

# **Superannuation Contributions Tax (Members of Constitutionally Protected Superannuation Funds) Assessment and Collection Regulations (Amendment) 1998 No. 197**

## EXPLANATORY MEMORANDUM

### Statutory Rules 1998 No. 197

### Minute No. 197 of 1998 - Treasurer

Subject - Superannuation *Contributions Tax (Members of Constitutionally Protected Superannuation Funds) Assessment and Collection Act 1997*

Superannuation Contributions Tax (Members of Constitutionally Protected Superannuation Funds) Assessment and Collection Regulations (Amendment)

Section 37 of the *Superannuation Contributions Tax (Members of Constitutionally Protected Superannuation Funds) Assessment and Collection Act 1997* empowers the Governor-General to make regulations, not inconsistent with the Act, prescribing matters required or permitted to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

The proposed regulations will substitute a reference to the Australian Prudential Regulation Authority for a reference to the Insurance and Superannuation Commissioner in the definition of 'superannuation fund number' and remove the definition of the Insurance and Superannuation Commissioner (proposed Regulation 3).

The amendments are necessary because, from 1 July 1998, the Australian Prudential Regulation Authority (and not the Insurance and Superannuation Commissioner) will allocate superannuation fund numbers. The office of Insurance and Superannuation Commissioner will be abolished with effect on that date.

The proposed amendments to the regulations are consequential to the Financial Sector Reform legislation which was recently enacted. The Financial Sector Reform legislation is the Government's response to the report of the Financial System Inquiry (the Wallis Committee) and includes the *Australian Prudential Regulation Authority Act 1998*, the *Financial Sector Reform (Amendments and Transitional Provisions) Act 1998* and the *Financial Sector Reform (Consequential Amendments) Act 1998*.

To the extent that it is relevant to the amendments to the Superannuation Contributions Tax (Members of Constitutionally Protected Superannuation Funds) Assessment and Collection Regulations, the Financial Sector Reform legislation:

- \* abolishes the Insurance and Superannuation Commissioner;
- \* establishes the Australian Prudential Regulation Authority to undertake the prudential regulation of deposit-taking institutions, insurance companies and superannuation entities; and
- \* enlarges the role of the Australian Securities Commission, which is renamed the Australian Securities and Investments Commission, so that it oversees consumer protection and market integrity in the financial sector (including superannuation and insurance).

The current role of the Insurance and Superannuation Commissioner is thus divided between the Australian Prudential Regulation Authority and the Australian Securities and Investments Commission.

Details of the draft regulations are attached - Attachment A.

The Office of Regulation Review have advised that no Regulation Impact Statement is required in relation to the proposed regulations.

The regulations will commence on 1 July 1998.

This Minute recommends that the Regulations be made in the proposed form.

Authority: Section 37 of the *Superannuation*

*Contributions Tax (Members of*

*Constitutionally Protected*

*Superannuation Funds) Assessment and*

*Collection Act 1997*

## ATTACHMENT A

Proposed Regulation 1 provides that the regulations will commence on 1 July 1998.

Proposed Regulation 2 provides that the Superannuation Contributions Tax (Members of Constitutionally Protected Superannuation Funds) Assessment and Collection Regulations are amended as set out in these regulations.

### Proposed Regulation 3:

- \* omits from Regulation 2 (Definitions) the definition of Insurance and Superannuation Commissioner, a position that will be abolished when the Australian Prudential Regulation Authority is established, on 1 July 1998; and
- \* in the same Regulation, amends the definition of 'superannuation fund number' so that it refers to the number allocated by the new prudential regulator, the Australian Prudential Regulation Authority, rather than the Insurance and Superannuation Commissioner.