

EXPLANATORY STATEMENT

Authorised Non-operating Holding Companies Supervisory Levy Imposition Determination 2015

This determination relates to a levy imposed by the *Authorised Non-operating Holding Companies Supervisory Levy Imposition Act 1998* (the Act) on authorised non-operating holding companies (NOHC) in the general insurance and authorised deposit-taking institution sectors.

This determination commences on 1 July 2015 and relates to the 2015-16 financial year. The *Authorised Non-operating Holding Companies Supervisory Levy Imposition Determination 2014* is repealed upon commencement of this determination. Consistent with section 7 of the *Acts Interpretation Act 1901*, any obligation or liability incurred in previous financial years remains valid.

The determination will commence before it is registered. Commencement prior to registration, however, does not disadvantageously affect the rights of any person as at the date of registration or impose any liability on any person in respect of anything done or omitted to be done before the date of registration. Commencement prior to registration is therefore consistent with subsection 12(2) of the *Legislative Instruments Act 2003*.

Subsection 7(1) of the Act requires the Treasurer to determine, by legislative instrument, the amount of levy payable by a NOHC for a financial year.

The determination provides that the amount of levy payable by a NOHC in relation to the 2015-16 financial year is \$10,000.

The finance sector has been consulted on the 2015-16 supervisory levies through a Treasury and Australian Prudential Regulation Authority (APRA) discussion paper released on the Treasury website on 20 May 2015. The paper discusses potential impacts of the levies on each industry sector and institution regulated by APRA. Eight submissions were received during the consultation process, and no submission specifically raised issues in relation to the *Authorised Non-operating Holding Companies Supervisory Levy Imposition Determination 2015*.

The Office of Best Practice Regulation has previously advised that a Regulatory Impact Statement is not required as supervisory levies are considered *machinery-of-government* in nature.

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

A statement of compatibility with human rights for the purposes of Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011* is set out in Attachment 1.

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Authorised Non-operating Holding Companies Supervisory Levy Imposition Determination 2015

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

This determination relates to a levy imposed by the *Authorised Non-operating Holding Companies Supervisory Levy Imposition Act 1998* on authorised non-operating holding companies in the general insurance and authorised deposit-taking institution sectors.

Subsection 7(1) of the *Authorised Non-operating Holding Companies Supervisory Levy Imposition Act 1998* allows the Minister to determine the amount of levy payable by an authorised non-operating holding company for a financial year.

Human rights implications

This Legislative Instrument does not engage any of the applicable rights or freedoms.

Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.