

EXPLANATORY STATEMENT

Issued by authority of the Assistant Treasurer and Minister for Financial Services

Corporations Act 2001

Corporations Amendment (Registration of Relevant Providers) Regulations 2022

The *Corporations Act 2001* (the Act) provides for the regulation of corporations and financial services.

Section 926B(1)(c) of the Act provides that the Governor-General may make regulations prescribing that Part 7.6 of the Act applies as if specified provisions are omitted, modified, or varied.

The *Financial Sector Reform (Hayne Royal Commission Response—Better Advice) Act 2021* introduced a central registration requirement for financial advisers, in line with Recommendation 2.10 of the Financial Services Royal Commission. Registration was proposed to occur in two stages – stage one being a one-off registration process administered by the Australian Securities and Investments Commission (ASIC) using the Financial Advisers Register (FAR).

The purpose of the *Corporations Amendment (Registration of Relevant Providers) Regulations 2022* (the Regulations) is to amend the *Corporations Regulations 2001* to delay the requirement for financial services licensees to register financial advisers on the FAR for six months to 1 July 2023. The delay will allow extra time for amendments to be made that will improve the operation of the stage one registration process with benefits for licensees and financial advisers.

Public consultation on the Regulations was not undertaken as the amendments are minor or machinery in nature. However, confidential consultation was undertaken with ASIC.

The Act does not specify any conditions that need to be satisfied before the power to make the proposed Regulations may be exercised.

The Office of Best Practice Regulation (OBPR) has advised that the amendments do not require a Regulatory Impact Statement because they have been assessed to have no more than a minor regulatory impact. The OBPR reference number is OBPR22-03501.

The Regulations are a legislative instrument for the purposes of the *Legislation Act 2003*.

The Regulations commenced on the day after the instrument was registered.

Details of the Regulations are set out in [Attachment A](#).

A statement of Compatibility with Human Rights is at [Attachment B](#).

ATTACHMENT A

Details of the Corporations Amendment (Registration of Relevant Providers) Regulations 2022

Section 1 – Name of the Regulations

This section provides that the name of the Regulations is the *Corporations Amendment (Registration of Relevant Providers) Regulations 2022* (the Regulations).

Section 2 – Commencement

Schedule 1 to the Regulations commence the day after the instrument is registered on the Federal Register of Legislation.

Section 3 – Authority

The Regulations are made under the *Corporations Act 2001* (the Act).

Section 4 – Schedules

This section provides that each instrument that is specified in a Schedule to this instrument will be amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in the Schedule to this instrument has effect according to its terms.

Schedule 1 – Amendments

Part 7.6 of the *Corporations Regulations 2001* set out regulations made for the purposes of Part 7.6 of the Act including modification provisions. Item 1 inserts regulation 7.6.07C to the *Corporations Regulations 2001* to omit Subdivision A of Division 8C (sections 921Y and 921Z) of the Act. Item 1 provides that, for the purposes of paragraph 926B(1)(c) of the Act, Part 7.6 of the Act applies as if Subdivision A of Division 8C is omitted. Item 1 also provides that regulation 7.6.07C is repealed at the end of 30 June 2023. This alters the date financial advisers will be required to be registered on the Financial Advisers Register. They will now need to be registered by 1 July 2023.

Statement of Compatibility with Human Rights

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

Corporations Amendment (Registration of Relevant Providers) Regulations 2022

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

The *Corporations Amendment (Registration of Relevant Providers) Regulations 2022* (the Regulations) delays the requirement for financial services licensees to register financial advisers on the FAR for six months to 1 July 2023. The schedule alters the date in which financial advisers are to be registered on the Financial Advisor Register.

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.