

2002

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

**CORPORATIONS (REVIEW FEES) BILL 2002**

EXPLANATORY MEMORANDUM

(Circulated by authority of the Treasurer,  
the Hon Peter Costello MP)

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**Outline**

1.1. The Bill is part of a package also comprising the Corporations Legislation Amendment Bill 2002 and the Corporations (Fees) Amendment Bill 2002, which will implement the seventh phase of the Commonwealth Governments Corporations Law Economic Reform Program, known as Streamlined Lodgments and Compliance, or CLERP 7. The CLERP 7 reforms include proposed modifications to the Corporations Act fee system.

1.2. Provisions of the corporations legislation concerning the imposition of fees and charges are included in separate Bills to comply with Commonwealth constitutional requirements.

1.3 This Bill will permit a fee known as a review fee to be imposed. Under the CLERP 7 reforms, the review fee will replace the fee for lodging the annual return.

**2**

**Regulation Impact Statement and Financial Impact Statement**

**Regulation impact statement**

2.1. The Office of Regulation Review has advised that a Regulation Impact Statement is not required for the Bill.

**Financial impact statement**

2.2. The Bill does not have any direct financial impact. The Bill will permit review fees to be prescribed in regulations.

## 3

### Notes on individual clauses

#### Clause 1 Short title

3.1. The short title of the Act is the *Corporations (Review Fees) Act 2002*.

#### Clause 2 Commencement

3.2. The Bill commences on 1 July 2003.

#### Clause 3 Application to the Crown

3.3. Clause 3 provides for when the Crown, in a capacity, is bound by the provisions of the Bill, by reference to when the Crown is bound by the *Corporations Act 2001*.

#### Clause 4 Definitions

3.4 Subclause 4(1) provides that the review date for a company or registered scheme is as defined in section 345 of the Corporations Act (to be inserted by Item 30 of the Corporations Legislation Amendment Bill 2002). The definition allows review dates for other persons in subsection 5(1) (namely registered Australian bodies, auditors, liquidators and financial services licence holders) to be prescribed in regulations.

3.5. Subclause 4(2) provides that other expressions used in the Bill that are defined in the Corporations Act are as defined in that Act.

#### Clause 5 Imposition of review fees

3.6. Clause 5 permits the regulations to prescribe review fees in respect of certain review dates, and imposes those fees as taxes.

#### Clause 6 Matters relating to amount of fees

3.7. Clause 6 limits review fees to a maximum of \$10,000. It also makes it clear that a review fee need not be linked to the cost of providing a particular service.

#### Clause 7 Who is liable to pay a review fee, and the time that liability is incurred

3.8. Subclause 7(1) includes a table that clarifies the person responsible for paying review fees. Review fees imposed on persons are generally payable by those persons, except in the case of a registered scheme, the fee is payable by the responsible entity of the scheme. Subclause 7(2) provides that liabilities are incurred on each review date.

#### Clause 8 Regulations

3.9. Clause 8 lists clauses 5, 6 and 7 as sections the purposes for which the Governor-General may make regulations.