“(3) The following are examples of things that could give rise to a breach of subsection (2):

- (a) the issue by the Commonwealth Bank of shares in the Commonwealth Bank to a person other than the Commonwealth;
- (b) an alteration in the voting rights attached to voting shares in the Commonwealth Bank.

“(4) If, at any time, the Commonwealth Bank becomes aware that the situation described in paragraph (2)(a) or (b) exists, the

*Commonwealth Banks Restructuring No. 118, 1990*

Commonwealth Bank must, not later than 2 months after becoming aware, take all reasonable steps within its power to stop that situation existing.

“(5) A contravention of this section does not affect the validity of any act or transaction involved in the contravention.

“(6) In this section, ‘voting shares’ has the same meaning as in the *Banks (Shareholdings) Act 1972*.

**“Division 4—Miscellaneous”.**

**General functions of Commonwealth Bank**

23. Section 28 of the Principal Act is amended by omitting subsections (1A) and (2) and substituting the following subsections:

“(1A) The Commonwealth Bank may provide insurance services.

“(2) This section is not intended to imply any restriction on the functions or powers that may be conferred on the Commonwealth Bank otherwise than under this section.”.

**Repeal of section 29**

24. Section 29 of the Principal Act is repealed.

**Capital**

25. (1) Section 30 of the Principal Act is amended:

(a) by omitting “aggregate of ” and substituting “aggregate of the following:”;

(b) by omitting “and” from the end of paragraph (d);

(c) by adding at the end the following paragraph:

“(f) the total nominal value of the shares in the capital of the Development Bank held by the Commonwealth Bank.”.

(2) Section 30 of the Principal Act is repealed.

**Repeal of section 30A**

26. Section 30A of the Principal Act is repealed.

**Repeal of section 31**

27. Section 31 of the Principal Act is repealed.

**Repeal of section 32 and substitution of new section**

28. (1) Section 32 of the Principal Act is repealed and the following subsection is substituted:

**Payment of dividends by Commonwealth Bank**

“32. (1) Before making a recommendation to a general meeting of the Commonwealth Bank regarding the amount (if any) of the dividend to be paid to shareholders in the Commonwealth Bank in respect of a

financial year, the Board must notify the Treasurer, in writing, of its proposed recommendation.

“(2) The Treasurer must, not later than 14 days after being notified of the proposed recommendation:

- (a) accept the proposed recommendation; or
- (b) vary the proposed recommendation by specifying an amount of recommended dividend for the financial year that does not exceed 45% of the consolidated profit (excluding abnormal items of a capital nature and extraordinary items and after income tax expense), according to the accounts, of the Commonwealth Bank and all its subsidiaries.

“(3) Before making a decision under paragraph (2) (b), the Treasurer must try to reach agreement with the Board and must take into consideration the reasons for the Board’s proposed recommendation.

“(4) The Commonwealth Bank, in general meeting, cannot declare a dividend that exceeds the amount recommended by the Board (as affected by any variation under paragraph (2) (b)).”.

(2) The amendment made by subsection (1) applies to profits for the financial year commencing on 1 July 1990 and for later financial years.

**Repeal of section 33**

29. Section 33 of the Principal Act is repealed.

**Repeal of section 35**

30. Section 35 of the Principal Act is repealed.

**Repeal of section 36**

31. Section 36 of the Principal Act is repealed.

**Repeal of section 37**

32. Section 37 of the Principal Act is repealed.

**Repeal of section 38**

33. Section 38 of the Principal Act is repealed.

**Profits of Savings Bank**

34. Section 44 of the Principal Act is amended by adding at the end the following subsection:

“(2) In exercising its powers under this section, the Board must take into account the requirements of section 32.”.

**Management of Savings Bank**

35. Section 47 of the Principal Act is amended:

- (a) by omitting from subsection (1) “designated by the Board for



*Commonwealth Banks Restructuring No. 118, 1990*

the purposes of this sub-section” and substituting “designated by a determination in force under subsection (4)”;

- (b) by adding at the end of subsection (1) “, but if no such determination is in force the Managing Director shall manage the Savings Bank.”;
- (c) by omitting from subsections (2) and (3) “the person” and substituting “any other person”;
- (d) by adding at the end the following subsection:

“(4) The Board may make a determination designating a position in the Service for the purposes of this section and may revoke such a determination.”.

**Repeal of sections 48, 49 and 50**

35A. Sections 48, 49 and 50 of the Principal Act are repealed.

**Insertion of new section**

36. After section 74 of the Principal Act the following section is inserted:

**Share capital**

“74A. (1) From the commencement of this section, the Development Bank is to have a share capital.

“(2) Subject to subsection (6), the amount of the share capital of the Development Bank is equal to the aggregate of the amounts required to be applied under subsection (4) in paying up shares in the capital of the Development Bank.

“(3) The share capital of the Development Bank is to be divided into shares of \$1 each.

“(4) As soon as practicable after the commencement of this section, the Development Bank must apply its capital, calculated immediately before the commencement of this section, in paying up in full shares in the capital of the Development Bank.

“(5) Upon compliance by the Development Bank with subsection (4):

- (a) the shares in the capital of the Development Bank paid up in full in accordance with that subsection are taken to have been issued by the Development Bank to the Commonwealth Bank; and
- (b) the Commonwealth Bank holds those shares as legal and beneficial owner.

“(6) The Board may, at any time after the Development Bank has complied with subsection (4):

- (a) increase the share capital of the Development Bank by a specified amount; or

*Commonwealth Banks Restructuring No. 118, 1990*

- (b) cancel a specified number of shares in the capital of the Development Bank that are not the subject of a direction under subsection (7) and reduce the amount of the share capital of the Development Bank by the amount of the shares so cancelled.

“(7) The Board may, at any time after the Development Bank has complied with subsection (4), direct the Development Bank to issue to the Commonwealth Bank a specified number of shares in the capital of the Development Bank and, where the Board so directs and the Commonwealth Bank pays to the Development Bank, as subscription moneys in respect of the shares, an amount equal to the nominal value of the shares:

- (a) the shares shall be taken to have been issued by the Development Bank to the Commonwealth Bank; and
- (b) the Commonwealth Bank holds the shares as legal and beneficial owner.

“(8) The Board may, at any time after the Development Bank has complied with subsection (4), direct the Development Bank to apply the whole or a specified part of the amount standing to the credit of the Commonwealth Development Bank Reserve Fund in paying up in full unissued shares in the capital of the Development Bank and, where the Board so directs, the Development Bank must comply with the direction.

“(9) The Board may direct the Development Bank to apply the whole or a specified part of the amount standing to the credit of a specified reserve of the Development Bank in paying up in full unissued shares in the capital of the Development Bank, and where the Board so directs, the Development Bank must comply with the direction.

“(10) Where the Development Bank, in complying with a direction under subsection (8) or (9), applies an amount in paying up in full unissued shares in the capital of the Development Bank:

- (a) the shares are taken to have been issued by the Development Bank to the Commonwealth Bank; and
- (b) the Commonwealth Bank holds the shares as legal and beneficial owner.

“(11) Shares in the capital of the Development Bank must not be issued except as provided by this section.

“(12) A person other than the Commonwealth Bank is not capable of holding, or of having a beneficial interest in, shares in the capital of the Development Bank.”.

**Repeal of section 75**

- 37. Section 75 of the Principal Act is repealed.

**Commonwealth Development Bank Reserve Fund**

38. Section 76 of the Principal Act is amended:

- (a) by omitting from paragraph (1) (c) “78” and substituting “77A”;
- (b) by omitting subsection (2).

**Repeal of sections 77A and 78 and substitution of new section**

39. (1) Sections 77A and 78 of the Principal Act are repealed and the following section is substituted:

**Profits of Development Bank**

“77A. (1) The Board may direct the Development Bank:

- (a) to pay to the Commonwealth Bank by way of dividend; or
- (b) to place to the credit of the Commonwealth Development Bank Reserve Fund;

a specified amount that does not exceed so much of the net profits of the Development Bank as has not previously been dealt with under this section, and the Development Bank must comply with the direction.

“(2) In exercising its powers under this section, the Board must take into account the requirements of section 32.”.

(2) The amendment made by subsection (1) applies to net profits for the financial year commencing on 1 July 1990 and to net profits of later financial years.

**Management of Development Bank**

40. Section 80 of the Principal Act is amended:

- (a) by omitting from subsection (1) “designated by the Board for the purposes of this sub-section” and substituting “designated by a determination in force under subsection (4)”;
- (b) by adding at the end of subsection (1) “, but if no such determination is in force the Managing Director shall manage the Development Bank”;
- (c) by omitting from subsections (2) and (3) “the person” and substituting “any other person”;
- (d) by adding at the end the following subsection:

“(4) The Board may make a determination designating a position in the Service for the purposes of this section and may revoke such a determination.”.

**Repeal of section 81**

41. Section 81 of the Principal Act is repealed.

**Repeal of section 82**

42. Section 82 of the Principal Act is repealed.

**Substitution of new heading**

43. The heading to Part VIII of the Principal Act is repealed and the following heading is substituted:

**“PART VIII—THE COMMONWEALTH BANKS SERVICE”.**

**Repeal of section 87**

44. Section 87 of the Principal Act is repealed.

**Repeal of section 88 and substitution of new section:**

46. Section 88 of the Principal Act is repealed and the following section is substituted:

**Appointment of officers**

“88. (1) The Commonwealth Bank may appoint such officers as are necessary for the purposes of this Act.

“(2) The officers appointed by the Commonwealth Bank constitute the Commonwealth Banks Service.

“(3) The terms and conditions of employment of officers is to be determined by the Commonwealth Bank.”.

**Repeal of Division headings**

47. The headings to Divisions 1, 2 and 6 of Part VIII of the Principal Act are repealed.

**Superannuation fund**

48. Section 110 of the Principal Act is amended:

(a) by omitting subsection (2) and substituting the following subsections:

“(2) Subject to this section, the rules of the superannuation fund, as in force immediately before the commencement of this subsection, continue in force.

“(3) Subject to this section, the Commonwealth Bank may, with the approval of the Minister for Finance, amend the rules, or make new rules in relation to the superannuation fund.

“(4) The Commonwealth Bank may determine in writing that, on and after a date specified in the determination, its power to make or amend rules is, in whole or in part, to be exercised as specified in the determination (subject to any requirement for approval by the Minister for Finance that would apply if the power were to continue to be exercised by the Commonwealth Bank).

“(5) Supervisory Mechanisms Guidelines may be made, and have effect, in relation to the superannuation fund despite

*Commonwealth Banks Restructuring No. 118, 1990*

anything in subsection 5 (1), (2), (7), (8), (10) or (11) of the *Superannuation Benefits (Supervisory Mechanisms) Act 1990*.

“(6) The power to amend the rules or make new rules is subject to any provision in the Supervisory Mechanisms Guidelines dealing with the question of how, or by whom, the rules may be made or amended.

“(7) In this section:

‘**Supervisory Mechanisms Guidelines**’ means guidelines under section 6 of the *Superannuation Benefits (Supervisory Mechanisms) Act 1990*.”;

- (b) by omitting from subsection (3) “, with the approval of the Minister for Finance,”;
- (c) by omitting from subsection (4) “(subject to any requirement for approval by the Minister for Finance that would apply if the power were to continue to be exercised by the Commonwealth Bank)”.

**Repeal of section 110A**

49. Section 110A of the Principal Act is repealed.

**Repeal of section 114 and substitution of new section**

50. Section 114 of the Principal Act is repealed and the following section is substituted:

**Interpretation**

“114. In this Part:

‘**body to which this Part applies**’ means the Commonwealth Bank, the Corporation, the Savings Bank or the Development Bank;

‘**subsidiary bank**’ means the Savings Bank or the Development Bank.”.

**Appointment of attorneys**

51. Section 116 of the Principal Act is amended by omitting “body to which this Part applies” and substituting “body to which this Part applies (other than the Commonwealth Bank)”.

**Repeal of section 118 and substitution of new section**

52. Section 118 of the Principal Act is repealed and the following section is substituted:

**Application of Part VI of the Companies Act**

“118. (1) Subject to this section, Part VI of the *Companies Act 1981* applies to a subsidiary bank as if the bank were a public company incorporated in the Australian Capital Territory.

“(2) In the application of Part VI of the *Companies Act 1981* to a subsidiary bank:

*Commonwealth Banks Restructuring No. 118, 1990*

- (a) references to the directors of the bank are to be read as references to the person managing the bank; and
- (b) references to an annual general meeting of the bank are to be read as references to an annual general meeting of the Commonwealth Bank; and
- (c) references to the persons entitled to receive notice of a general meeting of the bank are to be read as references to the Commonwealth Bank.

“(3) The Commonwealth Bank must, in respect of itself and each subsidiary bank, transmit to the President of the Senate and the Speaker of the House of Representatives, to be laid before the Senate and the House of Representatives respectively, true copies of all the documents referred to in section 274 of the *Companies Act 1981*.

“(4) The documents must be transmitted within 14 days after the relevant annual general meeting of the Commonwealth Bank.

“(5) The Auditor-General is to be regarded as having been appointed under section 280 of the *Companies Act 1981* as auditor of the Commonwealth Bank and each subsidiary bank, with effect from the conversion time.

“(6) Sections 281 and 282 of the *Companies Act 1981* do not apply in relation to the Commonwealth Bank or a subsidiary bank.

“(7) Nothing done, or omitted to be done, by the Auditor-General for the purposes of this section makes the Auditor-General liable to be prosecuted for an offence.”.

**Taxation**

**53. (1)** Section 119 of the Principal Act is amended by omitting subsection (1).

**(2)** Section 119 of the Principal Act is amended by omitting from subsections (3) and (4) “7A” and substituting “109”.

**Repeal of sections**

**54.** Sections 120, 121, 121A and 122 of the Principal Act are repealed.

**Power to improve property and carry on business**

**55.** Section 123 of the Principal Act is amended by omitting “Commonwealth Bank,” (wherever occurring).

**Execution of contracts**

**56.** Section 124 of the Principal Act is amended by inserting “(other than the Commonwealth Bank)” after “body to which this Part applies” (wherever occurring).

### **Affixing of seals**

57. Section 124A of the Principal Act is amended by inserting “(other than the Commonwealth Bank)” after “body to which this Part applies” (wherever occurring).

### **Insertion of new section**

58. (1) Before section 129 of the Principal Act the following section is inserted:

#### **Use of certain names**

“128. (1) The Commonwealth Bank may operate under a protected name in a State or Territory even if the name is not registered in relation to the Commonwealth Bank under a particular law, or any law, in force in the State or Territory.

- “(2) This section does not prevent the Commonwealth Bank from:
- (a) operating in a State or Territory under a name other than a protected name; or
  - (b) registering a name under a law of a State or Territory.

“(3) Except with the consent in writing of the Commonwealth Bank, a person other than the Commonwealth Bank must not:

- (a) use in relation to a business, trade, profession or occupation; or
- (b) use as the name, or as part of the name, of any firm, body corporate, institution, premises, vehicle, ship or craft (including aircraft); or
- (c) apply, as a trade mark or otherwise, to goods imported, manufactured, produced, sold, offered for sale or let for hire; or
- (d) use in relation to:
  - (i) goods or services; or
  - (ii) the promotion, by any means, of the supply or use of goods or services;

a protected name, or a name so closely resembling a protected name as to be likely to be mistaken for it.

Penalty: \$3,000.

“(4) Nothing in subsection (3), so far as it applies in relation to a particular protected name, affects rights conferred by law on a person in relation to:

- (a) a trade mark that is registered under the *Trade Marks Act 1955*; or
- (b) a design that is registered under the *Designs Act 1906* and was so registered at the time this section commenced to have effect in relation to that name.

*Commonwealth Banks Restructuring No. 118, 1990*

“(5) Nothing in subsection (3), so far as it applies in relation to a particular protected name, affects the use, or rights conferred by law relating to the use, of a name (in this subsection called the ‘**previously used name**’) by a person in a particular manner if, at the time this section first commenced to have effect in relation to the protected name, the person:

- (a) was using the previously used name in good faith in that manner; or
- (b) would have been entitled to prevent another person from passing off, by means of the use of the previously used name or a similar name, goods or services as goods or services of the first-mentioned person.

“(6) In this section:

‘**operate under a protected name**’, in relation to a particular State or Territory, includes engaging in conduct that, for the purposes of a law in force in the State or Territory, constitutes:

- (a) using the name in the State or Territory; or
- (b) establishing a place of business under the name in the State or Territory; or
- (c) carrying on business under the name in the State or Territory;

‘**protected name**’ means any of the following names:

- (a) State Bank of Victoria;
- (b) State Bank Victoria;
- (c) SBV.”.

(2) Section 128 of the Principal Act is amended:

(a) by inserting after subsection (2) the following subsection:

“(2A) Until the expiration of 2 months after the conversion time, each protected name is to be regarded as the name of the Commonwealth Bank for the purposes of subsection 218 (1) of the *Companies Act 1981*.”;

(b) by adding at the end of the definition of “protected name” in subsection (6) the following paragraphs:

- “(d) Commonwealth Bank of Australia;
- (e) Commonwealth Bank.”.

## **Regulations**

59. Section 129 of the Principal Act is amended by omitting “the Corporation, the Commonwealth Bank”.

## **Transitional provision—accounting records of Commonwealth Bank**

60. For the purposes of the *Companies Act 1981*, accounts and records kept by the Commonwealth Bank under section 118 of the Principal Act (as in force before the commencement of section 52 of this Act) are to be taken to be accounting records kept by the



Commonwealth Bank under a provision of a previous law of the Australian Capital Territory, being a provision corresponding to section 267 of the *Companies Act 1981*.

**Transitional provision accounts of Commonwealth Bank**

**61. (1)** This section has effect for the purposes of:

- (a) the *Companies Act 1981*; and
- (b) the *Companies (Transitional Provisions) Act 1981* as it applies in relation to, and in relation to persons and matters associated with, the Commonwealth Bank because of subsection 90 (6) of the *Companies Act 1981*.

**(2)** A report and financial statements that were prepared in relation to the Commonwealth Bank under section 121 of the Principal Act (as in force before the commencement of section 54 of this Act) in relation to a period and given to the Treasurer on a particular day are to be taken to be a profit and loss account of the Commonwealth Bank that was:

- (a) made out in relation to that period; and
- (b) laid before the Commonwealth Bank at an annual general meeting of the Commonwealth Bank held on that day.

**PART 3—CONSEQUENTIAL AMENDMENT OF OTHER ACTS**

**Amendment of other Acts**

**62.** The Acts specified in the Schedule are amended as set out in the Schedule.

**PART 4—TRANSFER OF STAFF OF THE COMMONWEALTH BANKING CORPORATION TO THE COMMONWEALTH BANK**

**Interpretation**

**63.** In this Part:

“**staff transfer time**” means the commencement of this Part.

**Transfer of staff**

**64. (1)** A person who, immediately before the staff transfer time, was an officer of the Commonwealth Banking Corporation Service is to be regarded as:

- (a) having been appointed by the Commonwealth Bank under section 88 of the amended Act, with effect from the staff transfer time; and
- (b) having been so appointed on the same terms and conditions as those that applied to the person, immediately before the staff transfer time, as an officer of the Commonwealth Banking Corporation Service; and

- (c) having accrued an entitlement to benefits, in connection with that appointment as an officer of the Commonwealth Bank, that is equivalent to the entitlement that the person had accrued, as an officer of the Commonwealth Banking Corporation Service, immediately before the staff transfer time.

(2) Where, because of subsection (1), a person is regarded as having been appointed as an officer of the Commonwealth Bank with effect from the staff transfer time, that service as an officer of the Commonwealth Bank is to be regarded for all purposes as having been continuous with the service of the person, immediately before the staff transfer time, as an officer of the Commonwealth Banking Corporation Service.

## **PART 5—COMMONWEALTH BANK TO BECOME SUCCESSOR IN LAW OF THE STATE BANK OF VICTORIA**

### **Interpretation**

65. In this Part:

**“authorised person”** means:

- (a) the Treasurer; or
- (b) a person authorised by the Treasurer, in writing, for the purposes of this Part;

**“instrument”** includes a document and an oral agreement;

**“liabilities”** means all liabilities, duties and obligations, whether actual, contingent or prospective;

**“property”** means any legal or equitable estate or interest (whether present or future and whether vested or contingent) in real or personal property of any description;

**“rights”** means all rights, powers, privileges and immunities, whether actual, contingent or prospective;

**“State Bank”** means the State Bank of Victoria;

**“State Bank instrument”** means an instrument (including a legislative instrument other than this Act) subsisting immediately before the succession day:

- (a) to which the State Bank was a party; or
- (b) that was given to or in favour of the State Bank; or
- (c) that refers to the State Bank; or
- (d) under which:
  - (i) money is, or may become, payable to or by the State Bank; or
  - (ii) other property is to be, or may become liable to be, transferred to or by the State Bank;

**“succession day”** means the day on which this Part comes into operation;

**“transferred employee”** means a person who, under section 72, is regarded as having been appointed by the Commonwealth Bank.

#### **Extra-territorial operation of Part**

66. It is the intention of the Parliament that the operation of this Part should, as far as possible, include operation in relation to the following:

- (a) land situated outside Australia;
- (b) things situated outside Australia;
- (c) acts, transactions and matters done, entered into or occurring outside Australia;
- (d) things, acts, transactions and matters (wherever situated, done, entered into or occurring) that would, apart from this Act, be governed or otherwise affected by the law of a foreign country.

#### **Commonwealth Bank to become successor in law of the State Bank**

67. On the succession day:

- (a) all property and rights of the State Bank, wherever located, vest in the Commonwealth Bank; and
- (b) all liabilities of the State Bank, wherever located, become liabilities of the Commonwealth Bank; and
- (c) the Commonwealth Bank becomes the successor in law of the State Bank.

#### **State Bank instruments**

68. Each State Bank instrument continues to have effect according to its tenor on and after the succession day as if a reference in the instrument to the State Bank were a reference to the Commonwealth Bank.

#### **Places of business**

69. On and after the succession day, a place, wherever located, that, immediately before that day, was a place of business of the State Bank is to be taken to be a place of business of the Commonwealth Bank.

#### **Pending proceedings**

70. Where, immediately before the succession day, proceedings (including arbitration proceedings) to which the State Bank was a party were pending or existing in any court or tribunal, then, on and after the succession day, the Commonwealth Bank is substituted for the State Bank as a party to the proceedings and has the same rights in the proceedings as the State Bank had.

#### **Registration of interests in land**

71. Where:

- (a) under this Part, land that is situated in a State or Territory, or

*Commonwealth Banks Restructuring No. 118, 1990*

an interest in such land, becomes land, or an interest in land, of the Commonwealth Bank; and

- (b) there is lodged with the Registrar of Titles or other proper officer of the State or Territory in which the land is situated a certificate that:
  - (i) is signed by an authorised person; and
  - (ii) identifies the land or interest, whether by reference to a map or otherwise; and
  - (iii) states that the land or interest has, under this section, become land, or an interest in land, of the Commonwealth Bank;

the officer with whom the certificate is lodged may:

- (c) register the matter in like manner to the manner in which dealings in land or interests in land of that kind are registered; and
- (d) deal with, and give effect to, the certificate.

**Transfer of State Bank staff to Commonwealth Bank**

**72. (1)** A person who was an employee of the State Bank immediately before the succession day is to be regarded as:

- (a) having been appointed by the Commonwealth Bank under section 88 of the amended Act, with effect from the succession day; and
- (b) having been so appointed on the same terms and conditions as those that applied to the person, immediately before the succession day, as an employee of the State Bank; and
- (c) having accrued an entitlement to benefits, in connection with that appointment by the Commonwealth Bank, that is equivalent to the entitlement that the person had accrued, as an employee of the State Bank, immediately before the succession day.

**(2)** The service of a transferred employee as an officer of the Commonwealth Bank is to be regarded for all purposes as having been continuous with the service of the employee, immediately before the succession day, as an employee of the State Bank.

**(3)** A transferred employee is not entitled to receive any payment or other benefit by reason only of having ceased to be an employee of the State Bank because of this Act.

**(4)** A director, secretary or auditor of the State Bank does not, because of the operation of this Act, become a director, secretary or auditor of the Commonwealth Bank.

**(5)** In this section:

**“employee”** means a person appointed or employed by the State Bank.

### **Application of Income Tax Assessment Act**

73. (1) If, before the succession day, section 128F of the *Income Tax Assessment Act 1936* applied to interest paid by the State Bank in respect of debentures issued by the State Bank, that section applies on and after the succession day to interest paid by the Commonwealth Bank in respect of those debentures.

(2) For the purposes of the *Income Tax Assessment Act 1936*, nothing in this Part affects the continuity of any partnership in which the State Bank was a partner immediately before the succession day.

### **Payment to Victoria**

74. (1) For the purpose of giving effect to an agreement between the Commonwealth and Victoria in connection with the succession of the Commonwealth Bank to the State Bank, the Treasurer may authorise payment to Victoria of an amount not exceeding \$413 million.

(2) The Consolidated Revenue Fund is appropriated for the purpose of making the payment.

### **Regulations**

75. (1) The Governor-General may make regulations, not inconsistent with this Act, in relation to the preservation of rights of transferred employees.

(2) Regulations made under this section have effect despite any inconsistency with Acts other than this Act.

## **PART 6—MISCELLANEOUS**

### **Compensation for acquisition of property**

76. (1) Where, but for this section, the operation of this Act would result in the acquisition of property from a person otherwise than on just terms, there is payable to the person by the Commonwealth Bank such reasonable amount of compensation as is agreed on between the person and the Commonwealth Bank or, failing agreement, as is determined by a court of competent jurisdiction.

(2) Any damages or compensation recovered, or other remedy given, in proceedings that are instituted otherwise than under this section must be taken into account in assessing compensation payable in proceedings that are instituted under this section and that arise out of the same event or transaction.

(3) In this section:

“acquisition of property” and “just terms” have the same respective meanings as in paragraph 51 (31) of the Constitution.

**Exemption from taxes and charges**

77. (1) No tax is payable under a law of the Commonwealth or of a State or Territory in respect of:

- (a) an exempt matter; or
- (b) anything done (including a transaction entered into or an instrument or document made, executed, lodged or given) because of, or for a purpose connected with or arising out of, an exempt matter.

(2) An authorised person may, by signed writing, certify that:

- (a) a specified matter or thing is an exempt matter; or
- (b) a specified thing was done (including a transaction entered into or an instrument or document made, executed, lodged or given) because of, or for a purpose connected with or arising out of, a specified exempt matter.

(3) For all purposes and in all proceedings, a certificate under subsection (2) is conclusive evidence of the matter certified, except to the extent to which the contrary is established.

(4) In this section:

“authorised person” means:

- (a) the Treasurer; or
- (b) a person authorised by the Treasurer, in writing, for the purposes of this section;

“exempt matter” means:

- (a) the operation of this Act; or
- (b) giving effect to this Act;

“tax” includes:

- (a) sales tax; and
- (b) tax imposed by the *Debits Tax Act 1982*; and
- (c) fees payable under the *Companies (Fees) Act 1981*; and
- (d) stamp duty; and
- (e) any other tax, fee, duty, levy or charge;

but does not include income tax imposed as such by a law of the Commonwealth.

**Franking debit to arise for Commonwealth Bank and Development Bank**

78. (1) For the purposes of the *Income Tax Assessment Act 1936*, a franking debit of a converting body arises on the shareholder creation day of an amount equal to the difference between:

- (a) the franking surplus of the converting body immediately before the shareholder creation day (calculated without regard to this section); and
- (b) the amount that would be the franking surplus of the converting

*Commonwealth Banks Restructuring No. 118, 1990*

body immediately before the shareholder creation day if all amounts paid by the converting body as dividends under this Act on or after 1 July 1987 and before the shareholder creation day were treated as frankable dividends for the purposes of Part IIIAA of the *Income Tax Assessment Act 1936*.

(2) In this section:

**“converting body”** means the Commonwealth Bank or the Development Bank;

**“shareholder creation day”** means:

- (a) for the Commonwealth Bank—the day on which the Commonwealth becomes a shareholder of the Commonwealth Bank; or
  - (b) for the Development Bank—the day on which the Commonwealth Bank becomes a shareholder of the Development Bank.
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**SCHEDULE**

Section 62

**AMENDMENT OF ACTS**

***Administrative Decisions (Judicial Review) Act 1977***

**Schedule 1**

After paragraph (a) insert the following paragraph:

“(b) decisions under the *Commonwealth Banks Act 1959*;”.

**Schedule 2**

Omit from paragraph (k) “Commonwealth Bank of Australia”, “Commonwealth Banking Corporation”, “Commonwealth Development Bank of Australia” and “Commonwealth Savings Bank of Australia”.

***Banking Act 1959***

**Paragraph 5 (2) (c)**

Omit the paragraph, substitute the following paragraph:

“(c) a reference to a senior officer of a bank, in relation to the Commonwealth Bank, the Commonwealth Savings Bank or the Commonwealth Development Bank, is to be read as a reference to the Managing Director (within the meaning of the *Commonwealth Banks Act 1959*) or a senior officer of the Service (within the meaning of that Act).”.

***Banks (Shareholdings) Act 1972***

**Subsection 6 (1) (definition of “bank”):**

Omit the definition, substitute the following definition:

“ ‘bank’ means:

- (a) a body corporate, being a body corporate incorporated in a State or Territory or in a Colony that became a State, in respect of which there is in force for the time being an authority referred to in section 9 of the *Banking Act 1959*; or
- (b) the Commonwealth Bank;”.

**Subsection 6 (1):**

Insert the following definitions:

“ ‘banking entity’ means:

- (a) a bank; or
- (b) any other person who carries on banking business as a sole or principal business of the person, whether inside or outside Australia;

but does not include:



**SCHEDULE—continued**

(c) the Commonwealth Bank, the Commonwealth Savings Bank of Australia or the Commonwealth Development Bank of Australia;  
or

(d) any corporation that the Commonwealth Bank is in a position to control;

**‘Commonwealth Bank’** means the Commonwealth Bank of Australia;”.

**Section 10:**

Before subsection (1) insert the following subsection:

“(1AA) In this section, **‘bank’** does not include the Commonwealth Bank.”.

**After section 10:**

Insert the following section:

**Limitation of shareholdings in Commonwealth Bank**

“10A. (1) Subject to this section, a banking entity must not have an interest in any voting share of the Commonwealth Bank.

“(2) Subject to the regulations, the reference in subsection (1) to an interest in a voting share does not include a reference to an interest that a banking entity has only because the banking entity is, or because an associate of the banking entity is, a trustee, or manager, of a fund.

“(3) A person:

(a) who is not a banking entity; or

(b) who is a banking entity exempt from compliance with subsection (1) because of subsection (2);

must not have an interest in one or more voting shares of the Commonwealth Bank if the nominal amount of that share, or the aggregate of the nominal amounts of those shares, exceeds 5% of the aggregate of the nominal amounts of all the voting shares of the Commonwealth Bank.

“(4) There are to be disregarded for the purposes of this section:

(a) any interest that the Commonwealth has in a share of the Commonwealth Bank; and

(b) any interest that any other person has in a share of the Commonwealth Bank only because the person is an associate of the Commonwealth.

“(5) A person who fails to comply with subsection (1) or (3) is guilty of an offence punishable on conviction, by a fine not exceeding:

(a) if the offender is a natural person \$10,000; or

(b) if the offender is a body corporate \$50,000.”.

**SCHEDULE—continued**

**Subsection 12 (1):**

After “(3)”, insert “or 10A (1) or (3)”.

**Subsection 13 (1):**

After “10 (12)” insert “or 10A (4)”.

***Freedom of Information Act 1982***

**Part I of Schedule 2:**

Omit “Commonwealth Banking Corporation”, substitute “Commonwealth Bank Officers Superannuation Corporation”.

***National Crime Authority Act 1984***

**Schedule 2:**

Omit “Commonwealth Banking Corporation”, substitute “Commonwealth Bank Officers Superannuation Corporation”.

***Papua New Guinea (Transfer of Banking Business) Act 1973***

**Section 10 (definition of “authorized officer”):**

Omit paragraph (a), substitute the following paragraph:

“(a) the Managing Director (within the meaning of the *Commonwealth Banks Act 1959*) or a senior officer of the Service (within the meaning of that Act); or”.

***Reserve Bank Act 1959***

**Subsection 5 (1) (definition of “bank”):**

Omit “in existence by force of section 27 of the *Commonwealth Banks Act 1959*”.

**Section 17:**

Omit the section, substitute the following section:

**Disqualifications from membership**

“17. (1) Subject to subsection (2), a person who is a director, officer or employee of a corporation (other than the Reserve Bank) the business of which is wholly or mainly that of banking is not capable of appointment, or of continuing to act, as a member of the Board.

“(2) Subsection (1) does not apply to a person who is a director of the Commonwealth Bank because of paragraph 8A (2) (a) of the *Commonwealth Banks Act 1959*.”.

**SCHEDULE—continued**

**Subsection 74 (2):**

Omit “or of the Commonwealth Banking Corporation”.

***Sales Tax Assessment Act (No. 1) 1930***

**Schedule 2:**

Omit “Commonwealth Banking Corporation”, substitute:  
“Commonwealth Bank of Australia  
Commonwealth Bank Officers Superannuation Corporation  
Commonwealth Development Bank of Australia  
Commonwealth Savings Bank of Australia”.

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**NOTE**

1. No. 5, 1959, as amended. For previous amendments, see No. 75, 1961; No. 3, 1962; No. 57, 1963; No. 132, 1965; Nos. 58 and 93, 1966; No. 144, 1968; Nos. 18, 117 and 216, 1973; No. 81, 1974; No. 37, 1976; Nos. 36 and 77, 1978; No. 177, 1980; No. 29, 1981; No. 92, 1983; Nos. 63 and 76, 1984; No. 194, 1985; No. 182, 1987; No. 123, 1988; and No. 129, 1989.

[*Minister's second reading speech made in—  
House of Representatives on 8 November 1990  
Senate on 14 November 1990*]