Corporations (Futures Organisations Levies) Bill 2001
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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 20011.

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 exchange2. The legislation provides for initial membership, annual and additional levies to be paid to the futures organisation as a fidelity fund contribution.
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.

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

3  Explanatory Memorandum, p 3.