

## **EXPLANATORY STATEMENT**

### **Select Legislative Instrument 2011 No. 109**

**Issued by the authority of the Parliamentary Secretary to the Treasurer**

Subject -            *Corporations (Review Fees) Act 2003*  
                          *Corporations (Review Fees) Amendment Regulations 2011 (No. 1)*

Section 8 of the *Corporations (Review Fees) Act 2003* provides that the Governor-General may make regulations prescribing matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

The *Corporations (Review Fees) Regulations 2003* (the Principal Regulations) provide for the payment of annual review fees by companies to the Australian Securities and Investments Commission (ASIC).

The Regulations amend the Principal Regulations to increase the annual review fees to offset increased appropriations in the Commonwealth Budget 2011-12 to the Australian Accounting Standards Board (AASB) and the Auditing and Assurance Standards Board (AUASB).

The Regulations prescribe:

- the new annual review fees for proprietary companies, small transferring institutions, registered schemes and public companies; and
- the timing of the application of the fee indexation system to those fees.

Details of the Regulations are set out in the Attachment.

Under the Corporations Agreement 2002, the Commonwealth must consult with and obtain the approval of the Ministerial Council for Corporations (the Council) before making amendments to certain provisions of 'national law' as defined in clause 102 of the Corporations Agreement 2001. The Corporations Agreement provides that approval for the Regulations is not required as it relates to the setting of a fee under the national law.

The Act specifies no other conditions that need to be satisfied before the power to make the Regulations may be exercised.

The Regulations would be a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

## **Details of the Corporations (Review Fees) Amendment Regulations 2011 (No. 1)**

### **Regulation 1 – Name of Regulations**

This regulation provides that the name of the Regulations is the *Corporations (Review Fees) Amendment Regulations 2011 (No. 1)*.

### **Regulation 2 – Commencement**

This regulation provides for the Regulations to commence on 1 July 2011.

### **Regulation 3 – Amendment of the Corporations (Review Fees) Regulations 2003**

This regulation provides that Schedule 1 amends the *Corporations (Review Fees) Regulations 2003* (the Principal Regulations).

### **Schedule 1– Amendments**

#### **Item [1]**

Item 1 amends the Principal Regulations to update the date of this fee indexation provision (which provides that ASIC review fees may be increased along with increases in the Consumer Price Index) to ensure that its operation does not disrupt the form of the fee increase.

#### **Item [2]**

Item 2 updates the date of the provision that indexes annual review fees to the Consumer Price Index to ensure its proper operation with the fee increase.

#### **Item [3]**

Item 3 updates the date of the provision that indexes annual review fees to the Consumer Price Index to ensure its proper operation with the fee increase.

#### **Item [4]**

Item 4 increases the annual review fee for public companies to reflect the funding levy. The new figure also reflects fee indexation.

#### **Item [5]**

Item 5 increases the annual review fee for proprietary companies to reflect the funding levy. The new figure also reflects fee indexation.

#### **Item [6]**

Item 6 amends Schedule 1, Part 1, item 103, column 3, to specify the fee level to two decimal places.

**Item [7]**

Item 7 increases the annual review fee for registered schemes to reflect the funding levy. The new figure also reflects fee indexation.

**Item [8]**

Item 8 increases the annual review fee for small transferring financial institutions, except special purpose companies, to reflect the funding levy. The new figure also reflects fee indexation.