

EXPLANATORY STATEMENT

Issued by the Minister for Revenue and Financial Services

Corporations Act 2001

Corporations (Standards Body) Declaration 2017

General Outline

The *Corporations Amendment (Professional Standards of Financial Advisers) Act 2017* (the Professional Standards Act) amended the *Corporations Act 2001* (the Corporations Act) to raise the education, training and ethical standards of certain financial advisers (relevant providers).

Among other things, the Professional Standards Act provided for the creation of a standards body to approve foreign qualifications and develop education standards for relevant providers. The Professional Standards Act further provided that the Minister may declare a company limited by guarantee to be the body. The Corporations (Standards Body) Declaration 2017 (the Declaration) declares Financial Adviser Standards and Ethics Authority Ltd, a Commonwealth company limited by guarantee, to be the standards body.

Legislative authority and date of effect

The Declaration is made under section 921X of the Corporations Act and takes effect the day after registration. The Financial Adviser Standards and Ethics Authority Ltd will be the standards body the day after the instrument is registered.

Background

Subsection 921X(1) of the Corporations Act provides that the Minister may, by notifiable instrument, declare a body corporate to be the standards body.

The Minister may only make a declaration if the Minister is satisfied that the body meets the requirements listed in subsection 921X(2) of the Corporations Act, including that the body is a company limited by guarantee; will comply with its obligations under the Corporations Act and other relevant laws; and the company's constitution complies with the requirements of paragraph 921X(2)(c) relating to the purpose of the company and the composition of its Board.

The Minister must table the declaration in each House of the Parliament.

Details of the declaration

The Minister being satisfied that the requirements of paragraph 921X(2)(b) have been met, and the other requirements of subsection 921X(2) also having been met, Financial Adviser Standards and Ethics Authority Ltd (ACN 618495828) is declared the standards body.

Consultation

There was no formal public consultation process in the drafting of the Declaration as the matters addressed are machinery of government in nature.

Status of Declaration

The Declaration is not subject to disallowance or sunseting under the *Legislation Act 2003*.