

CORPORATIONS (CONSEQUENTIAL AMENDMENTS) BILL (NO. 3) 2001
EXPLANATORY MEMORANDUM

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Explanatory Memorandum

Overview of the Bill

This Bill makes consequential amendments to WA State laws which are required as a result of the commencement of amendments proposed to be made to the *Corporations Act 2001* (Clth) by the *Financial Services Reform Act 2001* (Clth).

The WA Parliament referred power over corporations to the Commonwealth Parliament on 29 June 2001. All other State Parliaments and the Northern Territory Parliament have done the same thing. The Commonwealth Parliament has enacted the *Corporations Act 2001* (Clth) which commenced on 15 July 2001. The *Corporations Act 2001* (Clth) is, largely, a copy of the Corporations Law (but with amendments made necessary because the *Corporations Act 2001* (Clth) is a federal law).

The Commonwealth Parliament has now passed the *Financial Services Reform Act 2001* (Clth) and the *Financial Services Reform (Consequential Provisions) Act 2001* (Clth). The *Financial Services Reform (Consequential Provisions) Act 2001* amends Commonwealth laws consequential upon the proposed commencement of the *Financial Services Reform Act 2001* (Clth). The Commonwealth Government has announced that it proposes that the Acts commence on 11 March 2001.

The *Financial Services Reform Act 2001* (Clth) is based on both the Commonwealth Parliament's own powers and referred power. That Act covers a wide range of financial products including shares and debentures, derivatives, managed investment products, general and life insurance products – other than health insurance – superannuation products and retirement savings accounts. A person carrying on a financial services business will be required to hold an Australian financial services licence covering all products or a more limited class of products.

To achieve this the *Financial Services Reform Act 2001* (Clth) makes extensive reforms to financial services in Australia which are regulated by the *Corporations Act 2001* (Clth). The Act does this by repealing Chapters 7 (Securities) and 8 (The Futures Industry) of the *Corporations Act 2001* (Clth) and replacing them with a new Chapter 7 (Financial Services and Markets).

At present Chapter 7 of the *Corporations Act 2001* (Clth) contains provisions relating to the acquisition of securities (principally shares and debentures) and the regulation and operation of the securities industry in Australia. The Chapter also licences and regulates participants in the securities industry such as dealers, investment advisers and operators of managed investment schemes. Provisions in relation to title to, and transfer of, securities are also dealt with in Chapter 7.

At present Chapter 8 of the *Corporations Act 2001* (Clth) provides for the regulation of the futures market in Australia. The Chapter deals with the approval and regulation of futures exchanges and participants in that industry.

CORPORATIONS (CONSEQUENTIAL AMENDMENTS) BILL (NO. 3) 2001

EXPLANATORY MEMORANDUM

The commencement of the *Financial Services Reform Act 2001* (Clth) means that a number of State laws will require amendment to ensure they operate by referring to the new provisions and concepts. As a general principle there are two types of WA laws requiring amendment:

- those referring to provisions of the present Chapters 7 and 8 the *Corporations Act 2001* (Clth) which are to be repealed or re-numbered by the *Financial Services Reform Act 2001* (Clth); and
- concepts used in WA laws which require amendment such as “stock exchange”, “futures contract” and “futures market”.

The intention behind the amendments is to make only those amendments to Western Australian Acts made necessary by the commencement of the *Financial Services Reform Act 2001* (Clth). Where there is some difference between the law as it is at present and as it will be after the proposed Act commences, that has come about because some existing provisions of WA Acts use concepts that do not neatly equate to those on the *Financial Services Reform Act 2001* (Clth).

Clause Notes

PART 1 - PRELIMINARY

Clause 1 sets out the title of the proposed Act.

Clause 2 provides for the commencement of the proposed Act.

Subclause (1) provides that if the proposed Act receives Assent before the *Financial Services Reform Act 2001* (Clth) comes into operation, then the proposed Act commences operation at the same time that Schedule 1 of that Commonwealth Act commences. Schedule 1 of the *Financial Services Reform Act 2001* (Clth) contains the main amendments to the *Corporations Act 2001* (Clth). The Commonwealth Government has announced that it is proposed to commence the Commonwealth legislation on 11 March 2002.

Subclause (2) provides that if the proposed Act receives Assent on or after the day on which the *Financial Services Reform Act 2001* (Clth) comes into operation, then the proposed Act is taken to have commenced operation at the same time that Schedule 1 of that Commonwealth Act commences. In such a circumstance the proposed Act will have a retrospective operation back to the time of commencement of the Commonwealth legislation, i.e. likely to be 11 March 2001.

Clause 3 defines terms used in Part 1, particularly “Financial Services Reform Act” and “FSR commencement time”. The terms are used in Part 1 of the Bill to shorten the drafting.

Clause 4 only applies if the proposed Act receives the Royal Assent after the *Financial Services Reform Act 2001* (Clth) comes into operation, i.e. only if the proposed Act has a retrospective operation under clause 2(2). Clause 4 has 3 different validation provisions to cover things done after the *Financial Services Reform Act 2001* (Clth) comes into operation and before the proposed Act receives the Royal Assent (ie. during the “hiatus”). In the following discussion of this clause, a thing done includes a something omitted to be done.

Clause 4(2) covers those persons who, during the hiatus, do things on the basis of the law as it will retrospectively become when the proposed Act receives the Royal Assent. This provision will only validate those things done that could have been validly and lawfully done if there was no hiatus.

CORPORATIONS (CONSEQUENTIAL AMENDMENTS) BILL (NO. 3) 2001
EXPLANATORY MEMORANDUM

Clause 4(3) covers persons who, during the hiatus, do things on the basis of the law as it was before the *Financial Services Reform Act 2001* (Clth) commenced. This provision is principally to protect private individuals who are not aware of the changes to the WA law or who are unsure as to what the law is during the hiatus. This provision will only validate those things done that would have been valid and lawful if the *Financial Services Reform Act 2001* (Clth) had not yet commenced.

Clause 4(4) covers an opportunistic person who seeks a windfall gain because the changes to the WA law during the hiatus provide them with a temporary advantage in some respect, for example, they become temporarily eligible for assistance or an exemption from tax. The combined effect of subclauses (2) and (4) means that an administrator of the law can decide an application for assistance, or deal with an exemption, on the basis of the law as it will retrospectively become and that there will be no value in the applicant, for example, forcing the decision maker to comply with the temporary state of the law during the hiatus.

Clause 5 provides that the Governor may make regulations amending a statutory rule made in exercise of a power conferred under another Act. The regulations cannot be made unless the Minister (the Attorney General) considers that the proposed regulations are consequential on the enactment of the *Financial Services Reform Act 2001* (Clth). This clause is similar to section 22 in the *Corporations (Ancillary Provisions) Act 2001* (WA).

Clause 5 is to allow the Governor to make omnibus consequential amendments to rules, regulations and by-laws – giving the greatest chance of making the necessary consequential amendment in the most timely manner. These amendments can be commenced retrospectively, if necessary, from the commencement of the *Financial Services Reform Act 2001* (Clth), but not before that time (see clause 7).

Clause 5(3) is to ensure that the power in clause 5 is not interpreted as preventing a statutory rule from being amended in the ordinary course of event.

Clause 6 provides that regulations can be made under the proposed Act including regulations dealing with matters of a transitional nature relating to the transition from the application of the provisions of the *Corporations Act 2001* (Clth) as in force immediately before the commencement of the *Financial Services Reform Act 2001* (Clth) to the application of provisions of the *Corporations Act 2001* (Clth) after the commencement of the *Financial Services Reform Act 2001* (Clth). The regulations can be commenced retrospectively, if necessary, from the commencement of the *Financial Services Reform Act 2001* (Clth), but not before that time (see clause 7).

Clause 7(1) provides that regulations made under proposed sections 5(1) or 6(1) may be expressed to take effect from a time earlier than the beginning of the day on which they are published, but not earlier than immediately before the *Financial Services Reform Act 2001* (Clth) commences (likely to be 11 March 2002).

As not all subsidiary legislation is made by the Governor, an additional power is granted to other statutory rule making bodies to make consequential amendments retrospectively, but not earlier than immediately before the *Financial Services Reform Act 2001* (Clth) commences. Examples of statutory rule making bodies include the Supreme Court, the Legal Practice Board and the Medical Board.

CORPORATIONS (CONSEQUENTIAL AMENDMENTS) BILL (NO. 3) 2001
EXPLANATORY MEMORANDUM

Retrospective amendments to statutory rules will be needed if the proposed Act does not receive the Royal Assent before the *Financial Services Reform Act 2001* (Clth) commences. The power to make retrospective amendments to statutory rules also provided a safeguard in the cases where amending regulations cannot be prepared in time, or an unforeseen consequence arises after the *Financial Services Reform Act 2001* (Clth) commences.

Clause 7(3) provides that any such regulations or statutory rules that commence retrospectively do not prejudicially effect non-government persons.

PART 2 – COUNTRY HOUSING ACT 1998

Clause 8 provides that the amendments in this Part are to the *Country Housing Act 1998*.

Clause 9 amends section 3 of the *Country Housing Act 1998*. Section 3 is the definition section of that Act. The definition of “farming corporation” refers to shares which are not “listed on a stock exchange” in two places. The words are deleted and the term “quoted on a financial market” are inserted to reflect the change to be made by the *Financial Services Reform Act 2001* (Clth). A definition of the phrase “financial market” is also included in the appropriate place in section 3.

Clause 10 amends section 24 of the *Country Housing Act 1998*. The words “listed on a stock exchange” are deleted and the term “quoted on a financial market” are inserted to reflect the change to be made by the *Financial Services Reform Act 2001* (Clth).

PART 3 – DECLARATIONS AND ATTESTATIONS ACT 1913

Clause 11 deletes item 16 from the Schedule of the *Declarations and Attestations Act 1913* referring to an insurance broker registered under the *Insurance (Agents and Brokers) Act 1984* of the Commonwealth and inserts new items 16 and 16A. The *Financial Services Reform (Consequential Provisions) Act 2001* (Clth) will repeal the *Insurance (Agents and Brokers) Act 1984*.

Item 16: A financial services licensee will not be specifically authorised to conduct a business of any particular kind but will be authorised to deal in or advise upon a range of financial products which will, in effect, allow the licensee to conduct a particular sort of business. Consequentially, new item 16 refers to a person who is “in effect” authorised to carry on the business of an insurance broker.

Item 16A: On and from 11 March 2002, there will be a 2 year phase in of the new licensing requirement so that existing licensees (eg. securities dealers, financial advisers, insurance brokers etc.) can have time to meet the new stricter requirements. Existing licensees will be “grandfathered” until they acquire a financial services licence, the 2 years elapse or they otherwise cease to be covered by the transitional rules. They will be called “regulated principals” and allowed to operate much as they did before 11 March 2002. This will occur under the transitional provisions that will be inserted into the *Corporations Act 2001* (Clth) on 11 March 2002 (see *Financial Services Reform (Consequential Provisions) Act 2001* (Clth) section 1430 ff).

CORPORATIONS (CONSEQUENTIAL AMENDMENTS) BILL (NO. 3) 2001
EXPLANATORY MEMORANDUM

PART 4 – ELECTRICITY CORPORATION ACT 1994

Clause 12 amends section 84 of the *Electricity Corporation Act 1994*. Section 84 lists the hedging transactions the Corporation is able to enter. Subsection (1)(a)(xi) provides that the Corporation may enter “a futures contract or a futures option within the meaning of the Corporations Act”. Following commencement of the *Financial Services Reform Act 2001* (Clth) “futures contracts” and “futures options” will no longer be concepts referred to in the *Corporations Act 2001* (Clth). The Corporation has advised that it is essential that it continue to be entitled to enter into the relevant transactions. Accordingly the words “within the meaning of the Corporations Act” are omitted to allow the Corporation to trade in “futures contracts” and “futures options” within the ordinary meaning of the words.

PART 5 – FINANCE BROKERS CONTROL ACT 1975

Clause 13 amends section 5 of the *Finance Brokers Control Act 1975*. Section 5 is a list of the exceptions to the meaning of “finance broker” for the purposes of the *Finance Brokers Control Act 1975*. The parties or entities included in section 5 are not to be treated as finance brokers. Paragraph (d) provides that “stockbrokers who are members of an approved stock exchange within the meaning of the *Securities Industry (Western Australia) Act 1970* when dealing in securities within the meaning of that Act” are not finance brokers.

The *Financial Services Reform Act 2001* (Clth) will replace the term “stock exchange” with “financial market” and the term “stock broker” with “financial services licensee”. Additionally the stock exchange is now an incorporated entity with shareholders rather than members and, following other changes, the relevant law is the *Corporations Act 2001* (Clth) rather than the *Securities Industry (Western Australia) Act 1970*.

Paragraph (d) is to be deleted and new paragraphs (d) and (da) are to be inserted by clause 13. New paragraph (d) refers to a financial services licensee (within the meaning of the *Corporations Act 2001* of the Commonwealth), when dealing in securities that he or she is authorised to deal in.

A financial services licensee who is authorised to deal in securities is the approximate equivalent to a stock broker who is a member of a stock exchange. However, there is not complete equivalence and the new concept is a little broader than the common understanding of stockbroker. In practice, this difference should result in little or no change as a financial services licensee will still need to have a finance brokers licence under the *Finance Brokers Control Act 1975* to arrange conventional mortgages.

New paragraph (da) covers the phase in period for the new licensing requirements as discussed in more detail for clause 11.

PART 6 – GRAIN MARKETING ACT 1975

Clause 14 amends section 19 of the *Grain Marketing Act 1975*. Subsection (2) lists the general powers of the Grain Pool which includes in the power “to enter into any contract, including a futures contract (within the meaning of the Corporations Act of the Commonwealth) relating to financial futures or grain futures. . . .” Following commencement of the *Financial Services Reform Act 2001* (Clth) a “futures contract” will no longer be a creature referred to in the *Corporations Act 2001* (Clth). It is considered essential that the Grain Pool continue to be entitled to enter into the relevant transactions. Accordingly the words “(within the meaning of the

CORPORATIONS (CONSEQUENTIAL AMENDMENTS) BILL (NO. 3) 2001
EXPLANATORY MEMORANDUM

Corporations Act)” are deleted to allow the Grain Pool to trade in “futures contracts” within the ordinary meaning of the phrase.

PART 7 – LOCAL GOVERNMENT ACT 1995

Clause 15 amends section 5.84 of the *Local Government Act 1995*. Section 5.84 provides for the disclosure of financial interests by relevant persons under the Act. Subsection (1)(c) refers to corporations whose shares are “listed for quotation on a stock market” in Australia. The words are deleted and the term “quoted on a prescribed financial market” are inserted to reflect the change to be made by the *Financial Services Reform Act 2001* (Clth). The definition of “interest” in subsection (2) is amended to make it relevant to the new regime and a definition of “prescribed financial market” is also included in the appropriate place to give it the meaning given by the *Corporations Act 2001* (Clth) (as amended by the *Financial Services Reform Act 2001* (Clth)). The Commonwealth has advised that the prescribed financial markets are to be the Australian Stock Exchange Ltd., the Bendigo Stock Exchange Ltd. and the Stock Exchange of Newcastle Ltd.

PART 8 – MEMBERS OF PARLIAMENT (FINANCIAL INTERESTS) ACT 1992

Clause 16 amends section 11 of the *Members of Parliament (Financial Interests) Act 1992*. Section 11 provides for the disclosure of financial interests by relevant persons under the Act. Subsection (1)(c) refers to corporations whose shares are “listed for quotation on a stock market” in Australia. The words are deleted and the term “quoted on a prescribed financial market” are inserted to reflect the change made by the *Financial Services Reform Act 2001* (Clth). The definition of “interest” in subsection (2) is amended to make it relevant to the new regime and a definition of “prescribed financial market” is also included in the appropriate place to give it the meaning given by the *Corporations Act 2001* (Clth) (as amended by the *Financial Services Reform Act 2001* (Clth)). For the prescribed financial markets see the notes for clause 15.

PART 9 – MENTAL HEALTH ACT 1996

Clause 17 amends section 193 of the *Mental Health Act 1996*. The section provides definitions of “related person” and “relevant interest”. The definition of “related person” is amended to delete the words “stock exchange” and insert “prescribed financial market”. A definition of “prescribed financial market” is also inserted in the appropriate place. The definition of “relevant interest” is amended by inserting a reference to section 9 of the *Corporations Act 2001* (Clth). For the prescribed financial markets see the notes for clause 15.

PART 10 – OSTEOPATHS ACT 1997

Clause 18 amends clause 5 of Schedule 2 of the *Osteopaths Act 1997*. Schedule 2 provides for the registration of a body corporate under the *Osteopaths Act 1997*. Clause 5 provides that persons having a relevant interest in the body corporate must be either an osteopath or related to an osteopath in a manner prescribed for the purposes of the clause. The proposed amendment inserts a reference to section 92 of the *Corporations Act 2001* (Clth), which is to make it clear that it is the definition of “securities” in section 92 that is being referred to and not the new (additional) definition of “securities”, which is to be inserted into section 761A of the *Corporations Act 2001* (Clth) for the purposes of the new Chapter 7.

CORPORATIONS (CONSEQUENTIAL AMENDMENTS) BILL (NO. 3) 2001
EXPLANATORY MEMORANDUM

PART 11 – PORT AUTHORITIES ACT 1999

Clause 19 amends section 87 of the *Port Authorities Act 1999*. Section 87 lists the hedging transactions Port Authorities are able to enter. Subsection (1)(a)(xi) provides that Authorities may enter “a futures contract or a futures option within the meaning of the Corporations Act”. Following commencement of the *Financial Services Reform Act 2001* (Clth) “futures contracts” and “futures options” will no longer be concepts referred to in the *Corporations Act 2001* (Clth). It is essential that Port Authorities continue to be entitled to enter into the relevant transactions. Accordingly the words “within the meaning of the Corporations Act” are omitted to allow the Port Authorities to trade in “futures contracts” and “futures options” within the ordinary meaning of the words.

PART 12 – REAL ESTATE AND BUSINESS AGENTS ACT 1978

Clause 20 amends section 4 of the *Real Estate and Business Agents Act 1978*. Section 4 is the interpretation provision. Subsection (4)(b) provides that the Act does not apply to “stockbrokers who are members of a stock exchange within the meaning of the *Corporations Act 2001* of the Commonwealth when dealing in securities.” Subsection (4)(b) is deleted and new subsections (4)(b) and (c) are inserted by clause 20. New subsection (4)(b) refers to a financial services licensee (within the meaning of the *Corporations Act 2001* of the Commonwealth, when dealing in securities that he or she is authorised to deal in.

New subsection (4)(c) covers the phase in period for the new licensing requirements as discussed in more detail for clause 11.

PART 13 – SETTLEMENTS AGENTS ACT 1981

Clause 21 provides that the amendments in this Part are to the *Settlements Agents Act 1981*.

Clause 22 amends section 4 of the *Settlements Agents Act 1981*. Section 4 provides for the application and construction of the Act. Subsection (1)(b) provides that the Act does not apply to “stockbrokers who are members of a stock exchange within the meaning of the *Corporations Act 2001* of the Commonwealth when dealing in securities”. Subsection (1)(b) is deleted and new subsections (1)(b) and (c) are inserted by clause 20. The new subsection (1)(b) refers to a financial services licensee (within the meaning of the *Corporations Act 2001* of the Commonwealth, when dealing in securities that he or she is authorised to deal in.

New subsection (1)(c) covers the phase in period for the new licensing requirements as discussed in more detail for clause 11.

Clause 23 amends section 36 of the *Settlements Agents Act 1981*. The words “listed for quotation on the stock market of a stock exchange” are deleted and the term “quoted on a prescribed financial market” are inserted to reflect the change made by the *Financial Services Reform Act 2001* (Clth). A definition of “prescribed financial market” is also inserted. For the prescribed financial markets see the notes for clause 15.

PART 14 – STAMP ACT 1921

Clause 24 provides that the amendments in this Part are to the *Stamp Act 1921*.

CORPORATIONS (CONSEQUENTIAL AMENDMENTS) BILL (NO. 3) 2001
EXPLANATORY MEMORANDUM

Clause 25 amends section 4 which is the definitions section of the *Stamp Act 1921*. This is a necessary consequence of commencement of the *Financial Sector Reform Act 2001* (Clth), which provides that a market for trading in shares and other securities will be known as a “financial market”. This replaces the current terminology of a “stock exchange”.

Subclause (1)(a) inserts new definitions of “financial market” and “recognised financial market”. It is intended that prescription of existing “recognized stock exchanges” as “recognised financial markets” will be made effective to 11 March 2002 under the power to make retrospective regulations provided in this Bill.

Subclause (1)(b) amends paragraph (c)(i) of the definition of “marketable security” by replacing a reference to “stock exchange prescribed by the Minister by notice published in the Government Gazette” with a reference to “recognised financial market”. It also removes the mechanism where a stock exchange is “prescribed” by Ministerial notice.

Subclause (1)(c) substitutes “financial market” for “stock exchange” in paragraph (a) of the definition of “overseas transfer”.

Subclause (1)(d) removes the redundant definition of “recognized stock exchange”. The definition is replaced by “recognised financial market” under subclause (1)(a) above.

Subclause (2) repeals section 4(3), which allowed the Minister to revoke a notice made under the authority of paragraph (c)(i) in the definition of “marketable security”. This is no longer necessary because of the changes to be made by subclause (1)(b).

Clause 26 makes a minor amendment to section 73E (Disposition of shares in discretionary trustee companies) to substitute the reference to “stock exchange” with “financial market”.

Clause 27 makes two minor amendments to section 75D (Interpretation) to substitute the reference to “stock exchange” with “financial market” in paragraphs (a) and (b)(ii)(I) of the definition of “farming company”.

Clause 28 makes minor amendments to sections 75JA (Corporate reconstruction exemptions), 76AI (Companies to which this Division applies) and 76AP (Corporations to which this Division applies). It substitutes references to “stock exchange” with “financial market”.

Clause 29 amends section 112B (Where marketable securities etc. situated).

Subclause (1) replaces a reference to subsection 1085(3) of the *Corporations Act 2001* (Clth) in section 112B(1)(a) and (3) of the *Stamp Act 1921* with the new subsection 1070A(4). This is the *Corporations Act 2001* (Clth) substitute for section 1085(3), as inserted by the *Financial Services Reform Act 2001* of the Commonwealth.

Subclause (2) inserts a new subsection (4a) into section 112B. The new subsection (4a) specifies that section 5G of the *Corporations Act 2001* (Clth) applies to section 112B(1)(a) and (3) to displace the operation of section 1070A(4) of the *Corporations Act 2001* (Clth). Section 5G allows a State to exclude the operation of a specified provision of the *Corporations Act 2001* (Clth) from a particular State law, thereby effecting a different outcome for the State than the *Corporations Act 2001* (Clth) provides nationally. The effect in section 112B of the *Stamp Act 1921* is to ensure that the location of company shares for the purpose of stamp duty is not in the

CORPORATIONS (CONSEQUENTIAL AMENDMENTS) BILL (NO. 3) 2001
EXPLANATORY MEMORANDUM

place where the shares are registered (as provided by section 1070A(4)), but instead are located where the company is registered.

Clause 30 makes a minor amendment to section 112BA (Valuing unlisted marketable securities) to substitute the reference to “stock exchange” with “financial market”.

Clause 31 makes a minor amendment to section 112C (Prohibition of registration of transfers unless in proper form and duly stamped) to substitute the reference to “stock exchange” with “financial market”.

Clause 32 inserts a new section 121 into the *Stamp Act 1921* (WA). Using the powers of section 5F of the *Corporations Act 2001* (Clth) the operation of section 1070A(1)(a) of that Act is excluded from applying to the *Stamp Act 1921* in relation to interests in registered managed investment schemes. Section 5F is similar in operation to section 5G and allow a State to exclude the operation of a specified provision of the *Corporations Act 2001* (Clth) from a particular State law, thereby effecting a different outcome for the State than the *Corporations Act 2001* (Clth) provides nationally.

The effect is that interests in such schemes will not be treated for stamp duty purposes as separate property in their own right (as provided by section 1070A of the Corporations Act). Their transfer will continue to be –

- if the scheme is a unit trust structure - dutiable as a transfer of a unit; or
- otherwise - dutiable as a transfer of an interest in whatever underlying property is held in the scheme.

For instance, a transfer of a direct interest (not a unit type) in a scheme that holds land will remain dutiable as a transfer of an interest in land rather than of a “security” independent from the land, which section 1070A would otherwise make it to be.

Clause 33 makes a minor amendment to items 4A(1)(fa) and 6(d) of the Second Schedule to the *Stamp Act 1921* to substitute the reference to “stock exchange” with “financial market”.

PART 15 – STATE SUPERANNUATION ACT 2000

Clause 34 amends clause 9(2)(e) of Schedule 2 of the *State Superannuation Act 2000* to delete the words “an Australian stock exchange” and insert the more appropriate reference to a prescribed financial market within the meaning of section 9 of the *Corporations Act 2001* (Clth). For the prescribed financial markets see the notes for clause 15.

PART 16 – WATER CORPORATION ACT 1995

Clause 35 amends section 82 of the *Water Corporation Act 1995*. Section 82 lists the hedging transactions the Corporation is able to enter. Subsection (1)(a)(xi) provides that the Corporation may enter “a futures contract or a futures option within the meaning of the Corporations Act”. Following commencement of the *Financial Services Reform Act 2001* (Clth) “futures contracts” and “futures options” will no longer be concepts referred to in the *Corporations Act 2001* (Clth). The Corporation has advised that it is essential that it continue to be entitled to enter into the relevant transactions. Accordingly the words “within the meaning of the Corporations Act” are

CORPORATIONS (CONSEQUENTIAL AMENDMENTS) BILL (NO. 3) 2001
EXPLANATORY MEMORANDUM

omitted to allow the Corporation to trade in “futures contracts” and “futures options” within the ordinary meaning of the words.

PART 17 - WESTERN AUSTRALIAN TREASURY CORPORATION ACT 1986

Clause 36 amends section 10 of the *Western Australian Treasury Corporation Act 1986*. Section 10 lists the hedging transactions the Corporation is able to enter. Subsection (2)(fa)(xi) provides that the Corporation may enter “a futures contract or a futures option within the meaning of the Corporations Act”. Following commencement of the *Financial Services Reform Act 2001* (Clth) “futures contracts” and “futures options” will no longer be concepts referred to in the *Corporations Act 2001* (Clth). The Corporation has advised that it is essential that it continue to be entitled to enter into the relevant transactions. Accordingly the words “within the meaning of the Corporations Act” are omitted to allow the Corporation to trade in “futures contracts” and “futures options” within the ordinary meaning of the words.