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Corporations (Futures Organisations Levies) Bill  
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# Corporations (Futures Organisations Levies) Bill 2001

**Date Introduced:** 24 May 2001

**House:** House of Representatives

**Portfolio:** Treasury

**Commencement:** At the same time as the *Corporations Act 2001*. It is intended that Act will commence on July 1 2001.

## Purpose

To impose levies for futures exchange fidelity funds. This Bill, in substance, re-enacts the corresponding existing provisions of the Corporations Law national scheme as a single piece of Commonwealth legislation.

## Background

The principal Background to the issues giving rise to this Bill can be found in the Bills Digests for the Corporations (Fees) Bill 2001 and the Corporations Bill 2001<sup>1</sup>.

Australia has two approved futures exchanges, the Sydney Futures Exchange and the Australian Derivatives Exchange Limited. Such 'futures organisations' are obliged by Part 8.6 of the existing corporations law and the proposed *Corporations Act 2001* to establish and maintain a fidelity fund to compensate clients who suffer pecuniary loss because of a misappropriation of money or other property by a contributing member of the exchange<sup>2</sup>. The legislation provides for initial membership, annual and additional levies to be paid to the futures organisation as a fidelity fund contribution.

### **Warning:**

*This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.*

*This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.*

## Main Provisions

**Clause 4** imposes initial membership, annual and additional levies. These levies are equivalent to those payable under sections 1234 and 1235 of the Corporations Law<sup>3</sup>.

The relevant futures organisation is empowered to determine the levy amounts. The limits on levy amounts are the same as those that currently apply under the Corporations Law (**clause 5**).

Where a person has a liability to pay an fidelity fund contribution under sections 1234 or 1235 of the Corporations Law at the time of the commencement of the proposed *Corporations Act 2001*, then **subclauses 6(1) and (2)** impose a new liability to pay the levy. Determinations setting levy rates made prior to the commencement of the proposed *Corporations Act 2001* are preserved by **subclause 6(3)**.

## Endnotes

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- 1 <http://www.aph.gov.au/library/pubs/bd/2000-01/01BD140.htm>
- 2 Dr M Hains, 'The Futures Industry', *Australian Corporation Law*, Butterworths Looseleaf Service, p. 81 288.
- 3 Explanatory Memorandum, p 3.

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