



CHARTERED ACCOUNTANTS  
AUSTRALIA + NEW ZEALAND

12 January 2015

Committee Secretary  
Senate Economics Legislation Committee  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

Via email: [economics.sen@aph.gov.au](mailto:economics.sen@aph.gov.au)

Dear Dr Dermody,

**Inquiry into the Corporations Legislation Amendment (Deregulatory and Other Measures) Bill 2014**

Chartered Accountants Australia and New Zealand welcomes the opportunity to provide a submission to the Inquiry into the Corporations Legislation Amendment (Deregulatory and Other Measures) Bill 2014 (the Inquiry). Appendix B includes more information about Chartered Accountants Australia and New Zealand.

**Key points**

- The removal of the right of 100 members who are entitled to vote at a general meeting to requisition a general meeting is strongly supported. We support the continued right of members with at least five per cent of issued capital to call a general meeting.
- We support the minor technical amendments to remove inconsistencies in the current legislation around varying financial years by up to seven days and streamlining auditor appointments for companies limited by guarantee.

Should you have any queries concerning the matters discussed above or wish to discuss them in further detail, please contact me or Geraldine Magarey.

Yours sincerely

**Rob Ward AM FCA**  
**Head of Leadership and Advocacy**

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## ***Appendix A***

### **100-member rule**

We strongly support the removal of the 100-member rule. We believe the current rule imposes significant costs on companies without any benefit. Even when a meeting is called under the current rule, any decisions made must be passed by a majority of shareholders.

We support the retention of the right of members with at least five per cent of the votes that may be cast at the general meeting to request a general meeting. This provides protection for small shareholders to raise issues of importance. It is also consistent with shareholder rights in most overseas jurisdictions.

### **Improving remuneration reporting**

Chartered Accountants ANZ supports the amendments to improve remuneration reporting. The current requirements to report the value of lapsed options as if they had not lapsed causes confusion for users of the remuneration report.

### **Clarifying the financial year**

We support this minor technical amendment to clarify that directors may vary their financial year by up to seven days regardless of the length of previous years.

### **Streamlining auditor appointment for companies limited by guarantee**

We support this amendment which will remove the inconsistencies in the existing legislation where some companies limited by guarantee and not required to have their financial statements audited are still required to appoint or retain an auditor.

## ***Appendix B***

### ***Chartered Accountants Australia and New Zealand***

Chartered Accountants Australia and New Zealand is made up of over 100,000 diverse, talented and financially astute professionals who utilise their skills every day to make a difference for businesses the world over.

Members of Chartered Accountants Australia and New Zealand and are known for professional integrity, principled judgement and financial discipline, and a forward-looking approach to business.

We focus on the education and lifelong learning of members, and engage in advocacy and thought leadership in areas that impact the economy and domestic and international capital markets.

We are represented on the Board of the International Federation of Accountants, and are connected globally through the 800,000-strong Global Accounting Alliance and Chartered Accountants Worldwide which brings together leading Institutes in Australia, England and Wales, Ireland, New Zealand, Scotland and South Africa to support and promote over 320,000 Chartered Accountants in more than 180 countries.