

2022–2023–2024

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

[HOUSE OF REPRESENTATIVES/SENATE]

TBA

EXPOSURE DRAFT EXPLANATORY MATERIALS

Consultation preamble

Treasury seeks feedback on the effectiveness of this exposure draft explanatory material in explaining the policy context and operation of the proposed new law, including, but not limited to:

- how the new law is intended to operate;
- whether the background and policy context is sufficiently comprehensive to support understanding of the policy intent and outcomes of the new law;
- the use of relevant examples, illustrations or diagrams as explanatory aids; and
- any other matters affecting the readability or presentation of the explanatory material.

Feedback on these matters will assist to ensure the Explanatory Memoranda for the Bill aids the Parliament's consideration of the proposed new law and the needs of other users.

Treasury and the ATO work closely to identify aspects of new tax laws which may benefit from ATO public advice and guidance (PAG). Feedback is also sought on any aspects of the new law where ATO PAG should be considered, to support stakeholders' understanding and application of the new law. Stakeholder feedback on this question will be shared with the ATO.

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EXPOSURE DRAFT

Glossary

This Explanatory Memorandum uses the following abbreviations and acronyms.

Abbreviation	Definition
APRA	Australian Prudential Regulation Authority
ASIC	Australian Securities and Investments Corporation
Bill	TBC
CDEP Scheme	Community Development Employment Projects Scheme
Corporations Act	<i>Corporations Act 2001</i>
FBT Act	<i>Fringe Benefits Tax Assessment Act 1986</i>
GST Act	<i>A New Tax System (Goods and Services Tax) Act 1999</i>
ITAA 1936	<i>Income Tax Assessment Act 1936</i>
ITAA 1997	<i>Income Tax Assessment Act 1997</i>
OECD	Organisation for Economic Co-operation and Development
SIS Act	<i>Superannuation Industry (Supervision) Act 1993</i>
SIS Regulations	Superannuation Industry (Supervision) Regulations 1994
TAA	<i>Tax Administration Act 1953</i>

Chapter 1: *Miscellaneous and technical amendments*

Outline of chapter

- 1.1 Schedule # of the Bill makes a number of miscellaneous and technical amendments to Treasury portfolio legislation. The amendments demonstrate the Government's ongoing commitment to the care and maintenance of Treasury portfolio legislation.
- 1.2 The amendments repeal inoperative provisions, simplify provisions and reduce red tape.

Context of amendments

- 1.3 Miscellaneous and technical amendments are periodically made to Treasury portfolio legislation to correct drafting errors, repeal inoperative provisions, address unintended outcomes and make other technical changes. The amendments are part of the Government's ongoing commitment to the care and maintenance of Treasury portfolio legislation.
- 1.4 The miscellaneous and technical amendments process was first supported by a recommendation of the 2008 Tax Design Review Panel, which was appointed to examine how to reduce delays in the enactment of tax legislation and improve the quality of tax legislation. The miscellaneous and technical amendments process has since been expanded to all Treasury portfolio legislation.

Summary of new law

- 1.5 The miscellaneous and technical amendments maintain and improve the quality of Treasury legislation by:
 - repealing redundant and inoperative provisions;
 - enhancing readability and administrative efficiency;
 - reducing unnecessary red tape; and
 - making other technical changes.

Detailed explanation of new law

Part 1 – Amendments commencing day after Royal Assent

[MTA (Term "Auditor" missing from various provisions of the Corporations Act)]

Division 1 – Audit firm's and audit company's rotation obligations

- 1.6 Division 1 of Part 1 of Schedule # to the Bill makes editorial amendments to provisions relating to superannuation entity auditing requirements in the Corporations Act.
- 1.7 The amendments insert the word 'auditor' into paragraphs 324DC(1)(a), 324DC(2)(a), 324DD(1)(a), 324DD(2)(a) and 324DD(3)(a). The word 'auditor' was inadvertently omitted from these provisions when drafted.
[Schedule #, items 1 to 5, paragraphs 324DC(1)(a), 324DC(2)(a), 324DD(1)(a), 324DD(2)(a), 324DD(3)(a) of the Corporations Act 2001]
- 1.8 The amendments also insert a comma in Schedule 3 in the table item dealing with subsections 322(1), (1A), (2) and (2A).
[Schedule #, item 6, Schedule 3 (table item dealing with subsections 322(1), (1A), (2) and (2A), column headed "Provision") to the Corporations Act]

[MTA (Insolvency safe harbour review recommendations)]

Division 2 – Insolvency safe harbour

- 1.9 Directors of a company have a duty to prevent the company from trading whilst insolvent. Section 588G of the Corporations Act states a director has a duty to prevent a company from incurring a debt when that company is insolvent, or when the director should reasonably suspect that the company is insolvent or would become insolvent as a result of the transaction.
- 1.10 Section 588GA provides a safe harbour which shields a director from a breach of this duty in certain circumstances. The safe harbour is designed to enable directors, who are beginning to suspect their company is or may become insolvent, to pursue a restructure or other course of action that is likely to deliver a better outcome for the company than proceeding immediately to voluntary administration or winding up.
- 1.11 Section 588HA requires an independent review to examine and report on the operation of the safe harbour for directors as soon as practicable 2 years after

the commencement of the safe harbour. Under that independent review of the insolvent trading safe harbour which occurred in 2021, the Review Panel made 14 recommendations. Of those recommendations, Division 2 of Part 1 of Schedule # to the Bill implements recommendations 3, 6, 8 and 9.

Recommendation 3

- 1.12** A director of a company is not liable for a civil penalty for failing to prevent the company from incurring a debt while insolvent, if the debt is incurred ‘directly or indirectly in connection’ with a course of action that is reasonably likely to lead to a better outcome for the company. The amendments that this includes ordinary trade debts incurred in the usual course of business. This amendment, which implements Recommendation 3, provides clarification to directors and is consistent with the language used in the Insolvent Trading Moratorium in section 588GAAA of the Corporations Act.
[Schedule #, item 8, paragraph 588GA(1)(b) of the Corporations Act]

Recommendation 6

- 1.13** To implement Recommendation 6, amendments are made to the definition of ‘restructuring’ in section 9 of the Corporations Act to specify that the definition does not apply in paragraph 588GA(2)(e). The section 9 term is defined by reference to concepts which only apply for certain small business companies under Part 5.3B of the Corporations Act. The definition of ‘restructuring’ prior to the amendments was not appropriate in the context of paragraph 588GA(2)(e).
[Schedule #, item 7, section 9 (definition of ‘restructuring’ in section 9 of the Corporations Act)]

Recommendation 8

- 1.14** To implement Recommendation 8, amendments are made to subsection 588GA(2) of the Corporations Act to expressly cover circumstances where advice is being sought from an appropriately qualified advisor by the company itself, rather than the company’s director. This clarifies the situation where it is unclear whether advice was provided to a director or company.
[Schedule #, items 9, 10, 11, 12, and 13, subsection 588GA(2) of the Corporations Act]

Recommendation 9

- 1.15** To implement Recommendation 9, the amendments align the wording of subparagraph 588GA(4)(a)(i), which relates to payment of employee entitlements, with that in the employee entitlement safeguard in Regulation 5.3B.24 of the Corporations Regulations. Under the amendments, the term ‘by the time they fall due’ is updated to ‘that are payable’. As per the recommendation, the amendments align the drafting between the primary and subordinate legislation. There is no intention to alter the operation of the law under these amendments.
[Schedule #, item 14, subparagraph 588GA(4)(a)(i) of the Corporations Act]

[MTA (Consequential amendment of TLAB1 2023)]

Division 3 – Financial services law

- 1.16 Division 3 of Part 1 of Schedule 1 to the Bill makes minor consequential amendments in support of the *Treasury Laws Amendment (2023 Law Improvement Package No. 1) Act 2023*. The amendments in that Act renumbered the paragraphs contained in the definition of ‘financial services law’ in the Corporation Act.
- 1.17 Paragraphs 912D(3)(b) to (e) and subparagraph 915B(3)(ca)(ii) of the Corporations Act reference paragraphs in the definition of financial services law. The *Treasury Laws Amendment (2023 Law Improvement Package No. 1) Act 2023* did not make consequential amendments to align the relevant provisions with the renumbered definition of financial services law..
- 1.18 The amendments update paragraphs 912D(3)(b) to (e) and paragraph 915B(3)(ca)(ii) so that they refer to the correct and updated paragraphs in section 761 of the Corporations Act.
[Schedule #, items 15 to 19, paragraphs 912D(3)(b) to (e), subparagraph 915B(3)(ca)(ii) of the Corporations Act]

[MTA (Financial reporting and auditing requirements for superannuation)]

Division 4 – Correcting duplicated section number

- 1.19 Division 4 of Part 1 of Schedule 1 to the Bill rectifies the duplication of a legislative reference in the Corporations Act. The *Treasury Laws Amendment (2022 Measures No. 4) Act 2023* inserted a new section 1684 into Part 10.58 of the Corporations Act. However, Part 10.57 of the Corporations Act already contains a section 1684.
- 1.20 The amendment renumbers section 1684 in Part 10.58 of the Corporations Act as section 1685 to remove this duplication in referencing.
[Schedule #, item 20, section 1684 (the section 1684 inserted by item 176 of Schedule 6 to the Treasury Laws Amendment (2022 Measures No. 4) Act 2023) of the Corporations Act]

[MTA 580 (Successor fund transfers and continuation of insurance)]

Division 5 – Benefits provided by taking out insurance

- 1.21 Division 5 of Part 1 of Schedule # to the Bill amends sections 68AAB and 68AAC of the SIS Act to ensure all members of regulated superannuation funds can automatically maintain their insurance following a successor fund transfer.
- 1.22 Under the SIS Act, regulated superannuation funds are prevented from automatically providing insurance to members that do not satisfy the minimum age and balance requirements, unless those members make an election to receive insurance.
- 1.23 These amendments ensure members who were not required to make an election in the original fund, but also do not satisfy the requirements to automatically receive insurance in the successor fund, are able to continue receiving insurance without making an election.
[Schedule #, items 21, 22 and 23, subsections 68AAB(3B), 68AAB(3C), 68AAC(3B) and 68AAC(3C) of the SIS Act]

[MTA (Financial reporting and auditing requirements for superannuation)]

Division 6 – Actuaries and auditors of superannuation entities

- 1.24 Division 6 of Part 1 of Schedule # to the Bill relocates certain requirements from the SIS Regulations into the SIS Act. Minor amendments are also made to improve the clarity of these requirements. The minor amendments for clarity are consistent with the existing requirements, as reflected in the Act and the regulations which are being relocated..
- 1.25 Section 130 of the SIS Act sets obligations of actuaries and auditors to report to the Regulator when the financial position of a superannuation entity is unsatisfactory.
- 1.26 The amendments update subsection 130(1) of the SIS Act to incorporate the requirements in subregulations 9.03(4) and (5) of the SIS Regulations into the SIS Act. Relocating these provisions to the SIS Act does not affect the operation of the law, but provides certainty to readers of the legislation that the obligations as detailed in the regulations are legally valid. Subregulations 9.03(4) and (5) of the SIS Regulations will also be repealed to rectify duplication.
[Schedule #, item 25, subsection 130(1) of the SIS Act]
- 1.27 The amendments also update subsection 130(1) to clarify that the obligation applies to an auditor or actuary of the superannuation entity. Auditors and actuaries may perform functions beyond audit or actuarial functions in relation

to an entity. If in the course of performing those other functions the auditor or actuary may obtain information relevant to the financial position of the entity, the auditor or actuary would need to report this to the Regulator in the same way as they would need to report information obtained in the course of performing their audit or actuarial functions.

[Schedule #, item 24, subsection 130(1) of the SIS Act]

- 1.28 New subsections 130(6) and (6A) to clarify that a person a person must consider any matters prescribed by the regulations for the purposes of this forming an opinion whether the financial position of an entity may be about to become unsatisfactory but that this does not limit the matters a person may consider in forming such an opinion.

[Schedule #, item 26, section 130 of the SIS Act]

- 1.29 Section 130AA of the SIS Act sets obligations of lead auditors to report to the Regulator when the financial position of a superannuation entity is unsatisfactory.

- 1.30 The amendments update section 130AA of the SIS Act to incorporate the requirements in subregulation 9.03(5) of the SIS Regulations into the SIS Act. Relocating these provisions to the SIS Act does not affect the operation of the law, but provides certainty to readers of the legislation that the obligations as detailed in the regulations are legally valid.

[Schedule #, items 27, 28 and 29, section 130AA of the SIS Act]

- 1.31 The amendments also update subsections 130AA(11A) and (11B) to clarify that a person must consider any matters prescribed by the regulations for the purposes of this forming an opinion whether the financial position of an entity may be about to become unsatisfactory but that this does not limit the matters a person may consider in forming such an opinion.

[Schedule #, item 30, section 130AA of the SIS Act]

- 1.32 These amendments apply in relation to performing a function under the SIS Act, the regulations made under that the SIS Act (i.e. the SIS Regulations), the prudential standards or the *Financial Sector (Collection of Data) Act 2001* on or after the commencement of this item.

[Schedule #, item 31]

[MTA (Financial reporting and auditing requirements for superannuation)]

Division 7 – Financial reporting for superannuation entities

- 1.33 Division 7 of Part 1 of Schedule # to the Bill clarifies requirements under the SIS Act in relation to what information trustees of superannuation entities are required to give, and to whom this information is required to be given.
- 1.34 Section 254 of the SIS Act requires a trustee of a superannuation entity to give certain information to various persons and bodies on the establishment of that

- superannuation entity. This provision also requires a trustee to give certain information to the Regulator, or an authorised person, by way of written notice where that information has been requested by the Regulator or an authorised person.
- 1.35 The amendments improve the clarity of drafting by separating the two obligations contained in section 254 of the SIS Act into two distinct provisions. Under the amendments, the first obligation, covered by new section 254, relates to information which a trustee of a superannuation entity must provide upon establishment of the entity. The second obligation, new section 254A, relates to the trustee's obligation to comply with a request for certain information by the Regulator or an authorised person. Minor consequential amendments are made to ensure the relevant notes appear with the relevant obligation once they are separated.
[Schedule #, items 35 and 37 section 254 and 254A of the SIS Act]
- 1.36 The amendments make minor changes to the heading to section 254 and insert a subheading before subsection 254(4) for clarity.
[Schedule #, items 34 and 36, section 254 of the SIS Act]
- 1.37 Prior to the amendments, subsection 254(1) of the SIS Act required the trustee of a superannuation entity to give APRA (or another body specified in the regulations) such information as is required by an approved form. However, the Commissioner of Taxation that is the relevant regulator for this requirement. The amendments replace the references to APRA with references to the Commissioner of Taxation.
[Schedule #, item 35, subsection 254(2B) of the SIS Act]
- 1.38 The amendments clarify that where a trustee is required to provide information to a person or body under subsection 254(1) of the SIS Act, the information must be given in the approved form if there is such a form. The amendments clarify that if there is no form, the requirement is met if the information given is the information prescribed by the regulations. The delegation of this power to the regulations is reasonable, necessary and proportionate because it provides certainty to trustees who are required to provide information. It provides an alternative method of prescribing, by regulations, of how information must be presented in circumstances where an approved form is not made.
[Schedule #, item 35, subsections 254(2A) and (2B) of the SIS Act]
- 1.39 The regulation-making power reduces the complexity of the Act by removing the administrative and technical matters from the primary law and unfolding that detail in a lower level of legislation. This accords with hierarchy of laws principles and increases the readability of the Act. As a consequence, the amendments aim to improve the level of understanding about responsibilities and obligations and, ultimately, compliance with regulatory expectations.
- 1.40 Additionally, the regulation-making power is appropriate and necessary as it ensures there is sufficient flexibility for the Government to make timely

changes in response to evolving industry practices. Without the relevant information the Commissioner of Taxation cannot monitor superannuation entities. Any regulations made would be subject to parliamentary scrutiny, including disallowance and sunset after ten years.

- 1.41 The amendments update section 299U of the SIS Act to clarify that where the information given is the information prescribed by the regulations (in the case of where there is no approved form) the information prescribed may include a tax file number of the entity. Under these amendments, the collection, use, disclosure or handling of a tax file number is reasonable, necessary and proportionate to allow the monitoring of superannuation entities by the regulator. This collection is consistent with the existing policy for where the information collected by an approved form (subsections 299U(8) and 254(1) of the SIS Act prior to the amendments).
[Schedule #, item 38, subsections 299U(8A) of the SIS Act]
- 1.42 The amendments provide for regulations to prescribe the period for providing the information requirement on the establishment of the superannuation entity. If no period is prescribed the information must be given within 7 days after the establishment of the superannuation entity. This incorporates into the SIS Act the time period that is currently specified by the regulations.
[Schedule #, item 35, subsection 254(2) of the SIS Act]
- 1.43 The amendments do not amend the existing penalties for the failure to give information on establishment of superannuation entity. The existing offences continue to apply. For information, contravention of section 254 is punishable by a fine of 50 penalty units. This is also a strict liability offence punishable by a fine of 20 penalty units. Strict liability is appropriate in this circumstance, as it is necessary to strongly deter misconduct that can have serious detriment for members and the integrity of the superannuation system. Without the information, the regulator cannot monitor superannuation entities.
- 1.44 Strict liability aims to reduce non-compliance, which bolsters the integrity of the regulatory regime enforced by the Commissioner of Taxation. Strict liability is appropriate where there is a need to ensure offences are dealt with expeditiously to maintain public confidence in the regulatory regime.
- 1.45 The strict liability in section 254 meets all the conditions listed in the Attorney-General's Department's A Guide to Framing Commonwealth Offences, Infringement Notices and Enforcement Powers. For example, the fines for the offences do not exceed 60 penalty units for persons other than a body corporate or 300 penalty units for a body corporate. The application of strict liability, as opposed to absolute liability, preserves the defence of honest and reasonable mistake of fact.
- 1.46 The amendments do not amend the existing penalties for the failure to provide information the regulator may request by written notice. For information, section 285 of the SIS Act applies where a person intentionally or recklessly refuses or fails to comply with the requirement. Under the existing law, they

may be subject to a fine of 30 penalty units. A note is inserted to section 254A to clarify that failure to comply with the requirement of section 254A is an offence.

[Schedule #, item 37, Note 2 to section 254A of the SIS Act]

- 1.47 Consequential amendments are made to various provisions of the SIS Act to include the references to new section 254A of the SIS Act to those provisions or update references to reflect the repeal of section 254 of the SIS Act and the two new sections 254 and 254A.

[Schedule #, items 32, 33 and 39, section 253 (note 1), subsections 166(1) and 299U(9) of the SIS Act]

- 1.48 New section 254 of the SIS Act applies in relation to superannuation entities established on or after the commencement of this item. The amendments made by this Division do not apply in relation to a notice given under subsection 254(2) of the SIS Act before the commencement of these the amendments (the day after Royal Assent of the Bill).

[Schedule #, item 40]

- 1.49 A transitional provision ensures that where the Commissioner of Taxation makes an authorisation allowing another staff member in the Australian Taxation Office to be the receiver of the information required to be given by the trustees of superannuation entities, that authorisation has effect from the commencement of new subsection 254A. In effect, if the Commissioner of Taxation has made an authorisation before the commencement of section 254A, that authorisation is not rendered invalid merely because it was made before the commencement.

[Schedule #, item 41]

Part 2 – Amendments commencing first day of next quarter

[MTA (Typographical errors in the GST Act)]

Division 1 – A New Tax System (Goods and Services Tax) Act 1999

- 1.50 Division 1 of Part 2 of Schedule # to the Bill amends minor typographical errors in the GST Act. Subsection 48-15(2) of the GST Act refers to “section 272-97 of Schedule 2F”. The amendments update this reference to “section 272-97 in Schedule 2F”, to ensure consistency with usual drafting practice.
- [Schedule #, item 42, subsection 48-15(2) of the A New Tax System (Goods and Services Tax) Act 1999]*

[MTA (Repeal of CDEP Scheme references)]

Division 3 – Removing redundant references to the Community Development Employment Projects Scheme

- 1.51 Division 3 of Part 2 of Schedule # to the Bill removes redundant references to the CDEP Scheme across legislation held within the Treasury portfolio, including in the ITAA 1936, *Income Tax Rates Act 1986*, *Small Superannuation Accounts Act 1995* and TAA 1953.
[Schedule #, items 43 to 49, paragraphs 160AAA(1)(a), 160AAA(1)(c), 160AAA(1)(d), 202CB(6)(a) and 202CE(7)(a) of the ITAA 1936, section 16 of the Income Tax Rates Act 1986, subsection 64(7) of the Small Superannuation Accounts Act 1995, and paragraphs 12-110(1)(ca) and (d) of Schedule 1 to the TAA 1953]
- 1.52 The provisions that established the CDEP Scheme and payments associated with the Scheme were repealed by the *Social Security Legislation Amendment (Remote Engagement Program) Act 2021*. The CDEP Scheme ceased operations on 1 July 2015. The remaining legislative references across Treasury portfolio legislation are no longer required.
- 1.53 The application provision under the amendments ensures any relevant CDEP payments that were made before the commencement of the amendments are not affected.
[Schedule #, item 50]

[MTA (Indirect value shifting exclusion)]

Division 4 – Value shifting

- 1.54 Division 4 of Part 2 of Schedule # to the Bill updates the provisions of the ITAA 1997 which govern how indirect value shifts are to be treated for tax purposes. Specifically, the amendments ensure subsection 727-250(2) extends the existing condition in an exclusion to the IVS rules relating to ‘exempt’ income so that it also applies to non-assessable non-exempt (NANE) income. The amendments apply in relation to indirect value shifts that arise on or after 1 July 2003. Accordingly, section 727-250 of the ITAA 1997 will apply to distributions that are non-assessable, non-exempt.
[Schedule #, item 51, subsection 727-250(2) of the ITAA 1997]
- 1.55 The amendments apply retrospectively to all indirect value shifts that arise on or after 1 July 2003. This change is intended to address the unintended consequences of Division 727 to the ITAA in 2002 without a consequential amendment to section 727-250(2), and the fact that some distributions which were previously categorised as exempt income in the law before July 2003 have been recategorised as NANE income, namely foreign equity distributions

(section 768-5 ITAA 1997) and dividends paid by Australian entities to a foreign parent (sections 128D of the ITAA 1936 or 802-15 of the ITAA 1997). The amendments ensure that Division 727 properly targets the exclusion in 727-250 with respect to those transactions which have the greatest risk to the integrity of the taxation laws. Without this amendment, section 727-250 could potentially be triggered and lead to unintended tax liability in circumstances where this would be inappropriate, such as where a distribution is appropriately provided for elsewhere in the tax law.

[Schedule #, item 52]

- 1.56 It is expected that no taxpayers are likely to be detrimentally affected by the retrospective commencement or application of the legislation. This amendment is made to the benefit of taxpayers as it ensures that where a taxpayer makes a NANE income distribution that is within scope of the amendment, they will not have additional tax liability in relation to the distribution.

[MTA (OECD Transfer Pricing Guidance 2022 Update)]

Division 5 – Transfer pricing guidelines

- 1.57 Division 4 of Part 2 of Schedule # to the Bill updates the guidance to the most recent version of the Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations which was adopted by the OECD’s Committee of Fiscal Affairs and published on 20 January 2022. This version of the OECD guidance material provides guidance on the application of the “arm’s length principle”, which represents the international consensus on the valuation, for income tax purposes, of cross-border transactions between associated enterprises.

[Schedule #, item 53, paragraph 815-135(2)(a) of the ITAA 1997]

- 1.58 The amendments to paragraphs 815-20(2)(b) and 815-135(2)(a) of the ITAA 1997 applies in respect of tax (other than withholding tax) relating to income years starting on or after 1 January 2022 and in respect of withholding tax, in relation to income derived, or taken to be derived, in income years starting on or after 1 January 2022.

[Schedule #, item 54]

- 1.59 Retrospective application is appropriate in these circumstances because it provides greater certainty to taxpayers by commencing shortly after updates to the guidance material. The consolidated guidance material is already commonly referred to by taxpayers and is consistent with the transfer pricing rules in Division 815 of the ITAA 1997. This retrospective application date ensures that the law aligns as closely as possible to the publication of the guidelines by the OECD. It is expected that no taxpayers are likely to be detrimentally affected by the retrospective commencement or application of the legislation.

[MTA (Financial reporting and auditing requirements for superannuation)]

Part 3 – Other amendments

Division 1 – Duty of superannuation trustees to notify the Regulator of significant adverse events

- 1.60 Consequential amendments are made to section 106 of the SIS Act to reflect recent reforms to reporting requirements for registrable superannuation entities made by the *Treasury Laws Amendment (2022 Measures No. 4) Act 2023* and the supporting *Treasury Laws Amendment (Financial Reporting and Auditing of Registrable Superannuation Entities) Regulations 2023*.
- 1.61 To reflect those reforms, amendments are made to section 106 to remove references to ‘annual report’ and replace the reference with ‘fund information’. No changes are made to the operation of section 106. Section 106 provides the duty of superannuation trustees to notify the Regulator of significant adverse events. A significant adverse event occurs if it occurs before the trustee is required to provide fund information (within the meaning of the regulations) to members.
[Schedule #, item 55, section 106 of the SIS Act]
- 1.62 Part 3 of Schedule 1 to the Bill commences on a single day to be fixed by Proclamation. However, if the provisions do not commence within the period of 6 months beginning on the day this Act receives the Royal Assent, they commence on the day after the end of that period.