

EXPLANATORY STATEMENT

Retirement Savings Account Providers Supervisory Levy Imposition Determination 2010

This determination relates to a levy imposed on providers of retirement savings accounts by the *Retirement Savings Account Providers Supervisory Levy Imposition Act 1998*.

This determination commences on 1 July 2010 and relates to the 2010-11 financial year. The *Retirement Savings Account Levy Imposition Determination 2009* is revoked upon commencement of this determination. Consistent with section 50 of the *Acts Interpretation Act 1901*, any obligation or liability incurred in previous financial years remains valid.

Subsection 7(3) of the *Retirement Savings Account Providers Supervisory Levy Imposition Act 1998* allows the Minister to determine;

- (a) the maximum restricted levy amount for each financial year;
- (b) the minimum restricted levy amount for each financial year;
- (c) the restricted levy percentage for each financial year;
- (ca) the unrestricted levy percentage for each financial year; and
- (d) how a retirement savings account provider's asset value is to be calculated.

This determination provides that the restricted component for the 2010-11 levy will be calculated at 0 per cent of assets held by the entity, subject to a minimum amount of \$0 and a maximum amount of \$0. The unrestricted component of the 2010-11 levy will be calculated at 0 per cent of assets held by the entity.

In effect, this means that RSAs will not be levied directly in relation to the 2010-11 financial year. However, consistent with the Government's acceptance of the recommendations of the 2004 Review of Financial Sector Levies, RSAs offered by authorised deposit-taking institutions or entities in other sectors are being taken into account in the 2010-11 levies for those sectors according to the sector classification of the RSA provider.

The finance sector has been consulted on the 2010-11 supervisory levies through a Treasury and Australian Prudential Regulation Authority Consultation Paper released on 27 May 2010.

This determination is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.