



# Banking Act 1959

## Act No. 6 of 1959 as amended

This compilation was prepared on 27 October 2008  
taking into account amendments up to Act No. 105 of 2008

The text of any of those amendments not in force  
on that date is appended in the Notes section

The operation of amendments that have been incorporated may be  
affected by application provisions that are set out in the Notes section

[Note: Section 40(3) ceased operation on 30 January 1976 (*see Gazette*  
1976, No. S17)].

Prepared by the Office of Legislative Drafting and Publishing,  
Attorney-General's Department, Canberra



---

# Contents

<b>Part I—Preliminary</b>	1
1 Short title [see Note 1].....	1
2 Commencement [see Note 1].....	1
4 Repeal.....	1
5 Interpretation .....	1
6 Application of Act .....	8
6A Cessation of application of Act to Territory .....	8
6B Application of <i>Criminal Code</i> .....	8
<b>Part II—Provisions relating to the carrying on of banking business</b>	9
<b>Division 1—Authority to carry on banking business</b>	9
7 Person other than a body corporate must not carry on banking business.....	9
8 Only the Reserve Bank and bodies corporate that are ADIs may carry on banking business.....	9
9 Authority to carry on banking business .....	10
9A Revocation of authority .....	12
9B Bodies that cease to exist or change their names .....	14
9C Publication of list of ADIs.....	15
10 APRA to be supplied with certain documents .....	15
11 APRA may determine that provisions of this Act do not apply .....	16
<b>Division 1AA—Authority to be a NOHC of an ADI</b>	18
11AA Authority to be a NOHC.....	18
11AB Revocation of authority .....	19
11AC Bodies that cease to exist or change their names .....	22
11AD Publication of list of NOHCs.....	22
<b>Division 1A—Prudential supervision and monitoring of ADIs and authorised NOHCs</b>	23
11AF APRA may make prudential standards for ADIs and authorised NOHCs.....	23
11A Prudential requirements may also be prescribed by the regulations .....	24
11B APRA to monitor prudential matters.....	25
11C Division not to limit operation of other provisions.....	25
<b>Division 1BA—APRA’s power to issue directions</b>	26
<b>Subdivision A—Directions other than to enforce certified industry support contracts</b>	26
11CA APRA may give directions in certain circumstances.....	26

---

<b>Subdivision B—Directions to enforce certified industry support contracts</b>	29
11CB APRA may certify an industry support contract.....	29
11CC APRA may direct parties to an industry support contract to comply with the contract .....	29
<b>Subdivision C—General provisions relating to all directions</b>	30
11CD Direction not grounds for denial of obligations .....	30
11CE Supply of information about issue and revocation of directions .....	31
11CF Secrecy requirements.....	32
11CG Non-compliance with a direction.....	33
<b>Division 1B—Provisions relating to certain ADIs</b>	35
11D Interpretation .....	35
11E Division 2 not applicable to foreign ADIs.....	35
11F Assets of foreign ADIs .....	35
<b>Division 2—Protection of depositors</b>	36
<b>Subdivision A—General provisions relating to depositor protection</b>	36
12 APRA to protect depositors.....	36
13 ADI to supply information to APRA.....	36
13A Consequences of inability or failure of ADI to meet obligations .....	37
13B Investigators—ADI must provide information and facilities.....	39
13BA Start of control of ADI’s business by ADI statutory manager.....	40
13C ADI statutory managers—termination of control .....	40
<b>Subdivision B—Provisions dealing with control of an ADI’s business by an ADI statutory manager</b>	42
14A ADI statutory manager’s powers and functions.....	42
14AA ADI statutory manager’s additional powers to facilitate recapitalisation.....	44
14AB Considering report before acting under section 14AA .....	45
14AC Act under section 14AA not ground for denying obligation.....	48
14B Administrator in control—additional powers to recommend action by APRA.....	48
14C ADI statutory manager’s liabilities and duties.....	49
14D Administrator in control—additional duties .....	50
14DAA Administrator in control—additional duties where action may affect financial system stability in Australia.....	51
14DA Administrator in control—additional duties where action may affect financial system stability in New Zealand .....	51
14E Termination of administrator’s appointment .....	52
14F APRA’s powers to apply for ADI to be wound up .....	52

---

---

15	Effect on directors of ADI statutory manager taking control of an ADI's business .....	53
15A	Effect on external administrator of ADI statutory manager taking control of an ADI's business .....	53
15B	Effect on legal proceedings of ADI statutory manager taking control of an ADI's business .....	54
15C	ADI statutory manager being in control not grounds for denial of obligations .....	54
15D	Continued application of other provisions .....	55
16	Costs of statutory management.....	55
16A	APRA must report to Treasurer and publish information about statutory management .....	55
16AA	Exceptions to Part IV of the <i>Trade Practices Act 1974</i> .....	56
<b>Division 2AA—Financial claims scheme for account-holders with insolvent ADIs</b>		57
<b>Subdivision A—Preliminary</b>		57
16AB	Purpose of this Division .....	57
16AC	APRA's functions relating to this Division .....	57
<b>Subdivision B—Declaration of ADI</b>		57
16AD	Declaration that Subdivision C applies in relation to ADI.....	57
16AE	Advice and information for decision on making declaration .....	59
<b>Subdivision C—Payment of account-holders with declared ADI</b>		59
16AF	Payment of account-holders with declared ADI .....	59
16AG	Limit on payments to account-holder with declared ADI.....	60
16AH	Payment .....	60
16AI	Substitution of APRA for account-holder as ADI's creditor .....	62
<b>Subdivision D—Administration</b>		62
16AJ	Requiring assistance .....	62
16AK	Obtaining information relevant to determining and paying entitlements .....	63
16AL	Enforcing requirement for assistance or information.....	64
16AM	Recovery of overpayments .....	66
16AN	APRA may delegate functions and powers under this Division .....	66
16AO	APRA's costs of administration .....	66
<b>Subdivision E—Account-holder's claims against ADI remaining after entitlement</b>		67
16AP	When this Subdivision applies.....	67
16AQ	Liquidator may admit debt or claim without normal proof.....	67
16AR	How liquidator must pay distributions to account-holder.....	68
16AS	APRA may disclose relevant personal information to liquidator .....	68

---

---

<b>Subdivision F—Disclosure of information relating to new accounts</b>	69
16AT APRA or liquidator to disclose information to ADI .....	69
<b>Subdivision G—Exceptions to Part IV of the Trade Practices Act 1974</b>	69
16AU Exceptions to Part IV of the <i>Trade Practices Act 1974</i> .....	69
<b>Division 2A—Auditors of ADIs and authorised NOHCs and their subsidiaries</b>	71
16B Auditors to give information to APRA on request.....	71
16BA Requirement for auditors to give information about ADIs .....	72
16C Auditor may provide information to APRA .....	76
<b>Division 2B—Removal of auditors of ADIs</b>	77
17 APRA may remove an auditor of an ADI.....	77
18 Referring matters to professional associations for auditors .....	78
<b>Division 2C—Enforceable undertakings</b>	80
18A Enforceable undertakings .....	80
<b>Division 3—Governance</b>	81
19 Disqualified persons must not act for ADIs or authorised NOHCs .....	81
20 Who is a <i>disqualified person</i> ?.....	83
21 Court power of disqualification .....	84
22 Court power to revoke or vary a disqualification etc. ....	86
23 APRA may remove a director or senior manager of an ADI or authorised NOHC.....	86
<b>Division 4—Mobilization of foreign currency</b>	89
32 Interpretation .....	89
33 Transfer of foreign currency to Reserve Bank.....	89
34 Payment for transferred foreign currency .....	91
35 Sale of foreign currency by Reserve Bank .....	91
<b>Division 5—Advances</b>	92
36 Advance policy .....	92
<b>Part IIA—ADI mergers (operation of State and Territory laws)</b>	94
38A Operation of certain State and Territory laws relating to ADI mergers .....	94
<b>Part III—Foreign exchange, foreign investment etc.</b>	96
39 Power to make regulations .....	96
39A Extra-territorial application of regulations.....	101
39B Granting of authorities by Reserve Bank subject to taxation clearance.....	102

---

---

<b>Part IV—Gold</b>	103
40	Operation of Part ..... 103
41	Transfer of gold out of Australia ..... 103
42	Delivery of gold..... 104
43	Vesting of gold delivered ..... 105
44	Payment for gold ..... 105
45	Limitation of sale and purchase of gold..... 105
46	Limitation on working of gold..... 106
47	Application of Part ..... 107
48	Exemptions..... 107
<b>Part V—Interest rates</b>	108
50	Control of interest rates ..... 108
<b>Part VI—Reconsideration and Review of decisions</b>	109
51A	Definitions..... 109
51B	Reconsideration of decisions ..... 109
51C	Review of decisions..... 110
51D	Statements to accompany notification of decisions ..... 111
<b>Part VIA—Protections in relation to information</b>	112
<b>Division 1—Protection for whistleblowers</b>	112
52A	Disclosures qualifying for whistleblower protection ..... 112
52B	Whistleblower protection for disclosures that qualify ..... 113
52C	Victimisation of whistleblowers prohibited..... 114
52D	Right to compensation..... 115
52E	Confidentiality requirement for company, company officers and employees and auditors..... 115
<b>Division 2—Self-incrimination</b>	118
52F	Self-incrimination..... 118
<b>Part VII—Miscellaneous</b>	119
61	APRA may conduct investigations ..... 119
62	Supply of information..... 120
62A	Notices to APRA ..... 122
62B	Involving APRA in applications to appoint external administrators of ADIs ..... 124
62C	Involving APRA in applications by liquidator ..... 125
63	Restructuring of ADIs ..... 125
64	Conditions on consent to restructure an ADI..... 127
65	ADIs and authorised NOHCs may be directed to comply with Act..... 128
65A	Injunctions..... 128
65B	Civil penalties..... 131

---

---

66	Restriction on use of certain words and expressions .....	131
66A	Restriction on use of expressions <i>authorised deposit-taking institution</i> and <i>ADI</i> .....	134
67	Restriction on establishment or maintenance of representative offices of overseas banks .....	136
68	Bank holidays .....	137
69	Unclaimed moneys .....	138
69AA	Powers about money of depositors who have died .....	141
69C	Conduct of directors, servants and agents.....	141
69D	Disclosure of information received under Act prohibited in certain circumstances.....	142
69E	Compensation for acquisition of property .....	142
69F	Severability.....	143
70A	Protection from liability.....	146
70B	Act has effect despite the Corporations Act.....	146
70C	Authorising contracts etc. for protecting depositors' interests and financial system stability.....	146
70D	Borrowing funds for payments under authorised contracts etc. ....	148
70E	Financial System Stability Special Account .....	148
70F	Credits to the Account .....	148
70G	Purposes of the Account .....	149
70H	Debits to reflect reduced amounts specified in authorisations .....	150
71	Regulations.....	150
<b>Schedule 1—State and Territory laws relating to ADI mergers</b>		151
<b>Schedule 2—Civil penalties</b>		152
<b>Part 1—Contravention of a civil penalty provision</b>		152
1	Federal Court may order person to pay pecuniary penalty for contravening civil penalty provision.....	152
2	Contravening a civil penalty provision is not an offence.....	153
3	Persons involved in contravening civil penalty provision .....	153
4	Recovery of a pecuniary penalty .....	153
5	Civil evidence and procedure rules for pecuniary penalty orders.....	153
<b>Part 2—Civil penalty proceedings and criminal proceedings</b>		154
6	Civil proceedings after criminal proceedings .....	154
7	Criminal proceedings during civil proceedings .....	154
8	Criminal proceedings after civil proceedings .....	154
9	Evidence given in proceedings for penalty not admissible in criminal proceedings .....	154
<b>Notes</b>		157

---



---

# **An Act to regulate Banking, to make provision for the Protection of the Currency and of the Public Credit of the Commonwealth, and for other purposes**

## **Part I—Preliminary**

### **1 Short title** [see Note 1]

This Act may be cited as the *Banking Act 1959*.

### **2 Commencement** [see Note 1]

Except as otherwise provided by this Act, this Act shall come into operation on the day on which the *Reserve Bank Act 1959* comes into operation.

### **4 Repeal**

The following Acts are repealed:

*Banking Act 1945*;

*Banking Act 1953*.

### **5 Interpretation**

#### *Definitions*

- (1) In this Act, unless the contrary intention appears:

**account-holder** means an entity (as defined in section 960-100 of the *Income Tax Assessment Act 1997*) that has (either alone or jointly with another entity) an account or covered financial product with an ADI.

**action that is likely to have a detrimental effect on financial system stability in New Zealand** includes an action that prevents or interferes with an outsourcing arrangement.

**ADI** is short for authorised deposit-taking institution.

Section 5

---

**ADI statutory manager** has the meaning given by subsection 13A(2).

**administrator of an ADI's business** means an administrator appointed under subsection 13A(1) to take control of an ADI's business.

**advance** includes loan.

**APRA** means the Australian Prudential Regulation Authority.

**APRA member** has the same meaning as in the *Australian Prudential Regulation Authority Act 1998*.

**APRA Special Account** has the same meaning as in the *Australian Prudential Regulation Authority Act 1998*.

**APRA staff member** has the same meaning as in the *Australian Prudential Regulation Authority Act 1998*.

**ASIC** means the Australian Securities and Investments Commission.

**Australia** includes the Territories.

**authorised deposit-taking institution** means a body corporate in relation to which an authority under subsection 9(3) is in force.

**authorised NOHC** means a body corporate:

- (a) in relation to which an authority under subsection 11AA(2) is in force; and
- (b) that is a NOHC of an ADI or ADIs.

**banking business** means:

- (a) a business that consists of banking within the meaning of paragraph 51(xiii) of the Constitution; or
- (b) a business that is carried on by a corporation to which paragraph 51(xx) of the Constitution applies and that consists, to any extent, of:
  - (i) both taking money on deposit (otherwise than as part-payment for identified goods or services) and making advances of money; or
  - (ii) other financial activities prescribed by the regulations for the purposes of this definition.

**business day** means a day that is not a Saturday, a Sunday or a public holiday or bank holiday in the place concerned.

**civil penalty provision:** a subsection of this Act (or a section of this Act that is not divided into subsections) is a **civil penalty provision** if:

- (a) the words “civil penalty” and one or more amounts in penalty units are set out at the foot of the subsection (or section); or
- (b) another provision of this Act specifies that the subsection (or section) is a civil penalty provision.

Note: Schedule 2 deals with contraventions of civil penalty provisions, and treats people who are involved in various ways in such a contravention as if they had contravened the provision concerned.

**covered financial product** has the meaning given by subsection (8).

**declaration time** for an ADI means the time the ADI becomes a declared ADI.

**declared ADI** means an ADI specified in a declaration under section 16AD as an ADI in relation to which Subdivision C of Division 2AA of Part II applies.

**external administrator** means any of the following:

- (a) a liquidator or provisional liquidator;
- (b) a receiver, manager, managing controller, receiver and manager or other controller (other than an ADI statutory manager);
- (c) a voluntary administrator or administrator of a deed of a company arrangement or a scheme manager.

Expressions used in this definition have the same meanings as they have in the *Corporations Act 2001*.

**Finance Minister** means the Minister who administers the *Financial Management and Accountability Act 1997*.

**Financial Claims Scheme Special Account** has the same meaning as in the *Australian Prudential Regulation Authority Act 1998*.

**Financial System Stability Special Account** means the Financial System Stability Special Account established by section 70E.

**foreign ADI** means a body corporate that:

---

Section 5

---

- (a) is a foreign corporation within the meaning of paragraph 51(xx) of the Constitution; and
- (b) is authorised to carry on banking business in a foreign country; and
- (c) has been granted an authority under section 9 to carry on banking business in Australia.

**industry support contract** means a contract under which emergency financial support is to be provided by parties to the contract to any ADI that is a party to the contract if a specified event occurs. The contract may also deal with matters associated with the provision of the financial support.

**insolvent**, in relation to a body corporate, means that the body corporate is not able to pay all its debts as and when they become due and payable.

**net credit balance:**

- (a) the **net credit balance**, at a time, of an account means the excess of the balance of the account in credit in favour of the account-holder at that time over the amount (if any) of fees, charges and duties that are identified under the agreement under which the account is kept and are payable by the account-holder to the ADI at that time; and
- (b) the **net credit balance**, at a time, of a covered financial product that is not an account means the amount owed to the account-holder at that time under the terms of the agreement under which the covered financial product is kept.

**New Zealand registered bank** means a registered bank, as defined in section 2 of the Reserve Bank of New Zealand Act 1989 of New Zealand, that carries on a business in New Zealand.

**NOHC** is short for non-operating holding company.

**NOHC authority** means an authority under subsection 11AA(2).

**non-operating holding company** means, in relation to a body corporate, a body corporate:

- (a) of which the first body corporate is a subsidiary; and
- (b) that does not carry on a business (other than a business consisting of the ownership or control of other bodies corporate); and

(c) that is incorporated in Australia.

**outsourcing arrangement** means an arrangement for the business of a New Zealand registered bank, or functions relating to such business, to be carried on by an entity other than the bank.

**penalty unit** has the meaning given by section 4AA of the *Crimes Act 1914*.

**personal information** has the same meaning as in the *Privacy Act 1988*.

**prescribed New Zealand authority** means the following:

- (a) the Reserve Bank of New Zealand;
- (b) an authority of the government of New Zealand that:
  - (i) has statutory responsibilities relating to prudential regulation or financial system stability; and
  - (ii) is prescribed by the regulations for the purposes of this definition.

**protected account** has the meaning given by subsections (4), (5), (6) and (7).

**prudential matters** means matters relating to:

- (a) the conduct by an ADI, an authorised NOHC, a relevant group of bodies corporate, or a particular member or members of such a group, of any part of its or their affairs in such a way as:
  - (i) to keep the ADI, NOHC, group or member or members of the group in a sound financial position; or
  - (ii) not to cause or promote instability in the Australian financial system; or
  - (iii) not to cause or promote instability in the New Zealand financial system; or
- (b) the conduct by an ADI, an authorised NOHC, a relevant group of bodies corporate, or a particular member or members of such a group, of its or their affairs with integrity, prudence and professional skill.

**prudential requirement regulation** means a regulation under section 11A.

**prudential standard** means a standard under section 11AF.

Section 5

---

**relevant group of bodies corporate** has the meaning given by subsection 5(3).

**section 9 authority** means an authority under subsection 9(3).

**senior manager** of an ADI or an authorised NOHC or the Australian operations of a foreign ADI means a person who has or exercises any of the senior management responsibilities (within the meaning of the prudential standards) for the ADI or NOHC or for the Australian operations of the foreign ADI, as the case may be.

**subsidiary** has the meaning given by subsection (2).

**the Reserve Bank** means the Reserve Bank of Australia.

**ultimate termination of control** has the meaning given by subsection 13C(1).

*Subsidiary*

- (2) For the purposes of this Act, the question whether a body corporate is a subsidiary of another body corporate is to be determined in the same way as that question is determined for the purposes of the *Corporations Act 2001*.

*Relevant group of bodies corporate*

- (3) For the purposes of this Act:
- (a) an ADI and its subsidiaries together constitute a **relevant group of bodies corporate**; and
  - (b) an authorised NOHC and its subsidiaries together also constitute a **relevant group of bodies corporate**.

*Protected account*

- (4) Subject to subsections (5), (6) and (7), a **protected account** is an account or covered financial product that is kept by an account-holder (whether alone or jointly with one or more other account-holders) with an ADI and either:
- (a) is an account that is prescribed by the regulations for the purposes of this paragraph; or
  - (b) is an account, or covered financial product, that is kept under an agreement between the account-holder and the ADI requiring the ADI to pay the account-holder, on demand by

the account-holder or at a time agreed by them, the net credit balance of the account or covered financial product at the time of the demand or the agreed time (as appropriate).

Note: Paragraph (a)—the regulations may prescribe the account by reference to a class of accounts: see subsection 13(3) of the *Legislative Instruments Act 2003*.

- (5) An account is not a ***protected account*** on and after 12 October 2011 unless:
- (a) it is recorded in Australian currency; or
  - (b) it is kept with an ADI that is a declared ADI on 12 October 2011.
- (6) A covered financial product that is kept with an ADI and is not an account is not a ***protected account*** if APRA applies under section 14F on or after 12 October 2011 for an order that the ADI be wound up.
- (7) An account or covered financial product is not a ***protected account*** if the account or covered financial product is prescribed by the regulations for the purposes of this subsection.

Note: The regulations may prescribe the account or covered financial product by reference to a class of accounts or financial products: see subsection 13(3) of the *Legislative Instruments Act 2003*.

#### *Covered financial product*

- (8) The Minister may declare that a specified financial product is a ***covered financial product***.

Note: The declaration may specify the product by reference to a class of financial products: see subsection 13(3) of the *Legislative Instruments Act 2003*.

- (9) A declaration made under subsection (8), or an amendment of the declaration, is a legislative instrument, but neither section 42 (disallowance) nor Part 6 (sunsetting) of the *Legislative Instruments Act 2003* applies to the declaration or amendment.
- (10) The declaration or amendment takes effect from the time it is made, despite subsections 12(1) and (2) of the *Legislative Instruments Act 2003*.

## **6 Application of Act**

- (1) Nothing in Part II or V, or in sections 61 to 69 (inclusive), applies with respect to State banking.
- (2) Subject to section 6A, this Act extends to all the Territories.

### **6A Cessation of application of Act to Territory**

- (1) The Treasurer may, by notice published in the *Gazette*, declare that, on a date specified in the notice, this Act shall cease to extend to an external Territory specified in the notice, and, on and after the date specified in such a notice, this Act, other than subsection (2), does not extend to the Territory so specified and a reference in this Act, other than this section, to a Territory does not include a reference to the Territory so specified.
- (2) Section 8 of the *Acts Interpretation Act 1901* applies in relation to a notice published under this section as if the notice were an Act repealing this Act to the extent that, immediately before the date specified in the notice, this Act extended to the Territory specified in the notice.

### **6B Application of *Criminal Code***

The *Criminal Code* applies to all offences against this Act.



## **Part II—Provisions relating to the carrying on of banking business**

### **Division 1—Authority to carry on banking business**

#### **7 Person other than a body corporate must not carry on banking business**

- (1) A person is guilty of an offence if:
  - (a) the person carries on any banking business in Australia; and
  - (b) the person is not a body corporate; and
  - (c) there is no determination in force under section 11 that this subsection does not apply to the person.

Maximum penalty: 200 penalty units.

Note: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

- (2) An offence against subsection (1) is an indictable offence.
- (3) If a person carries on banking business in circumstances that give rise to the person committing an offence against subsection (1), the person is guilty of an offence against that subsection in respect of:
  - (a) the first day on which the offence is committed; and
  - (b) each subsequent day (if any) on which the circumstances that gave rise to the person committing the offence continue (including the day of conviction for any such offence or any later day).

Note: This subsection is not intended to imply that section 4K of the *Crimes Act 1914* does not apply to offences against this Act or the regulations.

#### **8 Only the Reserve Bank and bodies corporate that are ADIs may carry on banking business**

- (1) A body corporate is guilty of an offence if:
  - (a) the body corporate carries on any banking business in Australia; and
  - (b) the body corporate is not the Reserve Bank; and
  - (c) the body corporate is not an ADI; and

**Part II** Provisions relating to the carrying on of banking business

**Division 1** Authority to carry on banking business

**Section 9**

---

- (d) there is no determination in force under section 11 that this subsection does not apply to the body corporate.

Maximum penalty: 200 penalty units.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

- (2) An offence against subsection (1) is an indictable offence.
- (3) If a body corporate carries on banking business in circumstances that give rise to the body corporate committing an offence against subsection (1), the body corporate is guilty of an offence against that subsection in respect of:
- (a) the first day on which the offence is committed; and
  - (b) each subsequent day (if any) on which the circumstances that gave rise to the body corporate committing the offence continue (including the day of conviction for any such offence or any later day).

Note: This subsection is not intended to imply that section 4K of the *Crimes Act 1914* does not apply to offences against this Act or the regulations.

**9 Authority to carry on banking business**

- (2) A body corporate which desires authority to carry on banking business in Australia may apply in writing to APRA for authority accordingly.

Note: The body corporate may also need to consider the implications of the *Foreign Acquisitions and Takeovers Act 1975* and the *Financial Sector (Shareholdings) Act 1998*.

- (3) If an application has been made, APRA may grant the body corporate an authority to carry on banking business in Australia. The authority must be in writing, and APRA must give the body corporate written notice of the granting of the authority.

Note 1: The fact that a body corporate is granted an authority to carry on banking business in Australia does not mean it is entitled to call itself a bank. To do this, the body corporate will need to have a consent under section 66.

Note 2: For APRA's power to revoke an authority, see section 9A.

- (3A) Without limiting the circumstances in which APRA may refuse an application by a body corporate for authority to carry on banking business in Australia, APRA may refuse such an application if the body corporate is a subsidiary of a NOHC that does not hold a NOHC authority.
- (4) APRA may, at any time, by notice in writing served on the body corporate concerned:
- (a) impose conditions, or additional conditions, on an authority; or
  - (b) vary or revoke conditions imposed on an authority.
- The conditions must relate to prudential matters.
- (4A) Without limiting the conditions that APRA may impose under subsection (4) on an ADI's authority, APRA may make the authority conditional on a body corporate of which the ADI is a subsidiary being an authorised NOHC.
- (5) A condition may be expressed to have effect notwithstanding anything in the prudential standards or the regulations.
- (6) An ADI is guilty of an offence if:
- (a) it does, or fails to do, an act; and
  - (b) doing, or failing to do, the act results in a contravention of a condition of the ADI's authority; and
  - (c) there is no determination in force under section 11 that this subsection does not apply to the ADI.

Maximum penalty: 200 penalty units.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

- (6A) An offence against subsection (6) is an indictable offence.
- (6B) If an ADI does or fails to do an act in circumstances that give rise to the ADI committing an offence against subsection (6), the ADI is guilty of an offence against that subsection in respect of:
- (a) the first day on which the offence is committed; and
  - (b) each subsequent day (if any) on which the circumstances that gave rise to the ADI committing the offence continue

**Part II** Provisions relating to the carrying on of banking business

**Division 1** Authority to carry on banking business

Section 9A

---

(including the day of conviction for any such offence or any later day).

Note: This subsection is not intended to imply that section 4K of the *Crimes Act 1914* does not apply to offences against this Act or the regulations.

- (7) If APRA:
- (a) grants an authority under subsection (3); or
  - (b) imposes, varies or revokes conditions under subsection (4);
- APRA must cause notice of that action to be published in the *Gazette*. APRA may also cause notice of that action to be published in any other way it considers appropriate.
- (8) A failure to comply with subsection (7) does not affect the validity of the action concerned.
- (9) Part VI applies to the following decisions under this section:
- (a) a decision to refuse an application under this section;
  - (b) a decision to impose conditions, or additional conditions, on an authority;
  - (c) a decision to vary conditions imposed on an authority.

**9A Revocation of authority**

- (1) APRA must revoke a body corporate's section 9 authority if:
- (a) the body corporate, by notice in writing to APRA, requests the revocation of the authority; and
  - (b) APRA is satisfied that the revocation of the authority:
    - (i) would not be contrary to the national interest; and
    - (ii) would not be contrary to the interests of depositors of the body corporate.
- (2) APRA may revoke a body corporate's section 9 authority if APRA is satisfied that:
- (aa) the body corporate has, whether before or after the commencement of this paragraph, provided, in connection with its application for the authority, information that was false or misleading in a material particular; or
  - (a) the body corporate has failed to comply with:
    - (i) a requirement of this Act or the regulations or the *Financial Sector (Collection of Data) Act 2001*; or
    - (ii) a direction under Division 1BA; or

- (iii) a condition of its section 9 authority; or
- (b) it would be contrary to the national interest for the authority to remain in force; or
- (ba) it would be contrary to financial system stability in Australia for the authority to remain in force; or
- (c) it would be contrary to the interests of depositors of the body corporate for the authority to remain in force; or
- (d) the body corporate has failed to pay:
  - (i) an amount of levy or late penalty to which the *Financial Institutions Supervisory Levies Collection Act 1998* applies; or
  - (ii) an amount of charge fixed under section 51 of the *Australian Prudential Regulation Authority Act 1998*; or
- (e) the body corporate is insolvent and is unlikely to return to solvency within a reasonable period of time; or
- (f) the body corporate has ceased to carry on banking business in Australia.

The procedures to be undergone before a revocation under this subsection are set out in subsection (3). Those procedures apply unless APRA determines under subsection (4) that they are not to apply.

- (3) Subject to subsection (4), APRA must not, under subsection (2), revoke a body corporate's section 9 authority unless:
  - (a) APRA has given the body corporate a notice in writing advising the body corporate:
    - (i) that APRA is considering revoking the authority for the reasons specified in the notice; and
    - (ii) that the body corporate may make submissions to APRA, in accordance with the notice, about the possible revocation; and
    - (iii) of the date by which any submissions must be made (being a date at least 90 days after the giving of the notice); and
  - (b) APRA has considered any submissions that were made by the body corporate by the specified date.
- (4) APRA may determine that the procedures in subsection (3) do not apply if APRA is satisfied that following those procedures could result in a delay in revocation that would be:

**Part II** Provisions relating to the carrying on of banking business

**Division 1** Authority to carry on banking business

**Section 9B**

---

- (a) contrary to the national interest; or
  - (b) contrary to the interests of depositors with the body corporate.
- (5) A revocation of a body corporate's section 9 authority under subsection (1) or (2) must be in writing, and APRA must give the body corporate written notice of the revocation of the authority.
- (6) If APRA revokes a body corporate's section 9 authority under subsection (1) or (2), APRA must cause notice of the revocation to be published in the *Gazette*. APRA may also cause notice of the revocation to be published in any other way it considers appropriate.
- (7) A failure to comply with subsection (5) (so far as it requires a body corporate to be given written notice of a revocation) or with subsection (6) does not affect the validity of a revocation.
- (8) Part VI applies to the following decisions under this section:
- (a) a decision to refuse to revoke a body corporate's section 9 authority;
  - (b) a decision to revoke a body corporate's section 9 authority, unless APRA has determined, under subsection (4), that the procedures in subsection (3) do not apply.

**9B Bodies that cease to exist or change their names**

- (1) If APRA is satisfied that a body corporate that has been granted a section 9 authority:
- (a) has ceased to exist; or
  - (b) has changed its name;
- APRA must cause notice of that fact to be published in the *Gazette*. APRA may also cause notice of that fact to be published in any other way it thinks appropriate.
- (2) If the body corporate has ceased to exist, its section 9 authority is taken to be revoked on publication of the notice in the *Gazette*.
- (3) If the body corporate has changed its name, its section 9 authority has effect after the publication of the notice in the *Gazette* as if it had been granted to the body under its changed name.

### **9C Publication of list of ADIs**

APRA may, from time to time, publish a list of ADIs:

- (a) in the *Gazette*; or
- (b) in such other manner as APRA determines.

### **10 APRA to be supplied with certain documents**

- (1) An application under this Part by a body corporate shall be accompanied by a copy of the Act, charter, deed of settlement, memorandum of association and articles of association of the body corporate, or other document by which the body corporate is constituted.
- (2) Every copy of an Act, charter, deed of settlement, memorandum of association, articles of association or other document furnished to APRA under subsection (1) shall be verified by a statutory declaration made by a senior officer of the body corporate concerned.
- (3) An ADI is guilty of an offence if:
  - (a) an alteration is made to the Act, charter, deed of settlement, memorandum of association, articles of association, constitution or other document by which the ADI was constituted as a body corporate; and
  - (b) the ADI does not, within 3 months of the making of the alteration, give to APRA a written statement:
    - (i) that sets out particulars of the alteration; and
    - (ii) that is verified by a statutory declaration made by a senior officer of the ADI; and
  - (c) there is no determination in force under section 11 that this subsection does not apply to the ADI.

Maximum penalty: 50 penalty units.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

Section 11

---

**11 APRA may determine that provisions of this Act do not apply**

- (1) APRA may, in writing, determine that any or all of the following provisions of this Act do not apply to a person while the determination is in force:
  - (a) a provision of Division 1, 1AA or 1A of Part II (other than section 11A, 11B or 11C);
  - (b) section 66;
  - (c) section 66A;
  - (d) section 67;
  - (e) section 69.
- (2) The determination:
  - (a) may be expressed to apply to a particular person or to a class of persons; and
  - (b) may specify the period during which the determination is in force; and
  - (c) may be made subject to specified conditions.
- (2A) If APRA makes a determination that applies to a particular person, APRA must also give the person written notice of the determination.
- (3) A person is guilty of an offence if:
  - (a) the person does, or fails to do, an act; and
  - (b) doing, or failing to do, the act results in a contravention of a condition to which a determination under this section is subject (being a determination that is in force and that applies to the person).

Maximum penalty: 200 penalty units.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

- (3A) An offence against subsection (3) is an indictable offence.
- (3B) If a person does or fails to do an act in circumstances that give rise to the person committing an offence against subsection (3), the person is guilty of an offence against that subsection in respect of:



- (a) the first day on which the offence is committed; and
- (b) each subsequent day (if any) on which the circumstances that gave rise to the person committing the offence continue (including the day of conviction for any such offence or any later day).

Note: This subsection is not intended to imply that section 4K of the *Crimes Act 1914* does not apply to offences against this Act or the regulations.

- (4) APRA may, in writing, vary or revoke a determination under this section.
- (5) The following instruments made under this section are not legislative instruments:
  - (a) a determination that applies to a particular person;
  - (b) an instrument varying or revoking a determination that applies to a particular person.
- (6) Otherwise, an instrument made under this section is a legislative instrument.
- (5) Part VI applies to the following decisions under this section:
  - (a) a refusal to determine that one or more provisions of this Act do not apply to a particular person;
  - (b) a variation or revocation of an order under this section that applies to a particular person.

Section 11AA

---

**Division 1AA—Authority to be a NOHC of an ADI**

**11AA Authority to be a NOHC**

- (1) A body corporate may apply in writing to APRA for an authority under this section. The authority operates as an authority in relation to the body corporate and any ADIs that are subsidiaries of the body corporate from time to time.

Note 1: The body corporate may want the authority:

- (a) because APRA refuses or may refuse to grant a subsidiary of the body corporate a section 9 authority unless the body corporate holds a NOHC authority (see subsection 9(3A)); or
- (b) for a purpose connected with the *Financial Sector (Shareholdings) Act 1998*.

Note 2: The body corporate may also need to consider the implications of the *Foreign Acquisitions and Takeovers Act 1975* and the *Financial Sector (Shareholdings) Act 1998*.

- (2) APRA may grant the authority if it considers it is appropriate to do so.

Note: For APRA's power to revoke the authority, see section 11AB.

- (3) APRA may, at any time, by notice in writing given to the body corporate:
- (a) impose conditions, or additional conditions, on the authority; and
- (b) vary or revoke conditions imposed on the authority.

The conditions must relate to prudential matters.

- (4) A condition may be expressed to have effect despite anything in the prudential standards or the regulations.

- (5) The body corporate is guilty of an offence if:
- (a) it does, or fails to do, an act; and
- (b) doing, or failing to do, the act results in a contravention of a condition of the authority; and
- (c) there is no determination in force under section 11 that this subsection does not apply to the body corporate.

Maximum penalty: 200 penalty units.

---

Section 11AB

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

(5A) An offence against subsection (5) is an indictable offence.

(5B) If the body corporate does or fails to do an act in circumstances that give rise to the body corporate committing an offence against subsection (5), the body corporate is guilty of an offence against that subsection in respect of:

- (a) the first day on which the offence is committed; and
- (b) each subsequent day (if any) on which the circumstances that gave rise to the body corporate committing the offence continue (including the day of conviction for any such offence or any later day).

Note: This subsection is not intended to imply that section 4K of the *Crimes Act 1914* does not apply to offences against this Act or the regulations.

(6) If APRA:

- (a) grants an authority under subsection (2); or
- (b) imposes, varies or revokes conditions under subsection (3);

APRA must cause notice of that action to be published in the *Gazette*. APRA may also cause notice of that action to be published in any other way that it considers appropriate.

(7) A failure to comply with subsection (6) does not affect the validity of the action concerned.

(8) Part VI applies to the following decisions under this section:

- (a) a decision to refuse an application under this section;
- (b) a decision to impose conditions, or additional conditions, on an authority;
- (c) a decision to vary conditions imposed on an authority.

### **11AB Revocation of authority**

(1) APRA must revoke a NOHC authority granted to a body corporate if:

- (a) the body corporate, by notice in writing to APRA, requests the revocation of the authority; and

Section 11AB

---

- (b) APRA is satisfied that revocation of the authority:
  - (i) would not be contrary to the national interest; and
  - (ii) would not be contrary to the interests of depositors of any ADI that is a subsidiary of the body corporate.
- (2) APRA may revoke a NOHC authority granted to a body corporate if APRA is satisfied that:
  - (aa) the body corporate has, whether before or after the commencement of this paragraph, provided, in connection with its application for the authority, information that was false or misleading in a material particular; or
  - (a) the body corporate has failed to comply with:
    - (i) a requirement of this Act or the regulations or the *Financial Sector (Collection of Data) Act 2001*; or
    - (ii) a direction under Division 1BA; or
    - (iii) a condition of its NOHC authority; or
  - (b) the body corporate has ceased to be a NOHC of any ADI or ADIs; or
  - (c) it would be contrary to the national interest for the authority to remain in force; or
  - (ca) it would be contrary to financial system stability in Australia for the authority to remain in force; or
  - (d) it would be contrary to the interests of depositors of any ADI that is a subsidiary of the body corporate for the authority to remain in force; or
  - (e) the body corporate has failed to pay:
    - (i) an amount of levy or late penalty to which the *Financial Institutions Supervisory Levies Collection Act 1998* applies; or
    - (ii) an amount of charge fixed under section 51 of the *Australian Prudential Regulation Authority Act 1998*.

The procedures to be undergone before a revocation under this subsection are set out in subsection (3). Those procedures apply unless APRA determines under subsection (4) that they are not to apply.
- (3) Subject to subsection (4), APRA must not, under subsection (2), revoke a body corporate's NOHC authority unless:
  - (a) APRA has given the body corporate a notice in writing advising the body corporate:

- (i) that APRA is considering revoking the authority for the reasons specified in the notice; and
  - (ii) that the body corporate may make submissions to APRA, in accordance with the notice, about the possible revocation; and
  - (iii) of the date by which any submissions must be made (being a date at least 90 days after the giving of the notice); and
- (b) APRA has considered any submissions that were made by the body corporate by the specified date.
- (4) APRA may determine that the procedures in subsection (3) do not apply if APRA is satisfied that following those procedures could result in a delay in revocation that would be:
- (a) contrary to the national interest; or
  - (b) contrary to the interests of depositors of any ADI that is a subsidiary of the body corporate.
- (5) A revocation of a body corporate's NOHC authority under subsection (1) or (2) must be in writing, and APRA must give the body corporate written notice of the revocation of the authority.
- (6) If APRA revokes a body corporate's NOHC authority under subsection (1) or (2), APRA must cause notice of the revocation to be published in the *Gazette*. APRA may also cause notice of the revocation to be published in any other way it considers appropriate.
- (7) A failure to comply with subsection (5) (so far as it requires a body corporate to be given written notice of a revocation) or with subsection (6) does not affect the validity of a revocation.
- (8) Part VI applies to the following decisions under this section:
- (a) a decision to refuse to revoke a NOHC authority granted to a body corporate;
  - (b) a decision to revoke a NOHC authority granted to a body corporate, unless APRA has determined, under subsection (4), that the procedures in subsection (3) do not apply.

Section 11AC

---

**11AC Bodies that cease to exist or change their names**

- (1) If APRA is satisfied that a body corporate that has been granted a NOHC authority:

- (a) has ceased to exist; or
- (b) has changed its name;

APRA must cause notice of that fact to be published in the *Gazette*.  
APRA may also cause notice of that fact to be published in any other way it thinks appropriate.

- (2) If the body corporate has ceased to exist, any NOHC authority granted to the body corporate that is still in force is taken to be revoked on publication of the notice in the *Gazette*.
- (3) If the body corporate has changed its name, any NOHC authority granted to the body corporate that is still in force has effect after the publication of the notice in the *Gazette* as if it had been granted to the body under its changed name.

**11AD Publication of list of NOHCs**

APRA may, from time to time, publish a list of authorised NOHCs:

- (a) in the *Gazette*; or
- (b) in such other manner as APRA determines.

## **Division 1A—Prudential supervision and monitoring of ADIs and authorised NOHCs**

### **11AF APRA may make prudential standards for ADIs and authorised NOHCs**

- (1) APRA may, in writing, determine standards in relation to prudential matters to be complied with by:
  - (a) all ADIs; or
  - (b) all authorised NOHCs; or
  - (c) a specified class of ADIs or authorised NOHCs; or
  - (d) one or more specified ADIs or authorised NOHCs.
- (1A) A standard may impose different requirements to be complied with in different situations or in respect of different activities.
- (1AA) Without limiting the prudential matters in relation to which APRA may determine a standard, a standard may require:
  - (a) each ADI or authorised NOHC; or
  - (b) each ADI or authorised NOHC included in a specified class of ADIs or authorised NOHCs; or
  - (c) a specified ADI or authorised NOHC; or
  - (d) each of 2 or more specified ADIs or authorised NOHCs; to ensure that its subsidiaries (or particular subsidiaries), or it and its subsidiaries (or particular subsidiaries), collectively satisfy particular requirements in relation to prudential matters.
- (2) A standard may provide for APRA to exercise powers and discretions under the standard, including (but not limited to) discretions to approve, impose, adjust or exclude specific prudential requirements in relation to one or more specified ADIs or authorised NOHCs.
- (3) APRA may, in writing, vary or revoke a standard.
- (3A) A standard referred to in paragraph (1)(d), or an instrument varying or revoking such a standard, has effect:
  - (a) from the day on which the standard, variation or revocation is made; or

**Section 11A**

---

- (b) if the standard, variation or revocation specifies a later day—  
from that later day.
- (4A) If APRA determines or varies a standard referred to in paragraph (1)(d) it must, as soon as practicable, give a copy of the standard, or of the variation, to the ADI or authorised NOHC, or to each ADI or authorised NOHC, to which the standard applies. Whenever APRA gives a copy of a standard, or of a variation, to an ADI or authorised NOHC, it must also provide a copy to the Treasurer.
- (5A) If APRA revokes a standard referred to in paragraph (1)(d) it must, as soon as practicable, give notice of the revocation to the ADI or authorised NOHC, or to each ADI or authorised NOHC, to which the standard applied. Whenever APRA gives a notice of revocation to an ADI or authorised NOHC, it must also provide a copy to the Treasurer.
- (7) A failure to comply with subsection (4A) or (5A) does not affect the validity of the action concerned.
- (7A) The following instruments made under this section are not legislative instruments:
- (a) a standard referred to in paragraph (1)(d);
  - (b) an instrument varying or revoking a standard referred to in paragraph (1)(d).
- (7B) Otherwise, an instrument made under this section is a legislative instrument.
- (7C) Part VI applies to the following decisions under this section:
- (a) a decision to determine a standard referred to in paragraph (1)(d);
  - (b) a decision to vary such a standard.
- (8) In this section:

*Territory* means a territory to which this Act extends.

**11A Prudential requirements may also be prescribed by the regulations**

The regulations may make provision for and in relation to requiring ADIs and authorised NOHCs to observe such requirements in

---



relation to prudential matters as are specified in, or ascertained in accordance with, the regulations.

### **11B APRA to monitor prudential matters**

The functions of APRA include:

- (a) the collection and analysis of information in respect of prudential matters relating to ADIs and authorised NOHCs;
- (b) the encouragement and promotion of the carrying out by ADIs and authorised NOHCs of sound practices in relation to prudential matters; and
- (c) the evaluation of the effectiveness and carrying out of those practices.

### **11C Division not to limit operation of other provisions**

Nothing in this Division is intended to limit the operation of any other provision of this Act or of the *Reserve Bank Act 1959*.

## **Division 1BA—APRA's power to issue directions**

### **Subdivision A—Directions other than to enforce certified industry support contracts**

#### **11CA APRA may give directions in certain circumstances**

- (1) APRA may give a body corporate that is an ADI or an authorised NOHC a direction of a kind specified in subsection (2) if APRA has reason to believe that:
  - (a) the body corporate has contravened a provision of:
    - (i) this Act; or
    - (ii) the *Financial Sector (Collection of Data) Act 2001*; or
    - (iii) the *First Home Saver Accounts Act 2008*; or
  - (b) the body corporate has contravened a prudential requirement regulation or a prudential standard; or
  - (c) the body corporate is likely to contravene this Act, a prudential requirement regulation, a prudential standard, the *Financial Sector (Collection of Data) Act 2001* or the *First Home Saver Accounts Act 2008*, and such a contravention is likely to give rise to a prudential risk; or
  - (d) the body corporate has contravened a condition or direction under this Act or the *Financial Sector (Collection of Data) Act 2001*; or
  - (e) the direction is necessary in the interests of:
    - (i) if the body corporate is an ADI—depositors of the ADI; or
    - (ii) if the body corporate is an authorised NOHC—depositors of any ADI that is a subsidiary of the NOHC; or
  - (f) the body corporate is, or is about to become, unable to meet its liabilities; or
  - (g) there is, or there might be, a material risk to the security of the body corporate's assets; or
  - (h) there has been, or there might be, a sudden material deterioration in the body corporate's financial condition; or
  - (i) the body corporate is conducting its affairs in an improper or financially unsound way; or

- (j) the failure to issue a direction would materially prejudice the interests of:
    - (i) if the body corporate is an ADI—depositors of the ADI;  
or
    - (ii) if the body corporate is an authorised NOHC—  
depositors of any ADI that is a subsidiary of the NOHC;  
or
  - (k) the body corporate is conducting its affairs in a way that may cause or promote instability in the Australian financial system.
- (1A) The direction must:
- (a) be given by notice in writing to the body corporate; and
  - (b) specify the ground referred to in subsection (1) as a result of which the direction is given.
- (2) The kinds of direction that the body corporate may be given are directions to do, or to cause a body corporate that is its subsidiary to do, any one or more of the following:
- (aa) to comply with the whole or a part of:
    - (i) this Act; or
    - (ii) the *Financial Sector (Collection of Data) Act 2001*; or
    - (iii) the *First Home Saver Accounts Act 2008*;
  - (ab) to comply with the whole or a part of a condition or direction referred to in paragraph (1)(d);
    - (a) to comply with the whole or a part of a prudential requirement regulation or a prudential standard;
    - (b) to order an audit of the affairs of the body corporate, at the expense of the body corporate, by an auditor chosen by APRA;
    - (c) to remove a director or senior manager of the body corporate from office;
    - (d) to ensure a director or senior manager of the body corporate does not take part in the management or conduct of the business of the body corporate except as permitted by APRA;
    - (e) to appoint a person or persons as a director or senior manager of the body corporate for such term as APRA directs;
    - (f) to remove any auditor of the body corporate from office and appoint another auditor to hold office for such term as APRA directs;
-

**Section 11CA**

---

- (g) not to give any financial accommodation to any person;
- (h) not to accept the deposit of any amount;
- (i) not to borrow any amount;
- (j) not to accept any payment on account of share capital, except payments in respect of calls that fell due before the direction was given;
- (k) not to repay any amount paid on shares;
- (l) not to pay a dividend on any shares;
- (m) not to repay any money on deposit or advance;
- (n) not to pay or transfer any amount to any person, or create an obligation (contingent or otherwise) to do so;
- (o) not to undertake any financial obligation (contingent or otherwise) on behalf of any other person;
- (p) anything else as to the way in which the affairs of the body corporate are to be conducted or not conducted.

A direction under paragraph (n) not to pay or transfer any amount does not apply to the payment or transfer of money pursuant to an order of a court or a process of execution.

- (2A) Without limiting the generality of subsection (2), a direction referred to in a paragraph of that subsection may:
  - (a) deal with some only of the matters referred to in that paragraph; or
  - (b) deal with a particular class or particular classes of those matters; or
  - (c) make different provision with respect to different matters or different classes of matters.
- (3) The direction may deal with the time by which, or period during which, it is to be complied with.
- (4) The body corporate has power to comply with the direction despite anything in its constitution or any contract or arrangement to which it is a party.
- (4A) If the direction requires the body corporate to cause a subsidiary to do, or to refrain from doing, an act or thing:
  - (a) the body corporate has power to cause the subsidiary to do, or to refrain from doing, the act or thing; and
  - (b) the subsidiary has power to do, or to refrain from doing, the act or thing;

despite anything in the subsidiary's constitution or any contract or arrangement to which the subsidiary is a party.

- (4B) APRA may, by notice in writing to the body corporate, vary the direction if, at the time of the variation, it considers that the variation is necessary and appropriate.
- (5) The direction has effect until APRA revokes it by notice in writing to the body corporate. APRA may revoke the direction if, at the time of revocation, it considers that the direction is no longer necessary or appropriate.
- (5A) Part VI applies to a decision to give a direction under subsection (1) as a result of the ground referred to in paragraph (1)(a), (b), (c), (d) or (e).
- (6) In this section, *director* has the same meaning as it has in the *Corporations Act 2001*, and the *affairs* of a body corporate include those set out in section 53 of that Act.

Note 1: *Senior manager* is defined in section 5 of this Act.

Note 2: For further information about directions, see Subdivision C.

### **Subdivision B—Directions to enforce certified industry support contracts**

#### **11CB APRA may certify an industry support contract**

- (1) APRA may certify an industry support contract if all of the parties to the contract make a written request to APRA that the contract be certified and APRA considers it appropriate to certify the contract. The certification must be by notice in writing to the parties to the contract.
- (2) Part VI applies to a refusal under this section to certify an industry support contract.

#### **11CC APRA may direct parties to an industry support contract to comply with the contract**

- (1) APRA may direct any ADI that is a party to an industry support contract that is certified under section 11CB to carry out, or cease to carry out, specified acts if APRA considers:

**Part II** Provisions relating to the carrying on of banking business

**Division 1BA** APRA's power to issue directions

**Section 11CD**

---

- (a) that carrying out, or ceasing to carry out, those acts, is necessary in order for the terms of the contract to be fulfilled; and
  - (b) that the direction is in the interests of the depositors of one or more of the ADIs that are parties to the contract.
- The direction must be by notice in writing to the ADI.
- (2) The direction may deal with the time by which, or period during which, it is to be complied with.
  - (3) The ADI has power to comply with the direction despite anything in its constitution or any contract or arrangement to which it is a party.
  - (3A) APRA may vary the direction if, at the time of the variation, it considers that the variation is necessary and appropriate.
  - (4) The direction has effect until:
    - (a) APRA revokes the direction by notice in writing to the ADI (see subsection (5)); or
    - (b) APRA revokes the certification of the industry support contract by notice in writing to the ADIs that are parties to it (see subsection (6)).
  - (5) APRA may revoke the direction if, at the time of the revocation, it considers that the direction is no longer necessary or appropriate.
  - (6) APRA may revoke the certification of the industry support contract if it considers that it is appropriate to do so for any reason.
  - (7) Part VI applies to the following decisions made under this section:
    - (a) a decision to give a direction;
    - (b) a decision to vary a direction;
    - (c) a revocation of the certification of an industry support contract.

**Subdivision C—General provisions relating to all directions**

**11CD Direction not grounds for denial of obligations**

- (1) This section applies if an ADI, authorised NOHC or subsidiary of an ADI or authorised NOHC is party to a contract, whether the proper law of the contract is Australian law (including the law of a
-

State or Territory) or law of a foreign country (including the law of part of a foreign country).

(1A) The fact that the ADI or authorised NOHC is subject to a direction by APRA under Subdivision A or B does not allow the contract, or a party to the contract, other than the ADI, NOHC or subsidiary, to do any of the following:

- (a) deny any obligations under that contract;
- (b) accelerate any debt under that contract;
- (c) close out any transaction relating to that contract.

This subsection has effect subject to subsections (2) and (3).

(2) If the ADI, NOHC or subsidiary is prevented from fulfilling its obligations under the contract because of a direction under Subdivision A, other than a direction under paragraph 11CA(2)(m), the other party or parties to the contract are, subject to any orders made under subsection (3), relieved from obligations owed to the ADI or authorised NOHC under the contract.

(3) A party to a contract to which subsection (2) applies may apply to the Federal Court of Australia for an order relating to the effect on the contract of a direction under Subdivision A. The order may deal with matters including (but not limited to):

- (a) requiring a party to the contract to fulfil an obligation under the contract despite subsection (2);
- (b) obliging a party to the contract to take some other action (for example, paying money or transferring property) in view of obligations that were fulfilled under the contract before the direction was made.

The order must not require a person to take action that would contravene the direction, or any other direction under Subdivision A.

## **11CE Supply of information about issue and revocation of directions**

### *Power to publish notice of directions in Gazette*

(1) APRA may publish in the *Gazette* notice of any direction made under Subdivision A or B. The notice must include the name of the ADI or authorised NOHC given the direction and a summary of the direction.

**Section 11CF**

---

*Requirement to publish notice of revocation of certain directions in Gazette*

- (2) If APRA publishes notice of a direction made under Subdivision A or B and then later revokes the direction, APRA must publish in the *Gazette* notice of that revocation as soon as practicable after the revocation. Failure to publish notice of the revocation does not affect the validity of the revocation.

*Requirement to provide information about direction to Treasurer and Reserve Bank*

- (3) If the Treasurer or the Reserve Bank requests APRA to provide information about:
- (a) any directions under Subdivision A or B in respect of a particular ADI or authorised NOHC; or
  - (b) any directions made during a specified period under Subdivision A or B in respect of any ADIs or authorised NOHCs;

APRA must comply with the request.

*Power to inform Treasurer and Reserve Bank of direction*

- (4) APRA may provide any information that it considers appropriate to the Treasurer or the Reserve Bank about any directions, or revocations of directions, made under Subdivision A or B, in respect of any ADI or authorised NOHC, at any time.

*Requirement to inform Treasurer and Reserve Bank of revocation of direction if informed of making of direction*

- (5) If APRA provides the Treasurer or the Reserve Bank with information about a direction and then later revokes the direction, APRA must notify that person of the revocation of the direction as soon as practicable after the revocation. Failure to notify the person does not affect the validity of the revocation.

**11CF Secrecy requirements**

Information relating to directions and revocations of directions is subject to the secrecy requirements in Part 6 of the *Australian Prudential Regulation Authority Act 1998*, unless the information has been published in the *Gazette* under section 11CE.



### **11CG Non-compliance with a direction**

- (1) An ADI or an authorised NOHC is guilty of an offence if:
- (a) it does, or fails to do, an act; and
  - (b) doing, or failing to do, the act results in a contravention of a direction given to it under Subdivision A or B or section 17 or 23.

Maximum penalty: 50 penalty units.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

- (1A) If an ADI or an authorised NOHC does or fails to do an act in circumstances that give rise to the ADI or NOHC committing an offence against subsection (1), the ADI or NOHC is guilty of an offence against that subsection in respect of:
- (a) the first day on which the offence is committed; and
  - (b) each subsequent day (if any) on which the circumstances that gave rise to the ADI or NOHC committing the offence continue (including the day of conviction for any such offence or any later day).

Note: This subsection is not intended to imply that section 4K of the *Crimes Act 1914* does not apply to offences against this Act or the regulations.

- (2) An officer of an ADI or an authorised NOHC is guilty of an offence if:
- (a) the officer fails to take reasonable steps to ensure that the ADI or NOHC complies with a direction given to it under Subdivision A or B or section 17 or 23; and
  - (b) the officer's duties include ensuring that the ADI or NOHC complies with the direction, or with a class of directions that includes the direction.

Maximum penalty: 50 penalty units.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

**Part II** Provisions relating to the carrying on of banking business

**Division 1BA** APRA's power to issue directions

Section 11CG

---

- (2A) If an officer of an ADI or an authorised NOHC fails to take reasonable steps to ensure that the ADI or NOHC complies with a direction given to it under Subdivision A or B or section 17 or 23 in circumstances that give rise to the officer committing an offence against subsection (2), the officer is guilty of an offence against that subsection in respect of:
- (a) the first day on which the offence is committed; and
  - (b) each subsequent day (if any) on which the circumstances that gave rise to the officer committing the offence continue (including the day of conviction for any such offence or any later day).

Note: This subsection is not intended to imply that section 4K of the *Crimes Act 1914* does not apply to offences against this Act or the regulations.

- (3) In this section, ***officer*** has the meaning given by section 9 of the *Corporations Act 2001*.

## **Division 1B—Provisions relating to certain ADIs**

### **11D Interpretation**

In this Division:

*foreign ADI* does not include the Bank of China.

### **11E Division 2 not applicable to foreign ADIs**

- (1) Division 2 does not apply to a foreign ADI.
- (2) A foreign ADI is guilty of an offence if:
  - (a) it accepts a deposit from a person in Australia; and
  - (b) before accepting the deposit, the foreign ADI did not inform the person, in a manner approved by APRA, of the requirements of this Act to which the foreign ADI is not subject because of subsection (1).

Maximum penalty: 50 penalty units.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

### **11F Assets of foreign ADIs**

If a foreign ADI (whether in or outside Australia) suspends payment or becomes unable to meet its obligations, the assets of the ADI in Australia are to be available to meet the ADI's liabilities in Australia in priority to all other liabilities of the ADI.

## **Division 2—Protection of depositors**

### **Subdivision A—General provisions relating to depositor protection**

#### **12 APRA to protect depositors**

- (1) It is the duty of APRA to exercise its powers and functions under this Division for the protection of the depositors of the several ADIs and for the promotion of financial system stability in Australia.
- (2) To avoid doubt, section 8A of the *Australian Prudential Regulation Authority Act 1998* (which deals with trans-Tasman cooperation) applies to the performance of functions and the exercise of powers by APRA under this Division.

#### **13 ADI to supply information to APRA**

##### *APRA's power to obtain information*

- (1) APRA may, by notice in writing to an ADI, require the ADI to supply it, within the time specified in the notice, with such information relating to the ADI's financial stability as is specified in the notice.  
The requirement to supply information may include a requirement to supply books, accounts or documents.
- (2) The information supplied in compliance with a requirement under subsection (1) must, if required by the notice, be verified by a statutory declaration made by an officer of the ADI concerned who is authorised by the ADI to make the declaration.

##### *Information to be supplied if ADI unable, or likely to be unable, to meet obligations*

- (3) An ADI is guilty of an offence if:
  - (a) the ADI considers that it is likely to become unable to meet its obligations, or that it is about to suspend payment; and

(b) the ADI does not immediately inform APRA of the situation.

Maximum penalty: 200 penalty units.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

(3A) An offence against subsection (3) is an indictable offence.

*APRA's power to investigate or appoint an investigator if information etc. not provided*

(4) APRA may investigate the affairs of an ADI, or appoint a person to do so, if the ADI fails to comply with a requirement to provide information, books, accounts or documents under this section.

*Interpretation*

(5) In this section:

*officer*, in relation to an ADI, has the same meaning as in section 11CG.

### **13A Consequences of inability or failure of ADI to meet obligations**

*Appointment of investigator or administrator, or investigation or control by APRA*

(1) APRA may investigate the affairs of an ADI, appoint a person to investigate the affairs of an ADI, take control of the ADI's business or appoint an administrator to take control of the ADI's business if:

- (a) the ADI informs APRA that the ADI considers that it is likely to become unable to meet its obligations or that it is about to suspend payment; or
- (b) APRA considers that, in the absence of external support:
  - (i) the ADI may become unable to meet its obligations; or
  - (ii) the ADI may suspend payment; or
  - (iii) it is likely that the ADI will be unable to carry on banking business in Australia consistently with the

Section 13A

---

interests of its depositors and financial system stability in Australia; or

- (c) the ADI becomes unable to meet its obligations or suspends payment.

Note: For information about another circumstance in which APRA may take control of the business of an ADI, see section 65.

- (1A) The regulations may specify that a particular form of support for an ADI is not to be considered external support for the purposes of paragraph (1)(b).
- (2) Throughout this Subdivision and Subdivision B, the term **ADI statutory manager** is used. It refers to the entity in control of an ADI's business under this Subdivision. That entity will be either APRA or an administrator of an ADI's business appointed by APRA.

*Priorities for application of assets of ADI in Australia*

- (3) If an ADI becomes unable to meet its obligations or suspends payment, the assets of the ADI in Australia are to be available to meet the ADI's liabilities in the following order:
- (a) first, the ADI's liabilities (if any) to APRA because of the rights APRA has against the ADI because of section 16AI;
  - (b) second, the ADI's debts (if any) to APRA under section 16AO;
  - (c) third, the ADI's deposit liabilities in Australia (other than any such liabilities covered under paragraph (a));
  - (d) fourth, the ADI's other liabilities (in the order of their priority apart from this subsection).

Note: Subsection (3) applies whatever other consequences flow from the ADI becoming unable to meet its liabilities or suspending payment (such as investigation of the ADI's affairs, or control of its business, under this Division, or winding up of the ADI).

*ADI's assets must at least equal its deposit liabilities*

- (4) An ADI is guilty of an offence if:
- (a) it does not hold assets (excluding goodwill) in Australia of a value that is equal to or greater than the total amount of its deposit liabilities in Australia; and

- (b) APRA has not authorised the ADI to hold assets of a lesser value.

Maximum penalty: 200 penalty units.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

- (5) An offence against subsection (4) is an indictable offence.
- (6) If the circumstances relating to the asset holdings of an ADI are such that give rise to the ADI committing an offence against subsection (4), the ADI is guilty of an offence against that subsection in respect of:
- (a) the first day on which the offence is committed; and
  - (b) each subsequent day (if any) on which the circumstances that gave rise to the ADI committing the offence continue (including the day of conviction for any such offence or any later day).

Note: This subsection is not intended to imply that section 4K of the *Crimes Act 1914* does not apply to offences against this Act or the regulations.

### **13B Investigators—ADI must provide information and facilities**

- (1) An investigator of the affairs of an ADI under section 13 or 13A is entitled to have access to the books, accounts and documents of the ADI, and to require the ADI to give the investigator information or facilities to conduct the investigation.
- (1A) An ADI commits an offence if:
- (a) the ADI does not give the investigator access to its books, accounts and documents; or
  - (b) the ADI fails to comply with a requirement made under subsection (1) for the provision of information or facilities.

Maximum penalty: 50 penalty units.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

**Section 13BA**

---

- (1B) If the ADI does or fails to do an act in circumstances that give rise to the ADI committing an offence against subsection (1A), the ADI is guilty of an offence against that subsection in respect of:
- (a) the first day on which the offence is committed; and
  - (b) each subsequent day (if any) on which the circumstances that gave rise to the ADI committing the offence continue (including the day of conviction for any such offence or any later day).

Note: This subsection is not intended to imply that section 4K of the *Crimes Act 1914* does not apply to offences against this Act or the regulations.

- (2) Part 6 of the *Australian Prudential Regulation Authority Act 1998* prohibits certain disclosures of information received by investigators under this Act.

**13BA Start of control of ADI's business by ADI statutory manager**

- (1) After the decision that an ADI statutory manager will take control of an ADI's business is made, APRA must give the ADI written notice that the ADI statutory manager will take, or is taking, control of the business.

Note: Subsections 15A(4) and 16A(3) also require APRA to give notice of the taking of control.

- (2) An ADI statutory manager takes control of an ADI's business:
- (a) at the time specified in a notice under this section as the time when the ADI statutory manager takes control of the business (which must not be earlier than the notice is given); or
  - (b) if a notice under this section does not specify a time as the time when the ADI statutory manager takes control of the business—at the time the notice is given.
- (3) A notice under subsection (1) is not a legislative instrument.

**13C ADI statutory managers—termination of control**

*Conditions necessary for termination of control*

- (1) If APRA assumes control of an ADI's business or appoints an administrator of an ADI's business, APRA must ensure that either it or an administrator of the ADI's business has control of the ADI's business until:



- (a) the following conditions are satisfied:
  - (i) the ADI's deposit liabilities in Australia have been repaid or APRA is satisfied that suitable provision has been made for their repayment; and
  - (ii) APRA considers that it is no longer necessary for it or an administrator to remain in control of the ADI's business; or
- (b) APRA considers that the ADI is insolvent and is unlikely to be returned to solvency within a reasonable time, and APRA has applied for the ADI to be wound up under the *Corporations Act 2001* (see section 14F).

A termination of control that is permitted under this section is called an ***ultimate termination of control***.

Note: This provision does not prevent a change, or changes, between control of an ADI's business by APRA and an administrator or between administrators.

*Events to precede termination*

- (2) Before making an ultimate termination of control by an ADI statutory manager of an ADI's business, APRA must:
  - (a) ensure that directors of the ADI have been appointed or elected under the ADI's constitution at a meeting called by the ADI statutory manager in accordance with the ADI's constitution; or
  - (b) appoint directors of the ADI by instrument in writing; or
  - (c) ensure that a liquidator for the ADI has been appointed.

*Power to terminate control*

- (3) If the requirements in subsections (1) and (2) are satisfied, APRA may by instrument in writing make an ultimate termination of control of an ADI's business by an ADI statutory manager.
- (4) If the ADI statutory manager at the time of the termination is an administrator, the instrument of termination also operates as a termination of the appointment of the administrator. A copy of the instrument must be given to the administrator. However, mere failure to give the copy to the administrator does not affect the termination of the appointment.

Section 14A

---

*Period of director's appointment*

- (5) If a director is elected or appointed under subsection (2), the director takes office on the termination of the ADI statutory manager's control of the ADI's business. If the director was appointed by APRA, the director holds office until the ADI's next annual general meeting, subject to any terms and conditions imposed by APRA on the director's appointment. If the director was appointed or elected under the ADI's constitution, the constitution governs the appointment.

Note: For further information about what happens when an ADI statutory manager is in control of an ADI's business, see Subdivision B.

**Subdivision B—Provisions dealing with control of an ADI's business by an ADI statutory manager**

**14A ADI statutory manager's powers and functions**

*ADI statutory manager's powers and functions include powers and functions of board*

- (1) An ADI statutory manager has the powers and functions of the members of the board of directors of the ADI (collectively and individually), including the board's powers of delegation.

Note: When an ADI statutory manager takes control of the business of an ADI, the directors of the ADI cease to hold office (see section 15).

*ADI statutory manager's power to obtain information*

- (2) An ADI statutory manager may, for the purposes of this Division, require a person who has, at any time, been an officer of the ADI to give the ADI statutory manager any information relating to the business of the ADI that the ADI statutory manager requires. A requirement to give information may include a requirement to produce books, accounts or documents.
- (2A) A person who is or has been an officer of an ADI is guilty of an offence if:
- (a) there is an ADI statutory manager in relation to the ADI; and
  - (b) under subsection (2), the ADI statutory manager requires the person to give information or to produce books, accounts or documents; and

(c) the person fails to comply with the requirement.

Maximum penalty: Imprisonment for 12 months.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: Subsection 4B(2) of the *Crimes Act 1914* allows a court to impose a fine instead of, or in addition to, a term of imprisonment. The maximum fine a court may impose is worked out as provided in that subsection.

Note 3: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the maximum fine worked out as mentioned in Note 2.

(3) An individual is not excused from complying with a requirement under subsection (2) to give information on the ground that doing so would tend to incriminate the individual or make the individual liable to a penalty.

(4) If:

(a) before giving information in compliance with a requirement under subsection (2), an individual claims that giving the information might tend to incriminate the individual or make the individual liable to a penalty; and

(b) giving the information might in fact tend to incriminate the individual or make the individual so liable;

the information given in compliance with the requirement is not admissible in evidence against the individual in a criminal proceeding or a proceeding for the imposition of a penalty, other than a proceeding in respect of the falsity of the information.

(4A) Subsections (3) and (4) apply to the production of books, accounts or documents in a corresponding way to the way in which they apply to the giving of information.

*ADI statutory manager's power to sell whole or part of ADI's business*

(5) An ADI statutory manager may sell or otherwise dispose of the whole or any part of the ADI's business. The sale or disposal may occur on any terms and conditions that the ADI statutory manager considers appropriate.

Section 14AA

---

*ADI statutory manager's powers to alter ADI's constitution etc.*

- (5A) An ADI statutory manager may, if the ADI concerned is registered under the *Corporations Act 2001*, alter the ADI's constitution, rules or other arrangements for governance if the alteration:
- (a) is necessary or convenient for enabling or facilitating the performance of the ADI statutory manager's functions and duties, or the exercise of the ADI statutory manager's other powers, under this Division in relation to the ADI; and
  - (b) promotes:
    - (i) the protection of depositors of the ADI; and
    - (ii) financial system stability in Australia.
- (5B) An ADI statutory manager may do an act under subsection (5A) despite:
- (a) the *Corporations Act 2001*; and
  - (b) the ADI's constitution; and
  - (c) any contract or arrangement to which the ADI is party; and
  - (d) any listing rules (as defined in section 761A of the *Corporations Act 2001*) of a financial market (as defined in that section) in whose official list the ADI is included.

*Interpretation*

- (6) In this section:
- officer*, in relation to an ADI, has the same meaning as in section 11CG.

**14AA ADI statutory manager's additional powers to facilitate recapitalisation**

*Powers*

- (1) An ADI statutory manager of an ADI that is a company that has a share capital and is registered under the *Corporations Act 2001* may do one or more of the following acts on terms determined by the ADI statutory manager:
- (a) issue shares, or rights to acquire shares, in the company;
  - (b) cancel shares, or rights to acquire shares, in the company;

Section 14AB

---

- (c) reduce the company's share capital by cancelling any paid-up share capital that is not represented by available assets;
- (d) sell shares, or rights to acquire shares, in the company;
- (e) vary or cancel rights or restrictions attached to shares in a class of shares in the company.

Note: Before doing such an act, the ADI statutory manager will usually need to get and consider a report on the fair value of each share or right concerned: see section 14AB.

*Giving company members notice of exercise of powers*

- (2) As soon as practicable after doing an act described in paragraph (1)(a), (b), (c) or (e) or subsection (3), the ADI statutory manager must give written notice to the persons who were members (under section 231 of the *Corporations Act 2001*) of the company just before the act, identifying the act and explaining its effect on their interests as members.
- (3) One of the acts to which subsection (2) relates is the offering of shares, or rights to acquire shares, in the company for sale under paragraph (1)(d).

*Exercise of powers despite other laws etc.*

- (4) An ADI statutory manager may do an act under subsection (1) despite:
  - (a) the *Corporations Act 2001*; and
  - (b) the company's constitution; and
  - (c) any contract or arrangement to which the company is party; and
  - (d) any listing rules (as defined in section 761A of the *Corporations Act 2001*) of a financial market (as defined in that section) in whose official list the company is included.

**14AB Considering report before acting under section 14AA**

*Getting and considering report on fair value of shares or rights*

- (1) Before determining terms for an act under subsection 14AA(1), the ADI statutory manager must:
  - (a) obtain a report meeting the requirements in subsection (2) of this section on the fair value of the shares or rights concerned

Section 14AB

---

from an expert who is not an associate of the ADI statutory manager, or of the company, under Division 2 of Part 1.2 of the *Corporations Act 2001*; and

(b) consider the report;

unless APRA determines under subsection (8) that this subsection does not apply in relation to that act relating to those shares or rights.

*Content of report*

(2) The report must set out:

(a) the amount that is, in the expert's opinion, the fair value for each share or right concerned; and

(b) the reasons for forming the opinion; and

(c) any relationship between the expert and any of the following persons:

(i) the ADI statutory manager;

(ii) a person who is an associate of the ADI statutory manager under Division 2 of Part 1.2 of the *Corporations Act 2001*;

(iii) the ADI;

(iv) a person who is an associate of the ADI under Division 2 of Part 1.2 of the *Corporations Act 2001*;

including any circumstances in which the expert gives them advice, or acts on their behalf, in the proper performance of the functions attaching to the expert's professional capacity or business relationship with them; and

(d) any financial or other interest of the expert that could reasonably be regarded as being capable of affecting the expert's ability to give an unbiased opinion in relation to the matter being reported on.

*Determining fair value of shares*

(3) In determining for the purposes of paragraph (2)(a) the amount that is, in the expert's opinion, the fair value for each share concerned, the expert must:

(a) first, assess the value of the company as a whole, in accordance with the assumptions (if any) notified to the expert by the Minister for the valuation of the company; and

Section 14AB

---

- (b) then allocate that value among the classes of shares in the company that either have been issued or that the ADI statutory manager proposes to issue (taking into account the relative financial risk, and voting and distribution rights, of the classes); and
- (c) then allocate the value of each class pro rata among the shares in that class that either have been issued or that the ADI statutory manager proposes to issue (without allowing a premium or applying a discount for particular shares in that class).

*Assumptions for valuation of company*

- (4) The Minister may give the expert written notice of assumptions for the valuation of the company. The Minister may, by further written notice given to the expert, revoke, but not vary, notice of the assumptions. A notice under this subsection is not a legislative instrument.

*Determining fair value of rights*

- (5) In determining for the purposes of paragraph (2)(a) the amount that is, in the expert's opinion, the fair value for each right concerned, the expert must act in accordance with the assumptions (if any) notified to the expert by the Minister for the valuation of the right.

*Assumptions for valuation of rights*

- (6) The Minister may give the expert written notice of assumptions for the valuation of the rights concerned. The Minister may, by further written notice given to the expert, revoke, but not vary, notice of the assumptions. A notice under this subsection is not a legislative instrument.

*Contravention does not invalidate act*

- (7) A contravention of subsection (1), (2), (3), (5) or (9) does not affect the validity of anything done under section 14AA.

*Exemption from subsection (1)*

- (8) APRA may determine in writing that subsection (1) does not apply in relation to an act relating to shares or rights if APRA is satisfied

Section 14AC

---

that delaying the act to enable compliance with that subsection in relation to the act would detrimentally affect:

- (a) depositors with the ADI concerned; and
  - (b) financial system stability in Australia.
- (9) APRA must:
- (a) publish a copy of a determination under subsection (8) in the *Gazette*; and
  - (b) give a copy of a determination under subsection (8) to the ADI statutory manager concerned (unless that manager is APRA).
- (10) A determination made under subsection (8) is not a legislative instrument.

**14AC Act under section 14AA not ground for denying obligation**

- (1) This section applies if an ADI is party to a contract, whether the proper law of the contract is Australian law (including the law of a State or Territory) or law of a foreign country (including the law of part of a foreign country).
- (2) The fact that an ADI statutory manager does an act under subsection 14AA(1) relating to the ADI does not allow the contract, or any other party to the contract, to do any of the following:
  - (a) deny any obligations under that contract;
  - (b) accelerate any debt under that contract;
  - (c) close out any transaction relating to that contract.

**14B Administrator in control—additional powers to recommend action by APRA**

*Types of recommendation*

- (1) An administrator of an ADI's business may make any of the following recommendations to APRA, by instrument in writing given to APRA:
    - (a) that APRA make a particular direction under Division 1BA in respect of the ADI;
    - (b) if the administrator considers that the ADI is insolvent and could not be restored to solvency within a reasonable period:
-



- (i) that APRA apply under section 14F to the Federal Court of Australia for an order that the ADI be wound up; or
- (ii) that APRA revoke the ADI's section 9 authority.

*Effect of recommendation*

- (2) If an administrator of an ADI's business makes a recommendation under this section, APRA must consider the recommendation but is not required to act on it.

### **14C ADI statutory manager's liabilities and duties**

*Liability for loss due to fraud etc.*

- (1) If an ADI incurs any loss because of any fraud, dishonesty, negligence or wilful failure to comply with this Act by the ADI statutory manager, the ADI statutory manager is liable for the loss.

*Other losses*

- (2) An ADI statutory manager is not liable for a loss that is not a loss incurred because of fraud, dishonesty, negligence or wilful failure to comply with this Act. If the ADI statutory manager is an administrator of the ADI's business, the administrator must provide details of the loss in a written report to APRA. However, failure to do so does not make the administrator liable for the loss.

*Subsections (1) and (2) apply instead of general indemnity provisions*

- (3) The question whether an ADI statutory manager is liable for a loss is to be determined in accordance with subsections (1) and (2), rather than in accordance with section 70A of this Act or section 58 of the *Australian Prudential Regulation Authority Act 1998*.

*ADI statutory manager not liable under section 588G of the Corporations Act 2001*

- (4) An ADI statutory manager is not to be taken to be a director for the purposes of section 588G of the *Corporations Act 2001*.

Section 14D

---

*Signpost to secrecy obligations*

- (5) Part 6 of the *Australian Prudential Regulation Authority Act 1998* prohibits certain disclosures of information received by ADI statutory managers under this Act.

**14D Administrator in control—additional duties**

*Duty to report to APRA on request*

- (1) A person who is an administrator of an ADI's business must give to APRA a written report showing how the control of the ADI's business is being carried out if APRA requests that such a report be provided to it. The report must be given to APRA within a reasonable time after the request.

*Duty to report to APRA on termination of appointment*

- (2) A person who was an administrator of an ADI's business must give to APRA a written report showing how the control of the ADI's business was carried out over the period of the administrator's appointment if the administrator's appointment has been terminated. The report must be given to APRA within a reasonable time of the termination.

*Duty to follow directions by APRA*

- (3) APRA may give an administrator of an ADI's business a direction relating to the control of the ADI's business, and may alter such a direction. If a direction (including an altered direction) is given to an administrator by APRA, the administrator must:
- (a) act in accordance with the direction; or
  - (b) immediately provide to APRA information relating to the control of the ADI's business and request APRA to alter the direction.
- (4) If an administrator of an ADI's business requests APRA to alter a direction and APRA considers the request then confirms the direction, the administrator must act in accordance with the direction.

**14DAA Administrator in control—additional duties where action may affect financial system stability in Australia**

- (1) If an administrator of an ADI's business has reasonable cause to believe that an action that the administrator proposes to take is an action that is likely to have a detrimental effect on financial system stability in Australia, the administrator must:
  - (a) notify APRA as soon as practicable; and
  - (b) obtain APRA's written consent before taking the action.
- (2) The administrator is not required to comply with subsection (1) if the administrator is satisfied that it is not reasonably practicable to do so, having regard to urgency or other similar constraint.
- (3) The performance of a function or the exercise of a power by an administrator is not invalid merely because of a failure by the administrator to comply with this section.

**14DA Administrator in control—additional duties where action may affect financial system stability in New Zealand**

- (1) If an administrator of an ADI's business has reasonable cause to believe that an action that the administrator proposes to take is an action that is likely to have a detrimental effect on financial system stability in New Zealand, the administrator must:
  - (a) notify APRA as soon as practicable; and
  - (b) obtain APRA's written consent before taking the action.
- (2) The administrator is not required to comply with subsection (1) if the administrator is satisfied that it is not reasonably practicable to do so, having regard to urgency or other similar constraint.
- (3) The performance of a function or the exercise of a power by an administrator is not invalid merely because of a failure by the administrator to comply with this section.
- (4) If APRA receives a notice under paragraph (1)(a), it must provide details of the notice to every prescribed New Zealand authority that APRA considers to be relevant in the circumstances before granting written consent to the administrator.

Section 14E

---

- (5) APRA is not required to comply with subsection (4) if APRA is satisfied that it is not reasonably practicable to do so, having regard to urgency or other similar constraint.
- (6) The performance of a function or the exercise of a power by APRA is not invalid merely because of a failure by APRA to comply with this section.
- (7) An administrator of an ADI's business may consult a prescribed New Zealand authority about whether an action the administrator proposes to take is likely to have a detrimental effect on financial system stability in New Zealand.

**14E Termination of administrator's appointment**

- (1) If an administrator of an ADI's business contravenes a requirement of this Division, APRA may terminate the administrator's appointment.
- (2) The terms and conditions of the administrator's appointment may provide for termination in circumstances in addition to those mentioned in subsection (1).
- (3) This section has effect subject to section 13C.

**14F APRA's powers to apply for ADI to be wound up**

*Power to apply for ADI to be wound up*

- (1) APRA may apply to the Federal Court of Australia for an order that an ADI be wound up if:
  - (a) an ADI statutory manager is in control of the ADI's business; and
  - (b) APRA considers that the ADI is insolvent and could not be restored to solvency within a reasonable period.
- (2) The winding up of the ADI is to be conducted in accordance with the *Corporations Act 2001* under which the ADI is incorporated or is taken to be incorporated.

*Notifying Minister of application*

- (3) If APRA makes an application under subsection (1), APRA must inform the Minister of the application as soon as possible.

Note: Once informed, the Minister may choose to apply Subdivision C of Division 2AA in relation to the ADI so some depositors can receive payments earlier than they would in the winding up of the ADI.

### **15 Effect on directors of ADI statutory manager taking control of an ADI's business**

- (1) The directors of an ADI cease to hold office when an ADI statutory manager takes control of the ADI's business.

Note: For the definition of *director*, see subsection (4).

- (2) A director of an ADI must not be appointed or elected while an ADI statutory manager is in control of the ADI's business unless the appointment is made under subsection 13C(2).
- (3) If a person who ceased to hold office under subsection (1), or a purported director of the ADI appointed or elected in contravention of subsection (2), purports to act in relation to the ADI's business while an ADI statutory manager has control of the ADI's business, those acts are invalid and of no effect.
- (4) For the purposes of this section, *director* has the same meaning as it has in the *Corporations Act 2001*.

### **15A Effect on external administrator of ADI statutory manager taking control of an ADI's business**

- (1) The appointment of an external administrator of an ADI is terminated when an ADI statutory manager takes control of the ADI's business.

Note: For the definition of *external administrator*, see subsection (5).

- (2) An external administrator of an ADI must not be appointed while an ADI statutory manager is in control of the ADI's business unless APRA approves the appointment.
- (3) If a person who ceased to be the external administrator of an ADI under subsection (1), or a purported external administrator of the ADI appointed in contravention of subsection (2), purports to act in relation to the ADI's business while an ADI statutory manager has control of the ADI's business, those acts are invalid and of no effect.

**Section 15B**

---

- (4) APRA must inform the external administrator of an ADI that an ADI statutory manager will take control of the ADI's business as soon as possible after the decision that an ADI statutory manager will take control of the ADI's business is made. However, failure to inform the external administrator does not affect the operation of this section.

**15B Effect on legal proceedings of ADI statutory manager taking control of an ADI's business**

- (1) A person cannot begin or continue a proceeding in a court against an ADI while an ADI statutory manager is in control of the ADI's business unless:
- (a) the court grants leave on the ground that the person would be caused hardship if leave were not granted; or
  - (b) APRA consents to the proceedings beginning or continuing.
- (1A) Subsection (1) does not apply to a proceeding in respect of an offence or a contravention of a provision of a law for which a pecuniary penalty (however described) may be imposed.
- (2) A person intending to apply for leave of the court under paragraph (1)(a) must give APRA at least 10 days notice of the intention to apply. APRA may apply to the court to be joined as a party to the proceedings for leave.
- (3) In this section, a reference to a proceeding against an ADI includes a reference to a cross-claim or third party claim against an ADI.

**15C ADI statutory manager being in control not grounds for denial of obligations**

- (1) This section applies if an ADI is party to a contract, whether the proper law of the contract is Australian law (including the law of a State or Territory) or law of a foreign country (including the law of part of a foreign country).
- (2) The fact that an ADI statutory manager is in control of the ADI's business does not allow the contract, or a party to the contract, to do any of the following:
- (a) deny any obligations under that contract;
  - (b) accelerate any debt under that contract;

- (c) close out any transaction relating to that contract.

### **15D Continued application of other provisions**

Neither the appointment of an administrator of an ADI's business under this Division nor the fact that an ADI statutory manager is in control of an ADI's business under this Division affects:

- (a) the continued operation of other provisions of this Act or the operation of the *Financial Sector (Collection of Data) Act 2001* in relation to the ADI; or
- (b) the obligation of the ADI to comply with those other provisions and that Act.

### **16 Costs of statutory management**

- (1) APRA's costs (including costs in the nature of remuneration and expenses) of being in control of an ADI's business, or of having an administrator in control of an ADI's business, are payable from the ADI's funds and are a debt due to APRA.
- (2) Despite anything contained in any law relating to the winding-up of companies, but subject to subsection 13A(3), debts due to APRA by an ADI under subsection (1) have priority in a winding-up of the ADI over all other unsecured debts.

### **16A APRA must report to Treasurer and publish information about statutory management**

#### *Reports to the Treasurer*

- (1) If the Treasurer requests APRA to give him or her a written report concerning the activities of ADI statutory managers in respect of specified ADIs or in respect of a specified period, APRA must give the Treasurer such a written report within a reasonable time after the Treasurer requests it.
- (2) If an ADI statutory manager takes control of an ADI's business during a financial year, or if there is an ultimate termination of control during a financial year, APRA must give the Treasurer a written report within a reasonable time after the end of the financial year concerning activities of all ADI statutory managers

Section 16AA

---

and each ultimate termination of control that occurred during that financial year.

*Requirement to publish notices in Gazette*

- (3) If APRA:
- (a) takes control of an ADI's business; or
  - (b) appoints an administrator of an ADI's business; or
  - (c) makes an ultimate termination of control in respect of an ADI's business;

APRA must publish notice of that fact in the *Gazette*. However, mere failure to publish such a notice does not affect the validity of the act.

**16AA Exceptions to Part IV of the *Trade Practices Act 1974***

For the purposes of subsection 51(1) of the *Trade Practices Act 1974*, the following things are specified and specifically authorised:

- (a) the acquisition of assets in a sale or disposal of the whole or part of the business of an ADI under this Division by an ADI statutory manager in control of the ADI's business (whether the assets are shares in another body corporate or other assets);
- (b) the acquisition of shares in an ADI as a direct result of:
  - (i) the issue or sale of the shares under this Division by an ADI statutory manager in control of the ADI's business; or
  - (ii) the exercise of a right to acquire shares that was issued or sold under this Division by an ADI statutory manager in control of the ADI's business.



## **Division 2AA—Financial claims scheme for account-holders with insolvent ADIs**

### **Subdivision A—Preliminary**

#### **16AB Purpose of this Division**

The main purpose of this Division is to provide for a scheme that:

- (a) allows the Minister to make a declaration about an ADI that APRA has sought to have wound up for insolvency; and
- (b) entitles account-holders who have certain protected accounts with a declared ADI to be paid certain amounts to maintain the account-holders' liquidity before they would receive payment in a winding up of the ADI; and
- (c) substitutes APRA for those account-holders as a creditor of the declared ADI to the extent of the entitlements.

#### **16AC APRA's functions relating to this Division**

APRA's functions include:

- (a) meeting entitlements under Subdivision C; and
- (b) preparing, and assisting the Minister to prepare, for the application of that Subdivision in relation to ADIs; and
- (c) meeting APRA's other obligations under this Division and the regulations made for the purposes of this Division.

### **Subdivision B—Declaration of ADI**

#### **16AD Declaration that Subdivision C applies in relation to ADI**

- (1) The Minister may declare that Subdivision C applies in relation to a specified ADI if APRA has applied under section 14F for the ADI to be wound up.

Note: The Minister cannot make a declaration relating to a foreign ADI because APRA cannot apply for a foreign ADI to be wound up: see section 11E.

Section 16AD

---

*Declaration to specify amount for meeting entitlements*

- (2) The declaration must also specify the amount (if any) that is to be credited to the Financial Claims Scheme Special Account in connection with the application of Subdivision C in relation to the declared ADI. If APRA's application under section 14F was made on or after 12 October 2011, the amount must not be more than \$20,000,000,000.

*Declaration to specify amount for administration*

- (3) The declaration must also specify the amount (if any) that is to be credited to the APRA Special Account in connection with the administration of this Division in relation to the declared ADI. The amount must not be more than \$100,000,000.

*Amendment of specification of amounts*

- (4) The Minister may amend a declaration made under subsection (1), but only to change the specification of an amount under subsection (2) or (3), within the limit set in that subsection.

*Declaration cannot be revoked*

- (5) The Minister cannot revoke a declaration made under subsection (1).

*Declaration or amendment not disallowable or subject to expiry*

- (6) A declaration made under subsection (1), or an amendment of the declaration, is a legislative instrument, but neither section 42 (disallowance) nor Part 6 (sunsetting) of the *Legislative Instruments Act 2003* applies to the declaration or amendment.

*Effect of declaration or amendment*

- (7) The declaration or amendment:
- (a) takes effect from the time it is made, despite subsections 12(1) and (2) of the *Legislative Instruments Act 2003*; and
  - (b) has effect according to its terms.

*Declaration not to specify ADI by reference to class*

- (8) Subsection 13(3) of the *Legislative Instruments Act 2003* does not apply to a declaration under subsection (1) specifying an ADI.

Note: This ensures that a declaration must specify an ADI individually, and cannot specify it by reference to a class of ADIs.

**16AE Advice and information for decision on making declaration**

- (1) The Minister may give APRA, ASIC or the Reserve Bank a written request for advice or information about a matter relevant to making a decision about making a declaration under section 16AD (including a matter relating to the affairs of an ADI).
- (2) As soon as reasonably practicable after being given the request, APRA, ASIC or the Reserve Bank must give the Minister the advice or information about the matter.
- (3) In making the decision, the Minister must take into account the advice and information (if any) that he or she has been given before making the decision. This does not limit what the Minister may take into account in making the decision.

**Subdivision C—Payment of account-holders with declared ADI**

**16AF Payment of account-holders with declared ADI**

- (1) An account-holder who has a protected account with a net credit balance with a declared ADI at the declaration time is entitled to be paid by APRA an amount equal to the sum of:
- (a) that balance; and
  - (b) the interest (if any) accrued by, but not credited to, the account-holder in connection with the protected account before the declaration time;
- increased or decreased in accordance with the regulations to take account of clearance, within the period prescribed by the regulations, of transactions connected with the protected account and entered into before the declaration time.

*Joint protected accounts*

- (2) If the account mentioned in subsection (1) is held jointly by 2 or more account-holders with the declared ADI, that subsection

Section 16AG

---

entitles each of the account-holders to an equal share of the amount to which one of those account-holders would be entitled if it alone had the account with the declared ADI.

**16AG Limit on payments to account-holder with declared ADI**

- (1) Despite section 16AF, an account-holder is not entitled under that section to be paid, in connection with the protected account or protected accounts the account-holder has with a particular declared ADI at a particular time, one or more amounts totalling more than the limit prescribed by, or worked out under, the regulations.
- (2) The regulations may prescribe, or provide for working out, different limits for the purposes of subsection (1) relating to account-holders in different classes.
- (3) Despite section 16AF, if:
  - (a) the account-holder has 2 or more protected accounts with the declared ADI at that time; and
  - (b) subsection (1) of this section reduces the total amount to which the account-holder would otherwise be entitled under section 16AF in connection with those protected accounts;APRA may determine in writing, for each of the protected accounts, the amount (if any) of the entitlement under that section connected with the protected account (so that the total of the entitlements equals the limit prescribed by, or worked out under, the regulations for the purposes of subsection (1) of this section).

Note: Amounts may be determined by reference to a class, or more than one class, of accounts: see subsection 46(3) of the *Acts Interpretation Act 1901*.

- (4) In making the determination, the desirability of the account-holder receiving its entitlements as early as possible is to be taken into account. This does not limit the matters that may be taken into account in making a determination.

**16AH Payment**

*Various ways of meeting entitlement*

- (1) An account-holder's entitlement under this Subdivision to be paid an amount may be met:

- (a) by paying the amount to the account-holder as a single amount or in instalments determined by APRA; or
  - (b) by applying the amount, as a single amount or in instalments determined by APRA, for the account-holder's benefit, by establishing an account with an ADI on behalf of the account-holder or in another way; or
  - (c) by paying part of the amount to the account-holder and applying the rest of the amount for the account-holder's benefit.
- (2) The regulations may make provision for or in relation to the ways in which account-holders' entitlements under this Subdivision to be paid amounts may be met.

*Establishment of account by APRA for meeting entitlement*

- (3) APRA may establish, on behalf of an account-holder who has an entitlement under this Subdivision, an account with an ADI (except a declared ADI) for the purposes of wholly or partly meeting the entitlement.
- (4) Subsection (3) has effect:
- (a) whether or not the account-holder consents to the establishment of the account; and
  - (b) despite any other law of the Commonwealth relating to the establishment of such an account.
- (5) If an account-holder has an entitlement under this Subdivision connected with a protected account of a kind prescribed by the regulations for the purposes of this subsection, APRA must establish an account of the same kind on behalf of the account-holder for the purposes of wholly or partly meeting the entitlement.

*Act to meet entitlement is not provision of designated service*

- (6) An act done by any of the following persons for the purposes of meeting an account-holder's entitlement under this Subdivision is taken, for the purposes of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*, not to be the provision of a designated service by the person:
- (a) APRA;
  - (b) the Reserve Bank.

**Part II** Provisions relating to the carrying on of banking business

**Division 2AA** Financial claims scheme for account-holders with insolvent ADIs

**Section 16AI**

---

Note: One effect of subsection (6) is that the person's act does not make the person a reporting entity for the purposes of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*.

*Exemption from section 32 of Anti-Money Laundering Act*

- (7) Section 32 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* does not apply to a designated service described in item 1 of the table in subsection 6(2) of that Act provided by an ADI as a result of the exercise of APRA's power under subsection (3) of this section (whether or not subsection (5) required APRA to exercise that power).

**16AI Substitution of APRA for account-holder as ADI's creditor**

- (1) When an ADI becomes a declared ADI, then, by force of this subsection, the right of an account-holder who has a protected account with the ADI to be paid an amount by the ADI in connection with the account:
- (a) is reduced to the extent of the account-holder's entitlement under this Subdivision connected with the account; and
  - (b) to the extent of the reduction, becomes a right of APRA.
- (2) APRA may exercise or assign a right it has under paragraph (1)(b).

Note: Under section 11 of the *Australian Prudential Regulation Authority Act 1998*, APRA's property is generally held on behalf of the Commonwealth.

**Subdivision D—Administration**

**16AJ Requiring assistance**

APRA may, by written notice given to any of the following persons, require the person to give APRA such reasonable assistance in the performance of its functions, and the exercise of its powers, under this Division as is specified:

- (a) an ADI (whether or not it is a declared ADI);
- (b) an administrator appointed under subsection 13A(1) to take control of an ADI's business;
- (c) a liquidator (including a provisional liquidator) appointed in connection with the winding up, or proposed winding up, of an ADI.

Note: APRA may amend or vary the requirement in writing: see subsection 33(3) of the *Acts Interpretation Act 1901*.

### **16AK Obtaining information relevant to determining and paying entitlements**

- (1) APRA may, by written notice given to:
- (a) an ADI (whether or not it is a declared ADI); or
  - (b) an administrator appointed under subsection 13A(1) to take control of an ADI's business; or
  - (c) a liquidator (including a provisional liquidator) appointed in connection with the winding up, or proposed winding up, of an ADI;

require the ADI, administrator or liquidator to give a specified person specified information about an account-holder relevant to one or more of the actions described in subsection (4) in a specified way within a reasonable specified time for the person to use in taking one or more of those actions.

Note: APRA may amend or vary the requirement in writing: see subsection 33(3) of the *Acts Interpretation Act 1901*.

- (2) The person specified in the requirement must be one of the following:
- (a) APRA;
  - (b) an APRA member whose duties relate to an action described in subsection (4);
  - (c) an APRA staff member whose duties relate to an action described in subsection (4);
  - (d) a person to whom APRA has delegated a power or function under this Division that relates to an action described in subsection (4);
  - (e) a person who is an officer or employee of a person described in paragraph (d) and whose duties relate to an action described in subsection (4).
- (3) The information specified in the requirement may be or include either or both of the following:
- (a) personal information about the account-holder (if he or she is an individual);
  - (b) the tax file number (as defined in section 202A of the *Income Tax Assessment Act 1936*) of the account-holder.

**Section 16AL**

---

This does not limit the information that may be specified in the requirement.

- (4) The actions are as follows:
- (a) identifying an account-holder who may have an entitlement under Subdivision C;
  - (b) determining whether an account-holder has an entitlement under Subdivision C;
  - (c) determining the amount of an entitlement under Subdivision C;
  - (d) meeting an entitlement under Subdivision C;
  - (e) establishing an account under section 16AH on behalf of an account-holder with an entitlement under Subdivision C;
  - (f) making a disclosure required by section 16AT in connection with the establishment of an account under section 16AH by APRA on behalf of an account-holder with an entitlement under Subdivision C;
  - (g) assessing whether and how information could be provided by an ADI (or a liquidator of the ADI, if one is appointed) to enable the actions described in paragraphs (a), (b), (c), (d), (e) and (f) to be taken if the ADI were to become a declared ADI.
- (5) Subsection (1) does not apply in relation to a foreign ADI.
- (6) This section does not limit section 16AJ.

**16AL Enforcing requirement for assistance or information**

*Requirement made of ADI—civil penalty*

- (1) An ADI must comply with a requirement made of it under section 16AJ or subsection 16AK(1).

Civil penalty: 10,000 penalty units.

*Requirement made of ADI—offence*

- (2) An ADI commits an offence if:
- (a) it does, or fails to do, an act; and



- (b) the doing of the act, or the failure to do the act, results in a contravention of a requirement made of the ADI under section 16AJ or subsection 16AK(1).

Penalty: 200 penalty units.

- (3) An offence against subsection (2) is an indictable offence.

Note: Section 4K (Continuing and multiple offences) of the *Crimes Act 1914* applies to an offence against subsection (2) relating to subsection 16AK(1), so an ADI commits an offence for each day it does not comply with a requirement under that subsection (to give information within a particular time).

*Requirement made of ADI—offence by officer*

- (4) An officer (as defined in section 9 of the *Corporations Act 2001*) of an ADI commits an offence if:

- (a) the officer fails to take reasonable steps to ensure that the ADI complies with a requirement made of it under section 16AJ or subsection 16AK(1); and  
(b) the officer's duties include ensuring that the ADI complies with the requirement.

Penalty: 50 penalty units.

- (5) Subsection (4) does not apply to an officer who is a liquidator (including a provisional liquidator) of the ADI.

Note: A defendant bears an evidential burden in relation to the matter in subsection (5): see subsection 13.3(3) of the *Criminal Code*.

- (6) If an officer of an ADI fails to take reasonable steps to ensure that the ADI complies with a requirement made of it under subsection 16AK(1) in circumstances that give rise to the officer committing an offence against subsection (4) of this section, the officer commits an offence against that subsection in respect of:

- (a) the first day on which the offence is committed; and  
(b) each subsequent day (if any) on which the circumstances that gave rise to the officer committing the offence continue (including the day of conviction for any such offence or any later day).

Note: This subsection does not affect the application of section 4K of the *Crimes Act 1914* to other offences against this Act (including subsection (2)) or the regulations.

Section 16AM

---

*Liquidator to comply with requirement made of liquidator*

- (7) A liquidator (including a provisional liquidator) must comply with a requirement made of the liquidator under section 16AJ or subsection 16AK(1).

Note: Action may be taken under the *Corporations Act 2001* against a liquidator who does not comply with such a requirement.

**16AM Recovery of overpayments**

The regulations may make provision for and in relation to the recovery by APRA of the excess of an amount paid to, or applied for the benefit of, an account-holder purportedly to meet an entitlement of the account-holder under Subdivision C over the account-holder's entitlement (if any) under that Subdivision.

**16AN APRA may delegate functions and powers under this Division**

- (1) APRA may, by writing under its seal, delegate any or all of APRA's functions and powers under this Division to a person.
- (2) In performing or exercising functions or powers delegated under subsection (1), the delegate must comply with any directions given by APRA.
- (3) This section does not limit section 15 of the *Australian Prudential Regulation Authority Act 1998*.

Note: Section 15 of the *Australian Prudential Regulation Authority Act 1998*:

- (a) makes the agreement of the Chair of ASIC a condition for a delegation to an ASIC member or an ASIC staff member; and
- (b) makes the agreement of the Governor of the Reserve Bank a condition for a delegation to the Governor or Deputy Governor of the Reserve Bank or to an officer of the Reserve Bank Service.

**16AO APRA's costs of administration**

- (1) The costs incurred by APRA in relation to the exercise of its powers and the performance of its functions under this Division (whether by APRA or by a delegate) relating to a declared ADI are a debt due by the declared ADI to APRA.

- (2) The debt is admissible to proof against the declared ADI in the winding up of the ADI.
- (3) Subsection (1) does not apply to the amounts of entitlements under Subdivision C.

Note: APRA may be able to recover those amounts through the rights it acquires under section 16AI from the account-holder.

### **Subdivision E—Account-holder’s claims against ADI remaining after entitlement**

#### **16AP When this Subdivision applies**

This Subdivision applies if:

- (a) a court orders the winding up of an ADI that becomes a declared ADI before, on or after the order is made; and
- (b) on making the order, the court appoints a liquidator of the ADI; and
- (c) an account-holder has an entitlement under Subdivision C connected with a protected account the account-holder has with the ADI; and
- (d) after the operation of section 16AI of this Act, section 553C of the *Corporations Act 2001* and, if relevant, section 554B of that Act, there is still a debt payable by the ADI to the account-holder, or a claim of the account-holder against the ADI, based on a right to be paid an amount by the ADI in connection with the protected account.

#### **16AQ Liquidator may admit debt or claim without normal proof**

- (1) The liquidator may admit the debt or claim even if it has not been proved by the account-holder in accordance with the *Corporations Act 2001* and regulations made under that Act.
- (2) However, the liquidator must act in accordance with the regulations (if any) made for the purposes of this subsection in deciding whether to admit or reject the debt or claim, and the extent to which to admit or reject the debt or claim.

Note: This section overrides any requirements imposed on the liquidator by the *Corporations Act 2001* and regulations under that Act in relation to proof of the debt or claim and a decision whether to admit or reject the debt or claim: see section 70B of this Act.

Section 16AR

---

**16AR How liquidator must pay distributions to account-holder**

- (1) This section applies if, in the winding up of the ADI, a distribution attributable to the protected account is payable to the account-holder and the protected account was of a kind prescribed by the regulations for the purposes of this subsection.
- (2) The liquidator must pay the distribution (so far as it is attributable to the account) into an account of the same kind that is held by the account-holder with an ADI (except a declared ADI).
- (3) If the account-holder does not hold an account of that kind, the liquidator must establish, on behalf of the account-holder, an account of that kind with an ADI (except a declared ADI) for the payment of the distribution in accordance with subsection (2).
- (4) Subsection (3) empowers the liquidator to establish the account:
  - (a) whether or not the account-holder consents to the establishment of the account; and
  - (b) despite any other law of the Commonwealth relating to the establishment of such an account.

**16AS APRA may disclose relevant personal information to liquidator**

*Information about account-holder's entitlement*

- (1) APRA may disclose to the liquidator personal information about the fact that the account-holder has an entitlement under Subdivision C, and the amount of that entitlement, for the purpose of enabling the liquidator to decide whether to admit or reject the debt or claim in whole or in part.

*Information relevant to section 16AR*

- (2) APRA may disclose to the liquidator personal information about the account-holder for the purpose of enabling the liquidator to determine whether subsection 16AR(2) or (3) applies and, if it does, for complying with it.

### **Subdivision F—Disclosure of information relating to new accounts**

#### **16AT APRA or liquidator to disclose information to ADI**

- (1) This section applies if, on behalf of an account-holder with an entitlement under Subdivision C:
  - (a) APRA establishes an account with an ADI under section 16AH; or
  - (b) a liquidator establishes an account with an ADI under section 16AR.
- (2) In the circumstances prescribed by the regulations, whichever of APRA and the liquidator established the account must disclose to the ADI the information (if any) that:
  - (a) is connected with the establishment of the account; and
  - (b) is prescribed by the regulations for the purposes of this paragraph.
- (3) The regulations may prescribe different information in relation to different circumstances for disclosure.
- (4) The information prescribed by the regulations may be personal information about the account-holder (if he or she is an individual). This does not limit the information that may be prescribed by the regulations.

### **Subdivision G—Exceptions to Part IV of the Trade Practices Act 1974**

#### **16AU Exceptions to Part IV of the *Trade Practices Act 1974***

For the purposes of subsection 51(1) of the *Trade Practices Act 1974*, the following things are specified and specifically authorised:

- (a) anything done in the exercise of powers, or performance of functions, under this Division, or regulations made for the purposes of this Division, except Subdivision E;
- (b) anything done to enable or facilitate the exercise of those powers or performance of those functions;

**Part II** Provisions relating to the carrying on of banking business

**Division 2AA** Financial claims scheme for account-holders with insolvent ADIs

Section 16AU

---

- (c) anything incidental to the exercise of those powers or performance of those functions.

## **Division 2A—Auditors of ADIs and authorised NOHCs and their subsidiaries**

### **16B Auditors to give information to APRA on request**

#### *Duty to give information when required*

- (1) APRA may, by notice in writing, require a person who is, or has been, an auditor of:
- (a) an ADI; or
  - (b) an authorised NOHC; or
  - (c) a subsidiary of an ADI or authorised NOHC; or
  - (d) if an ADI is a subsidiary of a foreign corporation (whether or not the ADI is itself a foreign ADI):
    - (i) another subsidiary (a ***relevant Australian-incorporated subsidiary***) of the foreign corporation (other than a body mentioned in paragraph (a), (b) or (c)), being a subsidiary that is incorporated in Australia; or
    - (ii) another subsidiary (a ***relevant foreign-incorporated subsidiary***) of the foreign corporation (other than a body mentioned in paragraph (a), (b) or (c)), being a subsidiary that is not incorporated in Australia and carries on business in Australia;
- to provide information, or to produce books, accounts or documents, to APRA about the ADI, authorised NOHC, subsidiary of the ADI or authorised NOHC, or relevant Australian-incorporated subsidiary, or about the Australian operations of the relevant foreign-incorporated subsidiary, if APRA considers that the provision of the information, or the production of the books, accounts or documents, will assist APRA in performing its functions under this Act.
- (1A) A person is guilty of an offence if:
- (a) under subsection (1), APRA requires the person to provide information or to produce books, accounts or documents; and
  - (b) the person fails to comply with the requirement.

Maximum penalty: Imprisonment for 6 months.

**Part II** Provisions relating to the carrying on of banking business

**Division 2A** Auditors of ADIs and authorised NOHCs and their subsidiaries

**Section 16BA**

---

- Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.
- Note 2: Subsection 4B(2) of the *Crimes Act 1914* allows a court to impose a fine instead of, or in addition to, a term of imprisonment. The maximum fine a court may impose is worked out as provided in that subsection.
- Note 3: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the maximum fine worked out as mentioned in Note 2.

**16BA Requirement for auditors to give information about ADIs**

*Persons to whom requirements apply*

- (1) This section applies to a person who is or has been an auditor of a body corporate that is:
- (a) an ADI; or
  - (b) an authorised NOHC; or
  - (c) a subsidiary of an ADI or an authorised NOHC; or
  - (d) if an ADI is a subsidiary of a foreign corporation (whether or not the ADI is itself a foreign ADI):
    - (i) another subsidiary (a ***relevant Australian-incorporated subsidiary***) of the foreign corporation (other than a body mentioned in paragraph (a), (b) or (c)), being a subsidiary that is incorporated in Australia; or
    - (ii) another subsidiary (a ***relevant foreign-incorporated subsidiary***) of the foreign corporation (other than a body mentioned in paragraph (a), (b) or (c)), being a subsidiary that is not incorporated in Australia and carries on business in Australia.

*Matters requiring immediate notice*

- (2) If the person has reasonable grounds for believing that:
- (a) the body corporate is insolvent or there is a significant risk that the body corporate will become insolvent; or
  - (b) an existing or proposed state of affairs may materially prejudice the interests of:
    - (i) if the body corporate is an ADI or a subsidiary of an ADI—the depositors of the ADI; or



- (ii) if the body corporate is an authorised NOHC or a subsidiary of an authorised NOHC—the depositors of any ADI that is a subsidiary of the authorised NOHC; or
- (iii) if the body corporate is a relevant Australian-incorporated subsidiary or a relevant foreign-incorporated subsidiary of a foreign corporation—the depositors of any ADI that is a subsidiary of the foreign corporation;

the person must immediately notify APRA in writing of the matter.

*Offences in relation to matters requiring immediate notice*

- (3) A person commits an offence if the person contravenes subsection (2).

Penalty: Imprisonment for 6 months.

- (4) A person commits an offence if the person contravenes subsection (2). This is an offence of strict liability.

Penalty: 60 penalty units.

Note: For *strict liability*, see section 6.1 of the *Criminal Code*.

*Defence if matter already notified*

- (5) Subsections (3) and (4) do not apply to a person in relation to a matter referred to in subsection (2) if:
- (a) the person becomes aware of the matter because the person is informed of it by a director or senior manager of the body corporate; and
  - (b) the director or senior manager informs the person that the body corporate has notified APRA in writing of the matter; and
  - (c) the person has no reason to disbelieve the director or senior manager.

Note: The defendant bears an evidential burden in relation to the matters in subsection (5). See subsection 13.3(3) of the *Criminal Code*.

Section 16BA

---

*Matters requiring notice as soon as practicable*

- (6) If the person has reasonable grounds for believing that:
- (a) the body corporate has failed or will fail to comply with:
    - (i) a provision of this Act, the regulations or the *Financial Sector (Collection of Data) Act 2001*; or
    - (ii) if the body corporate is an ADI or authorised NOHC—a prudential standard; or
    - (iii) if the body corporate is an ADI or authorised NOHC—a direction under Division 1BA of Part II; or
    - (iv) if the body corporate is an ADI—a condition of the body corporate’s section 9 authority; or
    - (v) if the body corporate is an authorised NOHC—a condition of the body corporate’s NOHC authority; and
  - (b) the failure to comply is or will be significant (see subsection (7));

the person must give APRA a written report about the failure as soon as practicable, and in any event no later than 10 business days.

- (7) For the purposes of paragraph (6)(b), a failure to comply is or will be **significant** if the failure is or will be significant having regard to any one or more of the following:
- (a) the number or frequency of similar failures;
  - (b) the impact the failure has or will have on the body corporate’s ability to conduct its business;
  - (c) the extent to which the failure indicates that the body corporate’s arrangements to ensure compliance with this Act, the prudential standards or the regulations might be inadequate;
  - (d) the actual or potential financial loss arising or that will arise from the failure:
    - (i) if the body corporate is an ADI—to the depositors of the body corporate; or
    - (ii) to the body corporate;
  - (e) any matters prescribed by the regulations for the purposes of this paragraph.

*Offences in relation to matters requiring notice as soon as practicable*

- (8) A person commits an offence if the person contravenes subsection (6).

Penalty: Imprisonment for 6 months.

- (9) A person commits an offence if the person contravenes subsection (6). This is an offence of strict liability.

Penalty: 60 penalty units.

Note: For *strict liability*, see section 6.1 of the *Criminal Code*.

*Defence if failure already notified*

- (10) Subsections (8) and (9) do not apply to a person in relation to a failure to comply referred to in subsection (6) if:

- (a) a director or senior manager of the body corporate informs the person that the body corporate has informed APRA in writing of the failure; and
- (b) the person has no reason to disbelieve the director or senior manager.

Note: The defendant bears an evidential burden in relation to the matters in subsection (10). See subsection 13.3(3) of the *Criminal Code*.

*Offence in relation to subsections (5) and (10)*

- (11) A person commits an offence if:
- (a) the person is a director or senior manager of a body corporate referred to in subsection (1); and
  - (b) the person knows that there are reasonable grounds for believing a thing referred to in subsection (2) or (6); and
  - (c) the person informs the auditor of the body corporate that the body corporate has informed APRA in writing of the thing; and
  - (d) the body corporate has not done so.

Penalty: Imprisonment for 12 months.

Section 16C

---

**16C Auditor may provide information to APRA**

A person who is, or has been, an auditor of:

- (a) an ADI; or
- (b) an authorised NOHC; or
- (c) a subsidiary of an ADI or authorised NOHC; or
- (d) if an ADI is a subsidiary of a foreign corporation (whether or not the ADI is itself a foreign ADI):
  - (i) another subsidiary (a *relevant Australian-incorporated subsidiary*) of the foreign corporation (other than a body mentioned in paragraph (a), (b) or (c)), being a subsidiary that is incorporated in Australia; or
  - (ii) another subsidiary (a *relevant foreign-incorporated subsidiary*) of the foreign corporation (other than a body mentioned in paragraph (a), (b) or (c)), being a subsidiary that is not incorporated in Australia and carries on business in Australia;

may provide information, or produce books, accounts or documents, to APRA about the ADI, authorised NOHC, subsidiary of the ADI or authorised NOHC, or relevant Australian-incorporated subsidiary, or about the Australian operations of the relevant foreign-incorporated subsidiary, if the person considers that the provision of the information, or the production of the books, accounts or documents, to APRA will assist APRA in performing its functions under this Act or the *Financial Sector (Collection of Data) Act 2001*.

## **Division 2B—Removal of auditors of ADIs**

### **17 APRA may remove an auditor of an ADI**

- (1) This section applies to a person who is an auditor of an ADI.
- (2) APRA may direct (in writing) that an ADI remove the person from the position if APRA is satisfied that the person:
  - (a) has failed to perform adequately and properly the functions and duties of the position as required under this Act or the prudential standards; or
  - (b) does not meet one or more of the criteria for fitness and propriety set out in the prudential standards; or
  - (c) either:
    - (i) for a person who is a disqualified person only because he or she was disqualified under section 21—is disqualified from being or acting as an auditor of the ADI; or
    - (ii) otherwise—is a disqualified person.
- (3) Before directing an ADI to remove a person, APRA must give written notice to:
  - (a) the person; and
  - (b) the ADI;giving each of them a reasonable opportunity to make submissions on the matter.
- (4) If a submission is made to APRA in response to the notice, APRA must have regard to the submission and may discuss any matter contained in the submission with such persons as it considers appropriate for the purpose of assessing the truth of the matter.
- (5) A notice given under subsection (3) to a person or an ADI must state that any submissions made in response to the notice may be discussed by APRA with other persons as mentioned in subsection (4).
- (6) A direction takes effect on the day specified in it, which must be not earlier than 7 days after it is made.

Section 18

---

(7) If APRA directs an ADI to remove a person, APRA must give a copy of the direction to the person and to the ADI.

(7A) An ADI must comply with a direction under this section.

Note: For enforcement of the direction, see section 11CG.

(7B) The power of an ADI to comply with a direction under this section may be exercised by giving a written notice to the person who is the subject of the direction.

(7C) Subsection (7B) does not, by implication, limit any other powers of an ADI to remove a person.

(8) Part VI applies to a direction given by APRA under this section.

### **18 Referring matters to professional associations for auditors**

(1) If APRA is of the opinion that an auditor of a relevant body corporate (see subsection (2)):

(a) has failed, whether within or outside Australia, to perform adequately and properly his or her duties or functions as an auditor under:

- (i) this Act, the regulations or the prudential standards; or
- (ii) any other law of the Commonwealth, a State or a Territory; or

(b) is otherwise not a fit and proper person to be the auditor of a relevant body corporate;

APRA may refer the details of the matter to either or both of the following:

(c) the Companies Auditors and Liquidators Disciplinary Board established by Division 1 of Part 11 of the *Australian Securities and Investments Commission Act 2001*;

(d) those members of the professional association of the auditor whom APRA believes will be involved in considering or taking any disciplinary or other action concerning the matter against the auditor.

(2) For the purposes of this section, each of the following is a **relevant body corporate**:

- (a) an ADI;
- (b) an authorised NOHC;
- (c) a subsidiary of an ADI or authorised NOHC;

- (d) if an ADI is a subsidiary of a foreign corporation (whether or not the ADI is itself a foreign corporation)—a subsidiary of that foreign corporation that is incorporated in, or carries on business in, Australia.
- (3) If APRA refers details of a matter under this section, APRA must also give written notice of the referral (including the nature of the matter) to the auditor.

## **Division 2C—Enforceable undertakings**

### **18A Enforceable undertakings**

- (1) APRA may accept a written undertaking given by a person in connection with a matter in relation to which APRA has a power or function under this Act.
- (2) The person may, with APRA's consent, vary or withdraw the undertaking.
- (3) If APRA considers that a person who has given an undertaking has breached any of the terms of the undertaking, APRA may apply to the Federal Court of Australia for an order under subsection (4).
- (4) If the Federal Court is satisfied that a person who has given an undertaking has breached any of the terms of the undertaking, the Court may make any or all of the following orders:
  - (a) an order directing the person to comply with the undertaking;
  - (b) an order directing the person to pay to the Commonwealth an amount up to the amount of any financial benefit that the person obtained (whether directly or indirectly) and that is reasonably attributable to the breach;
  - (c) any order that the Court considers appropriate directing the person to compensate any other person who has suffered loss or damage as a result of the breach;
  - (d) any other order that the Court considers appropriate.
- (5) For the purposes of this section, treat a reference in this section to a matter in relation to which APRA has a power or function under this Act as including a matter in relation to which APRA has a power or function under the *First Home Saver Accounts Act 2008* in respect of ADIs.



## Division 3—Governance

### 19 Disqualified persons must not act for ADIs or authorised NOHCs

- (1) A person commits an offence if:
- (a) the person is a disqualified person; and
  - (b) the person is or acts as one of the following:
    - (i) a director or senior manager of an ADI (other than a foreign ADI);
    - (ii) a senior manager of the Australian operations of a foreign ADI;
    - (iii) a director or senior manager of an authorised NOHC;
    - (iv) an auditor of an ADI or an authorised NOHC; and
  - (c) for a person who is a disqualified person only because he or she was disqualified under section 21—the person is disqualified from being or acting as that director, senior manager or auditor (as the case requires).

Penalty: Imprisonment for 2 years.

- (2) A person commits an offence if:
- (a) the person is a disqualified person; and
  - (b) the person is or acts as one of the following:
    - (i) a director or senior manager of an ADI (other than a foreign ADI);
    - (ii) a senior manager of the Australian operations of a foreign ADI;
    - (iii) a director or senior manager of an authorised NOHC;
    - (iv) an auditor of an ADI or an authorised NOHC; and
  - (c) for a person who is a disqualified person only because he or she was disqualified under section 21—the person is disqualified from being or acting as that director, senior manager or auditor (as the case requires).

Penalty: 60 penalty units.

- (3) An offence against subsection (2) is an offence of strict liability.

Note: For *strict liability*, see section 6.1 of the *Criminal Code*.

Section 19

---

- (4) A body corporate commits an offence if:
- (a) a person is a disqualified person; and
  - (b) the person is or acts as one of the following:
    - (i) if the body corporate is an ADI (other than a foreign ADI)—a director or senior manager of the body corporate;
    - (ii) if the body corporate is a foreign ADI—a senior manager of the Australian operations of the body corporate;
    - (iii) if the body corporate is an authorised NOHC—a director or senior manager of the body corporate;
    - (iv) if the body corporate is an ADI or an authorised NOHC—an auditor of the body corporate; and
  - (c) for a person who is a disqualified person only because he or she was disqualified under section 21—the person is disqualified from being or acting as that director, senior manager or auditor (as the case requires); and
  - (d) in any case—the body corporate allows the person to be or act as a director, senior manager or auditor (as the case requires).

Penalty: 250 penalty units.

- (5) A body corporate commits an offence if:
- (a) a person is a disqualified person; and
  - (b) the person is or acts as one of the following:
    - (i) if the body corporate is an ADI (other than a foreign ADI)—a director or senior manager of the body corporate;
    - (ii) if the body corporate is a foreign ADI—a senior manager of the Australian operations of the body corporate;
    - (iii) if the body corporate is an authorised NOHC—a director or senior manager of the body corporate;
    - (iv) if the body corporate is an ADI or an authorised NOHC—an auditor of the body corporate; and
  - (c) for a person who is a disqualified person only because he or she was disqualified under section 21—the person is disqualified from being or acting as that director, senior manager or auditor (as the case requires); and

- (d) in any case—the body corporate allows the person to be or act as a director, senior manager or auditor (as the case requires).

Penalty: 60 penalty units.

- (6) An offence against subsection (5) is an offence of strict liability.

Note: For *strict liability*, see section 6.1 of the *Criminal Code*.

- (8) A failure to comply with this section does not affect the validity of an appointment or transaction.

- (9) Subsections (1) to (8) have no effect until the end of the 3-month period that begins at the commencement of this section.

Note: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

## 20 Who is a *disqualified person*?

- (1) A person is a *disqualified person* if, at any time (whether before or after the commencement of this section):
- (a) the person has been convicted of an offence against or arising out of:
    - (i) this Act; or
    - (ii) the *Financial Sector (Collection of Data) Act 2001*; or
    - (iii) the *Corporations Act 2001*, the Corporations Law that was previously in force, or any law of a foreign country that corresponds to that Act or to that Corporations Law; or
  - (b) the person has been convicted of an offence against or arising out of a law in force in Australia, or the law of a foreign country, where the offence related or relates to dishonest conduct, or to conduct relating to a company that carries on business in the financial sector; or
  - (c) the person has been or becomes bankrupt; or
  - (d) the person has applied to take the benefit of a law for the relief of bankrupt or insolvent debtors; or
  - (e) the person has compounded with his or her creditors; or
  - (f) the Federal Court of Australia has disqualified the person under section 21; or

Section 21

---

- (g) the person has been disqualified under the law of a foreign country from managing, or taking part in the management of, an entity that carries on the business of banking or insurance or otherwise deals in financial matters.

Note: The Federal Court of Australia may determine that a person is not a disqualified person (see section 22).

- (2) A reference in subsection (1) to a person who has been convicted of an offence includes a reference to a person in respect of whom an order has been made relating to the offence under:
  - (a) section 19B of the *Crimes Act 1914*; or
  - (b) a corresponding provision of a law of a State, a Territory or a foreign country.
- (3) Nothing in this section affects the operation of Part VIIC of the *Crimes Act 1914* (which includes provisions that, in certain circumstances, relieve persons from the requirement to disclose spent convictions and require persons aware of such convictions to disregard them).

## **21 Court power of disqualification**

- (1) On application by APRA, the Federal Court of Australia may, by order, disqualify a person from being or acting as a person referred to in subsection (2), for a period that the Court considers appropriate, if the Court is satisfied that:
  - (a) the person is not a fit and proper person to be or act as such a person; and
  - (b) the disqualification is justified.
- (2) For the purposes of subsection (1), the Court may disqualify a person from being or acting as one or more of the following:
  - (a) a director or senior manager of:
    - (i) a particular ADI; or
    - (ii) a class of ADIs; or
    - (iii) any ADI;(other than a particular foreign ADI, a class of foreign ADIs or any foreign ADI);
  - (b) a senior manager of the Australian operations of:
    - (i) a particular foreign ADI; or
    - (ii) a class of foreign ADIs; or

- (iii) any foreign ADI;
  - (c) a director or senior manager of:
    - (i) a particular authorised NOHC; or
    - (ii) a class of authorised NOHCs; or
    - (iii) any authorised NOHC;
  - (d) an auditor of:
    - (i) a particular ADI or a particular authorised NOHC; or
    - (ii) a class of ADIs or a class of authorised NOHCs; or
    - (iii) any ADI or any authorised NOHC.
- (3) In deciding whether it is satisfied as mentioned in paragraph (1)(a), the Court may take into account:
- (a) any matters specified in the regulations for the purposes of this paragraph; and
  - (b) any criteria for fitness and propriety set out in the prudential standards; and
  - (c) any other matters the Court considers relevant.
- (4) In deciding whether the disqualification is justified as mentioned in paragraph (1)(b), the Court may have regard to:
- (a) if the application is for the person to be disqualified from being or acting as a director or senior manager—the person’s conduct in relation to the management, business or property of any corporation; and
  - (b) if the application is for the person to be disqualified from being or acting as an auditor—the person’s conduct in relation to the functions or duties of the person as required under this Act and the prudential standards; and
  - (c) in any case—any other matters the Court considers relevant.
- (5) As soon as practicable after the Court disqualifies a person under this section, APRA must cause particulars of the disqualification:
- (a) to be given:
    - (i) if the person is, or is acting as, a person referred to in subparagraph (2)(a)(i)—to the ADI concerned; or
    - (ii) if the person is, or is acting as, a person referred to in subparagraph (2)(b)(i)—to the foreign ADI concerned; or

Section 22

---

- (iii) if the person is, or is acting as, a person referred to in subparagraph (2)(c)(i)—to the authorised NOHC concerned; or
  - (iv) if the person is, or is acting as, a person referred to in subparagraph (2)(d)(i)—to the ADI or authorised NOHC concerned; and
- (b) to be published in the *Gazette*.

**22 Court power to revoke or vary a disqualification etc.**

- (1) A disqualified person, or APRA, may apply to the Federal Court of Australia for:
  - (a) if the person is a disqualified person only because he or she was disqualified under section 21—a variation or a revocation of the order made under that section; or
  - (b) otherwise—an order that the person is not a disqualified person.
- (2) If the Court revokes an order under paragraph (1)(a) or makes an order under paragraph (1)(b), then, despite section 20, the person is not a *disqualified person*.
- (3) At least 21 days before commencing the proceedings, written notice of the application must be lodged:
  - (a) if the disqualified person makes the application—by the person with APRA; or
  - (b) if APRA makes the application—by APRA with the disqualified person.
- (4) An order under paragraph (1)(b) may be expressed to be subject to exceptions and conditions determined by the Court.

**23 APRA may remove a director or senior manager of an ADI or authorised NOHC**

- (1) This section applies to a person who is:
  - (a) a director or senior manager of an ADI (other than a foreign ADI); or
  - (b) a senior manager of the Australian operations of a foreign ADI; or
  - (c) a director or senior manager of an authorised NOHC.

- (2) APRA may direct (in writing) that the ADI or authorised NOHC remove the person from the position if APRA is satisfied that the person:
- (a) either:
    - (i) for a person who is a disqualified person only because he or she was disqualified under section 21—is disqualified from being or acting as a director or senior manager of the ADI or NOHC; or
    - (ii) otherwise—is a disqualified person; or
  - (b) does not meet one or more of the criteria for fitness and propriety set out in the prudential standards.
- (3) Before directing an ADI or authorised NOHC to remove a person, APRA must give written notice to:
- (a) the person; and
  - (b) the ADI or NOHC;
- giving each of them a reasonable opportunity to make submissions on the matter.
- (4) If a submission is made to APRA in response to the notice, APRA must have regard to the submission and may discuss any matter contained in the submission with such persons as it considers appropriate for the purpose of assessing the truth of the matter.
- (5) A notice given under subsection (3) to a person, an ADI or an authorised NOHC must state that any submissions made in response to the notice may be discussed by APRA with other persons as mentioned in subsection (4).
- (6) A direction takes effect on the day specified in it, which must be not earlier than 7 days after it is signed.
- (7) If APRA directs an ADI or authorised NOHC to remove a person, APRA must give a copy of the direction to the person and to the ADI or NOHC.
- (7A) An ADI or authorised NOHC must comply with a direction under this section.
- Note: For enforcement of the direction, see section 11CG.
- (7B) The power of an ADI to comply with a direction under this section may be exercised on behalf of the ADI as set out in the table:
-

Section 23

---

<b>Power to comply with a direction</b>		
<b>Item</b>	<b>Who may exercise the power</b>	<b>How the power may be exercised</b>
1	The chair of the board of directors of the ADI	by signing a written notice.
2	A majority of the directors of the ADI (excluding any director who is the subject of the direction)	by jointly signing a written notice.

(7C) The power of an authorised NOHC to comply with a direction under this section may be exercised on behalf of the NOHC as set out in the table:

<b>Power to comply with a direction</b>		
<b>Item</b>	<b>Who may exercise the power</b>	<b>How the power may be exercised</b>
1	The chair of the board of directors of the NOHC	by signing a written notice.
2	A majority of the directors of the NOHC (excluding any director who is the subject of the direction)	by jointly signing a written notice.

(7D) Subsections (7B) and (7C) do not, by implication, limit any other powers of an ADI or authorised NOHC to remove a person.

(8) Part VI applies to a direction given by APRA under this section.



## **Division 4—Mobilization of foreign currency**

### **32 Interpretation**

In this Division:

*excess receipts of foreign currency*, in relation to an ADI as at a date, means the amount by which the amount of that ADI's surplus foreign currency as at that date exceeds the amount (if any) of its surplus foreign currency as at the commencement of this Part.

*sterling* means currency that is legal tender in the United Kingdom.

*surplus foreign currency*, in relation to an ADI, means the amount by which the amount of that ADI's assets outside Australia attributable to, or acquired by virtue of, its Australian business exceeds the amount of its liabilities outside Australia attributable to, or incurred by virtue of, its Australian business.

### **33 Transfer of foreign currency to Reserve Bank**

- (1) The Reserve Bank may, from time to time, by notice in writing, require each ADI to transfer to the Reserve Bank an amount of sterling equivalent to such proportion as is specified in the notice of that ADI's excess receipts of foreign currency as at the close of business on a date specified in the notice, not being more than 21 days before the date on which the notice is given.
- (2) The proportion specified in a notice under subsection (1) shall be the same in respect of each ADI.
- (3) Where, as at the close of business on a date specified in a notice under subsection (1), an ADI has not transferred an amount of sterling that it has been required to transfer in pursuance of any previous notice under that subsection, the excess receipts of foreign currency to which that amount of sterling is equivalent shall not, for the purpose of calculating the amount of sterling required to be transferred in pursuance of the first-mentioned notice, be taken into account as part of the excess receipts of foreign currency of that ADI.

Section 33

---

- (4) An ADI is guilty of an offence if:
- (a) the ADI receives a notice under subsection (1); and
  - (b) the ADI does not comply with the notice within:
    - (i) 7 days after receiving the notice; or
    - (ii) if a longer period for compliance is specified by the Reserve Bank—the period so specified.

Maximum penalty: 200 penalty units.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

- (4A) An offence against subsection (4) is an indictable offence.
- (4B) If an ADI does or fails to do an act in circumstances that give rise to the ADI committing an offence against subsection (4), the ADI is guilty of an offence against that subsection in respect of:
- (a) the first day on which the offence is committed; and
  - (b) each subsequent day (if any) on which the circumstances that gave rise to the ADI committing the offence continue (including the day of conviction for any such offence or any later day).

Note: This subsection is not intended to imply that section 4K of the *Crimes Act 1914* does not apply to offences against this Act or the regulations.

- (5) An ADI shall be deemed to have complied with the requirements of a notice under subsection (1) if it transfers to the Reserve Bank an amount of sterling equivalent to the specified proportion of that ADI's excess receipts of foreign currency, as shown in that ADI's books of account, as at the close of business on the date in question.
- (6) Where an ADI's assets outside Australia attributable to, or acquired by virtue of, its Australian business include foreign currency that is not freely convertible into sterling, the Reserve Bank shall make such adjustment in the amount of sterling required to be transferred by that ADI to the Reserve Bank under this section as appears to the Reserve Bank to be necessary in the circumstances.

### **34 Payment for transferred foreign currency**

The Reserve Bank shall pay to an ADI transferring sterling in compliance with a notice under section 33 such amount in Australian currency as is agreed upon between the Reserve Bank and the ADI transferring the sterling or, in default of agreement, as is determined in an action for compensation by the ADI against the Reserve Bank.

### **35 Sale of foreign currency by Reserve Bank**

The Reserve Bank may sell foreign currency to an ADI:

- (a) where the Reserve Bank is satisfied that the ADI has complied with the provisions of this Division and is likely to suffer a shortage of foreign currency; or
- (b) if the Reserve Bank considers that, for any other reason, it is desirable to do so.

## **Division 5—Advances**

### **36 Advance policy**

- (1) Where the Reserve Bank is satisfied that it is necessary or expedient to do so in the public interest, the Reserve Bank may determine the policy in relation to advances to be followed by ADIs.

- (1A) An ADI is guilty of an offence if:
- (a) the Reserve Bank has made a determination under subsection (1) of a policy that applies to the ADI; and
  - (b) the ADI fails to follow the policy.

Maximum penalty: 200 penalty units.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

- (1B) An offence against subsection (1A) is an indictable offence.

- (2) Without limiting the generality of subsection (1), the Reserve Bank may give directions as to the classes of purposes for which advances may or may not be made by ADIs.

- (2A) An ADI is guilty of an offence if:
- (a) the Reserve Bank has given a direction under subsection (2) that applies to the ADI; and
  - (b) the ADI fails to comply with the directions.

Maximum penalty: 200 penalty units.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

- (2B) An offence against subsection (2A) is an indictable offence.

- (3) Nothing in this section:
- (a) authorizes the Reserve Bank to make a determination or give a direction with respect to an advance made, or proposed to be made, to a particular person; or
  - (b) affects the validity of a transaction entered into in relation to an advance or affects the right of an ADI to recover an advance or enforce the security given in respect of an advance.

## **Part IIA—ADI mergers (operation of State and Territory laws)**

### **38A Operation of certain State and Territory laws relating to ADI mergers**

- (1) Any law of the Commonwealth with which a provision of a law of a State or Territory referred to in Schedule 1 would, but for this subsection, be inconsistent has effect subject to that provision, or shall be deemed to have had effect subject to that provision, as the case may be, on and from the day that is the prescribed day in relation to that provision.
- (2) Without prejudice to its effect apart from this subsection, each provision of a law of a State or Territory referred to in Schedule 1 has or shall be deemed to have had, as the case may be, by force of this subsection, on and from the day that is the prescribed day in relation to that provision, the effect that it would have, or would have had, if that law bound the Crown in right of the Commonwealth, of the Australian Capital Territory, of the Northern Territory and of Norfolk Island.
- (3) If, at any time after the commencement of this Part, a law of a State or Territory is passed or made for the purpose of, or for the purpose of making provision consequent upon or in relation to, the merger of 2 or more ADIs, the Treasurer may, in his or her discretion, by signed writing published in the *Gazette*, declare that law to be a law to which this subsection applies.
- (4) Where a declaration is made under subsection (3) in relation to a law of a State or Territory:
  - (a) any law of the Commonwealth with which a provision of that law of a State or Territory would, but for this paragraph, be inconsistent has effect, subject to that provision, or shall be deemed to have had effect subject to that provision, as the case may be, on and from the day that is the prescribed day in relation to that provision; and

- (b) without prejudice to its effect apart from this paragraph, each provision of that law of a State or Territory has, or shall be deemed to have had, as the case may be, by force of this paragraph, on and from the day that is the prescribed day in relation to that provision, the effect that it would have, or would have had, if that law bound the Crown in right of the Commonwealth, of the Australian Capital Territory, of the Northern Territory and of Norfolk Island.
- (5) A reference in this section to the prescribed day in relation to a provision of a law of a State or Territory is a reference to the day on which that provision comes or came into operation.

## Part III—Foreign exchange, foreign investment etc.

### 39 Power to make regulations

- (1) Where the Governor-General considers it expedient to do so for purposes related to:
  - (a) foreign exchange or the foreign exchange resources of Australia;
  - (b) the protection of the currency or the protection of the public credit or revenue of Australia; or
  - (c) foreign investment in Australia, Australian investment outside Australia, foreign ownership or control of property in Australia or of Australian property outside Australia or Australian ownership or control of property outside Australia or of foreign property in Australia;the Governor-General may make regulations, not inconsistent with this Act, in accordance with this section.
- (2) The regulations authorized to be made by this section are regulations (being regulations with respect to matters with respect to which the Parliament has power to make laws) making provision for or in relation to:
  - (a) rates of exchange;
  - (b) the control or prohibition of the buying, borrowing, selling, lending or exchanging in Australia of, or other dealing in Australia with, foreign currency by or on behalf of any person, and of the buying, borrowing, selling, lending or exchanging outside Australia of, or other dealing outside Australia with, foreign currency by or on behalf of a person who is a resident;
  - (c) the control or prohibition of any transaction that has the effect of or involves a purchase, borrowing, sale, loan or exchange of, or that otherwise relates to, foreign currency, being a transaction that takes place in whole or in part in Australia or to which a person who is a resident is a party;



- (d) the control or prohibition of the buying, borrowing, selling, lending or exchanging outside Australia of, or other dealing outside Australia with, Australian currency by or on behalf of any person, and of the buying, borrowing, selling, lending or exchanging in Australia, or other dealing in Australia with, Australian currency by or on behalf of a person who is not a resident;
- (e) the control or prohibition of any transaction that has the effect of or involves a purchase, borrowing, sale, loan or exchange of, or that otherwise relates to, Australian currency, being a transaction that takes place in whole or in part outside Australia or to which a person who is not a resident is a party;
- (f) the control or prohibition of the taking or sending out of Australia, and of the bringing or sending into Australia, of Australian currency or foreign currency;
- (g) requiring any person who is a resident and who has power to sell, or to procure the sale of, any foreign currency, or any person (whether a resident or not) who has power to sell in Australia, or to procure the sale in Australia of, any foreign currency, to sell, or to procure the sale of, that currency as prescribed;
- (h) requiring any person who is not a resident and who has power to sell, or to procure the sale of, any Australian currency, or any person (whether a resident or not) who has power to sell outside Australia, or to procure the sale outside Australia of, any Australian currency, to sell, or to procure the sale of, that currency as prescribed;
- (i) the control or prohibition of the taking, sending or transfer of any securities to a place outside Australia (including the transfer of securities from a register in Australia to a register outside Australia), and of the bringing, sending or transfer of any securities to Australia from a place outside Australia (including the transfer of securities from a register outside Australia to a register in Australia);
- (j) the control or prohibition of the buying, borrowing, selling, lending or exchanging of, or other dealing with, property that is in Australia, or of Australian securities that are outside Australia, by or on behalf of a person who is not a resident;

Section 39

---

- (k) the control or prohibition of any transaction that has the effect of or involves a purchase, borrowing, sale, loan or exchange of, or that otherwise relates to, property that is in Australia, or of Australian securities that are outside Australia, being a transaction to which a person who is not a resident is a party;
  - (l) the control or prohibition of the buying, borrowing, selling, lending or exchanging of, or other dealing with, property that is outside Australia, or of foreign securities that are in Australia, by or on behalf of a person who is a resident;
  - (m) the control or prohibition of any transaction that has the effect of or involves a purchase, borrowing, sale, loan or exchange of, or that otherwise relates to, property that is outside Australia, or of foreign securities that are in Australia, being a transaction to which a person who is a resident is a party;
  - (n) requiring any person who is a resident and by whom moneys are payable to a person who is not a resident to pay those moneys within such time as is fixed by or under the regulations;
  - (o) the control or prohibition of the importation or exportation of goods;
  - (p) the obtaining by the Reserve Bank (or by a person authorized by the Bank for the purpose) of information, and the examination by the Bank (or by a person authorized by the Bank for the purpose) of accounts, books, documents or other papers, for purposes related to the exercise of the Bank's powers or the performance of the Bank's functions under the regulations;
  - (q) prescribing penalties not exceeding a fine of 1,000 penalty units, or imprisonment for a period not exceeding 5 years, for offences against the regulations made under this section; and
  - (r) empowering a court to order the forfeiture, or the disposal in accordance with the directions of the Reserve Bank, of Australian currency, foreign currency, goods or other property in respect of which an offence against the regulations made under this section has been committed.
- (3) Without limiting the generality of the power of the Governor-General to make regulations under this section, the regulations may:

- (a) for any purpose of the regulations, prohibit the doing of any act or thing (including the importation or exportation of goods) specified in the regulations either absolutely or subject to conditions, being conditions which may prohibit the doing of the act or thing without the authority of the Reserve Bank or except in pursuance of a licence granted under the regulations;
  - (b) make provision for or in relation to terms and conditions subject to which such authorities or licences shall or may be granted, being terms and conditions which may require the deposit of money with the Reserve Bank; and
  - (c) make provision for or in relation to the granting of exemptions, either unconditionally or subject to conditions determined by the Reserve Bank, from the application of any provision of the regulations.
- (4) Regulations under this section may provide:
- (a) that the regulations, or a particular provision of the regulations specified in the regulations, shall apply, without modification or with such modifications as are prescribed, to and in relation to a resident included in a prescribed class of persons as if the person were not a resident; and
  - (b) that the regulations, or a particular provision of the regulations specified in the regulations, shall apply, without modification or with such modifications as are prescribed, to and in relation to a person who is not a resident but is included in a prescribed class of persons, as if the person were a resident.
- (5) Regulations under this section may provide:
- (a) that, where a body corporate that is not a resident has a place of business in Australia, the body corporate shall be deemed, for the purposes of the regulations or a particular provision of the regulations specified in the regulations, to be a resident in relation to the affairs of the body corporate conducted by the body corporate at or through that place of business, including any business carried on, transactions entered into and acts and things done by the body corporate at or through that place of business; and
  - (b) that, where a body corporate that is a resident has a place of business outside Australia, the body corporate shall be deemed, for the purposes of the regulations or a particular
-

Section 39

---

provision of the regulations specified in the regulations, not to be a resident in relation to the affairs of the body corporate conducted by the body corporate at or through that place of business, including any business carried on, transactions entered into and acts and things done by the body corporate at or through that place of business.

- (6) Regulations under this section may provide that no act or thing done, or contract or other transaction entered into, is invalid or unenforceable by reason only that the provisions of the regulations have not, or a particular provision of the regulations specified in the regulations has not, been complied with, but regulations so made shall not be construed as having the effect of preventing a person from being convicted of an offence against the regulations by reason of having failed to comply with a provision of the regulations.
- (7) Regulations under this section may provide that, in the exercise of its powers or the performance of its functions under the regulations, or under a particular provision of the regulations specified in the regulations, the Reserve Bank is subject to the directions of the Treasurer.
- (8) In this section:

*Australian currency* includes notes, coins, postal notes, money orders, bills of exchange, promissory notes, drafts, letters of credit and travellers' cheques payable or expressed in Australian money, and also includes rights, and instruments of title, to Australian money.

*Australian securities* means securities or other property included in a class of securities or property specified in the regulations as Australian securities.

*foreign currency* includes notes, coins, postal notes, money orders, bills of exchange, promissory notes, drafts, letters of credit and travellers' cheques payable or expressed otherwise than in Australian money, and also includes rights and instruments of title, to money other than Australian money.

*foreign securities* means securities or other property included in a class of securities or property specified in the regulations as foreign securities.

**property** includes securities and rights under securities.

**resident** means:

- (a) a person, not being a body corporate, who is ordinarily resident in Australia; and
- (b) a body corporate which is incorporated in Australia.

**securities** includes shares, stock, bonds, debentures, debenture stock, treasury bills and notes, and units or sub-units of a unit trust, and also includes deposit receipts in respect of the deposit of securities and documents of title to securities.

- (9) Nothing in Part IV shall be taken as limiting the power of the Governor-General to make regulations under this section for or in relation to the control or prohibition of the importation or exportation of gold, or otherwise with respect to gold.
- (10) A reference in this section to property that is in Australia shall be read as including a reference to a right, not being property, that is exercisable in Australia, and a reference in this section to property that is outside Australia shall be read as including a reference to a right, not being property, that is not exercisable in Australia.
- (11) Nothing in subsection (1) shall be taken to affect, by implication or otherwise, the interpretation or operation of regulations made under this section.

### **39A Extra-territorial application of regulations**

- (1) Regulations made under section 39 shall, except where the contrary intention appears, apply both within and without Australia.
- (2) A provision of the *Judiciary Act 1903* by which a court of a State is invested with jurisdiction with respect to offences against the laws of the Commonwealth has effect, in relation to offences against the regulations made under section 39 of this Act not committed within any State, as if that jurisdiction were so invested without limitation as to locality.
- (3) Subject to the Constitution, jurisdiction is conferred on the several courts of a Territory, within the limits of their several jurisdictions other than limits as to locality, with respect to offences against the regulations made under section 39 not committed within a State or within another Territory.

**Section 39B**

---

- (4) The trial on indictment of an offence against the regulations made under section 39 not committed within a State may be held by a court of competent jurisdiction at any place where the court may sit.

**39B Granting of authorities by Reserve Bank subject to taxation clearance**

- (1) Where regulations made under section 39 contain a provision prohibiting the doing of an act or thing without the authority of the Reserve Bank and an application is made to the Bank for the authority of the Bank to do that act or thing, then:
- (a) if the act or thing is of a kind specified in a notice in force under subsection (2) of this section—the Bank shall not grant that authority unless there is produced to the Bank, in respect of that act or thing, a tax clearance certificate issued under section 14C of the *Taxation Administration Act 1953* in respect of that act or thing; or
  - (b) in any other case—the Bank may refuse to grant that authority unless there is produced to the Bank such a certificate;
- but the foregoing shall not be taken as limiting the discretion of the Bank to refuse to grant any such authority on any other ground.
- (2) The Treasurer may, by notice in writing published in the *Gazette*, direct that acts or things of a kind specified in the notice are, on and after the date of publication of the notice or such later date as is specified in the notice, acts or things of a kind to which this section applies.

## **Part IV—Gold**

### **40 Operation of Part**

- (1) This Part shall not be in operation except as provided by this section.
- (2) Where the Governor-General is satisfied that it is expedient so to do, for the protection of the currency or of the public credit of the Commonwealth, the Governor-General may, by Proclamation, declare that this Part, or such of the provisions of this Part as are specified in the Proclamation, shall come into operation, and this Part, or the provisions so specified, shall thereupon come into operation.
- (3) Where the Governor-General is satisfied that it is no longer expedient, for the protection of the currency or of the public credit of the Commonwealth, that this Part, or any of the provisions of this Part, should remain in operation, the Governor-General may, by Proclamation, declare that this Part, or such of the provisions of this Part as are specified in the Proclamation, shall cease to be in operation, and thereupon this Part, or the provisions so specified, shall cease to be in operation.

### **41 Transfer of gold out of Australia**

- (1) A person shall not, except with the consent in writing of the Reserve Bank, take or send any gold out of Australia.
- (2) A person is guilty of an offence if:
  - (a) the person contravenes subsection (1); and
  - (c) there is no instrument in force under section 48 exempting the person from the application of this subsection.

Maximum penalty: 200 penalty units.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

- (3) An offence against subsection (2) is an indictable offence.

#### 42 Delivery of gold

- (1) Subject to this Part, a person who has any gold in the person's possession or under the person's control, not being:
- (a) gold coins the total value of the gold content of which does not exceed the prescribed amount; or
  - (b) gold lawfully in the possession of that person for the purpose of being worked or used by that person in connexion with the person's profession or trade;

shall deliver the gold to the Reserve Bank, or as prescribed, within one month after the gold comes into the person's possession or under the person's control or, if the gold is in the person's possession or under the person's control on any date on which this Part comes into operation, within one month after that date.

- (1A) A person is guilty of an offence if:
- (a) the person fails to comply with subsection (1); and
  - (c) there is no instrument in force under section 48 exempting the person from the application of this subsection.

Maximum penalty: 50 penalty units.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

- (2) Where a person who has gold lawfully in the person's possession for the purpose of being worked or used by the person in connexion with the person's profession or trade ceases to have that purpose in respect of that gold, the person shall deliver the gold to the Reserve Bank, or as prescribed, within one month after the person has ceased to have that purpose in respect of that gold.
- (3) A person is guilty of an offence if:
- (a) the person fails to comply with subsection (2); and
  - (c) there is no instrument in force under section 48 exempting the person from the application of this subsection.

Maximum penalty: 50 penalty units.



Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

### **43 Vesting of gold delivered**

All gold delivered in pursuance of section 42 shall thereupon vest in the Reserve Bank absolutely, free from any mortgage, charge, lien, trust or other interest in or affecting the gold, and the Reserve Bank shall pay for the gold, to the person delivering the gold, on behalf of all persons having any interest in the gold, an amount determined in accordance with section 44 and the Reserve Bank shall not be under any liability to any other person claiming any interest in the gold.

### **44 Payment for gold**

The amount to be paid for any gold delivered in pursuance of section 42 shall be an amount determined in accordance with such price as is fixed and published by the Reserve Bank or, at the option of the person delivering the gold, such amount as is determined in an action for compensation against the Reserve Bank.

### **45 Limitation of sale and purchase of gold**

- (1) Subject to this Part:
- (a) a person shall not sell or otherwise dispose of gold to a person other than the Reserve Bank or a person authorized in writing by the Reserve Bank to purchase gold; and
  - (b) a person, other than the Reserve Bank or a person so authorized, shall not buy or otherwise obtain gold from any person.
- (1A) A person is guilty of an offence if:
- (a) the person fails to comply with subsection (1); and
  - (c) there is no instrument in force under section 48 exempting the person from the application of this subsection.

Maximum penalty: 200 penalty units.

Section 46

---

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

- (1B) An offence against subsection (1A) is an indictable offence.
- (2) A person may buy gold from the Reserve Bank or from a person authorized in writing by the Reserve Bank to sell gold, and the Reserve Bank or a person so authorized may sell gold to a person, for the purpose of its being worked or used by the purchaser in connexion with the person's profession or trade.
- (3) A person authorized by the Reserve Bank under this section shall comply with such directions relating to gold as are given to the person by the Reserve Bank.
- (4) A person is guilty of an offence if:
- (a) the person fails to comply with subsection (3); and
  - (c) there is no instrument in force under section 48 exempting the person from the application of this subsection.

Maximum penalty: 200 penalty units.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

- (5) An offence against subsection (4) is an indictable offence.

**46 Limitation on working of gold**

- (1) A person shall not work or use in manufacture any gold, not being gold lawfully in the person's possession for the purpose of being worked or used by the person in connexion with the person's profession or trade.
- (2) A person is guilty of an offence if:
- (a) the person fails to comply with subsection (1); and
  - (c) there is no instrument in force under section 48 exempting the person from the application of subsection (1).

Maximum penalty: 200 penalty units.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

(3) An offence against subsection (2) is an indictable offence.

#### **47 Application of Part**

- (1) This Part does not apply to wrought gold, not being wrought gold worked or manufactured in contravention of this Part.
- (2) In this section, **wrought gold** means gold and gold alloys which on view have apparently been worked or manufactured for professional or trade purposes and includes the waste products arising from the working or manufacturing of gold and gold alloys for professional or trade purposes.

#### **48 Exemptions**

The Reserve Bank may, by instrument in writing, and either wholly or to the extent specified in the instrument, exempt a person from the application of the whole or any of the provisions of this Part and, so long as the exemption continues, that person is exempt accordingly.

## Part V—Interest rates

### 50 Control of interest rates

- (1) The Reserve Bank may, with the approval of the Treasurer, make regulations:
  - (a) making provision for or in relation to the control of rates of interest payable to or by ADIs, or to or by other persons in the course of any banking business carried on by them;
  - (b) making provision for or in relation to the control of rates of discount chargeable by ADIs, or by other persons in the course of any banking business carried on by them;
  - (c) providing that interest shall not be payable in respect of an amount deposited with an ADI, or with another person in the course of banking business carried on by the person, and repayable on demand or after the end of a period specified in the regulations; and
  - (d) prescribing penalties, for offences against the regulations, not exceeding:
    - (i) if the offender is a natural person—a fine of \$5,000; or
    - (ii) if the offender is a body corporate—a fine of \$25,000.

## **Part VI—Reconsideration and Review of decisions**

### **51A Definitions**

In this Part:

*decision* has the same meaning as in the *Administrative Appeals Tribunal Act 1975*.

*reviewable decision of APRA* means a decision of APRA to which, under this Act or the *First Home Saver Accounts Act 2008*, this Part applies.

### **51B Reconsideration of decisions**

- (1) A person affected by a reviewable decision of APRA who is dissatisfied with the decision may, by notice in writing given to APRA, within the period of 21 days after the day on which the decision first comes to the notice of the person, or within such further period as APRA allows, request APRA to reconsider the decision.
- (2) The request must set out the reasons for making the request.
- (3) Upon receiving the request, APRA must reconsider the decision and may, subject to subsection (4), confirm or revoke the decision or vary the decision in such manner as APRA thinks fit.
- (4) If APRA does not confirm, revoke or vary a decision before the end of the period of 21 days after the day on which APRA received the request under subsection (1) to reconsider the decision, APRA is taken, at the end of that period, to have confirmed the decision under subsection (3).
- (5) If APRA confirms, revokes or varies a decision before the end of the period referred to in subsection (4), APRA must, by notice served on the person who made the request:
  - (a) tell the person of the result of APRA's reconsideration of the decision; and
  - (b) set out the findings on material questions of fact; and

Section 51C

---

- (c) refer to the evidence or other material on which those findings were based; and
  - (d) give APRA's reasons for confirming, revoking or varying the decision, as the case may be.
- (6) When APRA serves on a person a notice containing information of a kind mentioned in paragraph (5)(b) or (c), APRA may include in the notice conditions to be complied with in relation to the notice or any information disclosed in the notice.
- (7) A person commits an offence if the person fails to comply with a condition imposed under subsection (6).

Maximum penalty: Imprisonment for 2 years.

- (8) Strict liability applies to the physical element of the offence in subsection (7) that the condition is imposed under subsection (6).

Note: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

### 51C Review of decisions

- (1) Applications may be made to the Administrative Appeals Tribunal for review of decisions of APRA that have been confirmed or varied under subsection 51B(3).
- (2) If a decision is taken, because of the operation of subsection 51B(4), to be confirmed, section 29 of the *Administrative Appeals Tribunal Act 1975* applies as if the prescribed time for making application for review of the decision were the period beginning on the day on which the decision is taken to be confirmed and ending on the 28th day after that day.
- (3) If a person makes a request under subsection 51B(1) in respect of a reviewable decision of APRA, section 41 of the *Administrative Appeals Tribunal Act 1975* applies as if the making of the request were the making of an application to the Administrative Appeals Tribunal for a review of that decision.

**51D Statements to accompany notification of decisions**

- (1) If a reviewable decision of APRA is made and notice in writing of the decision is given to a person affected by the decision, the notice is to include a statement to the effect that:
  - (a) the person may, if dissatisfied with the decision, seek a reconsideration of the decision by APRA in accordance with subsection 51B(1); and
  - (b) a person whose interests are affected by the decision may, subject to the *Administrative Appeals Tribunal Act 1975*, if dissatisfied with a decision made by APRA upon that reconsideration confirming or varying the first-mentioned decision, apply to the Administrative Appeals Tribunal for a review of the decision so confirmed or varied.
- (2) A notice given to a person under subsection (1) may impose conditions relating to the disclosure of any information setting out reasons for the decision that is contained in, or in a document accompanying, the notice.
- (3) A person commits an offence if the person fails to comply with a condition imposed under subsection (2).

Maximum penalty: Imprisonment for 2 years.

Note: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

- (4) If APRA confirms or varies a decision under subsection 51B(3) and gives to a person notice in writing of the confirmation or variation of the decision, the notice is to include a statement to the effect that a person whose interests are affected by the decision may, subject to the *Administrative Appeals Tribunal Act 1975*, if dissatisfied with the decision so confirmed or varied, apply to the Administrative Appeals Tribunal for review of the decision.
- (5) Any failure to comply with the requirements of subsection (1) or (4) in relation to a decision does not affect the validity of the decision.

## **Part VIA—Protections in relation to information**

### **Division 1—Protection for whistleblowers**

#### **52A Disclosures qualifying for whistleblower protection**

- (1) This section applies to a disclosure of information made by a person (the *discloser*) who is, in relation to a body corporate that is an ADI, an authorised NOHC or a subsidiary of an ADI or authorised NOHC, any of the following:
  - (a) an officer of the body corporate;
  - (b) an employee of the body corporate;
  - (c) a person who has a contract for the supply of services or goods to the body corporate;
  - (d) an employee of a person who has a contract for the supply of services or goods to the body corporate.
- (2) The disclosure of the information by the discloser qualifies for protection under this Division if:
  - (a) the disclosure is made to any of the following:
    - (i) APRA;
    - (ii) the auditor, or a member of an audit team conducting an audit, of the body corporate or a related body corporate;
    - (iii) a director or senior manager of the body corporate or a related body corporate;
    - (iv) a person authorised by the body corporate to receive disclosures of the kind made; and
  - (b) the discloser informs the person to whom the disclosure is made of the discloser's name before making the disclosure; and
  - (c) both:
    - (i) the information concerns misconduct, or an improper state of affairs or circumstances, in relation to the body corporate; and
    - (ii) the discloser considers that the information may assist a person referred to in paragraph (a) to perform the person's functions or duties in relation to the body corporate or a related body corporate; and



- (d) the discloser makes the disclosure in good faith.
- (3) For the purposes of this section, a body corporate is a *related body corporate* of another body corporate if:
  - (a) in the case of an ADI—the other body corporate is the authorised NOHC of the ADI or a subsidiary of the ADI or authorised NOHC; or
  - (b) in the case of an authorised NOHC of an ADI—the other body corporate is the ADI or a subsidiary of the ADI or authorised NOHC; or
  - (c) in the case of a subsidiary of an ADI or authorised NOHC—the other body corporate is the ADI, the authorised NOHC or another subsidiary of the ADI or authorised NOHC.
- (4) In this section, *officer* has the same meaning as it has in the *Corporations Act 2001*.

### **52B Whistleblower protection for disclosures that qualify**

- (1) If a person makes a disclosure that qualifies for protection under this Division:
  - (a) the person is not subject to any civil or criminal liability for making the disclosure; and
  - (b) no contractual or other remedy may be enforced, and no contractual or other right may be exercised, against the person on the basis of the disclosure.
- (2) Without limiting subsection (1):
  - (a) the person has qualified privilege in respect of the disclosure; and
  - (b) a contract to which the person is a party must not be terminated on the basis that the disclosure constitutes a breach of the contract.
- (3) Without limiting paragraphs (1)(b) and (2)(b), if a court is satisfied that:
  - (a) a person (the *employee*) is employed in a particular position under a contract of employment with another person (the *employer*); and
  - (b) the employee makes a disclosure that qualifies for protection under this Division; and

Section 52C

---

- (c) the employer purports to terminate the contract of employment on the basis of the disclosure;  
the court may order that the employee be reinstated in that position or a position at a comparable level.
- (4) If an individual makes a disclosure of information that qualifies for protection under this Division, the information is not admissible in evidence against the individual in criminal proceedings or in proceedings for the imposition of a penalty, other than proceedings in respect of the falsity of the information.

**52C Victimization of whistleblowers prohibited**

*Actually causing detriment to another person*

- (1) A person commits an offence if:
  - (a) the person engages in conduct; and
  - (b) the person's conduct causes any detriment to another person; and
  - (c) the person intends that his or her conduct cause detriment to the other person; and
  - (d) the person engages in his or her conduct because the other person made a disclosure that qualifies for protection under this Division.

Penalty: 25 penalty units or imprisonment for 6 months, or both.

*Threatening to cause detriment to another person*

- (2) A person (the **first person**) commits an offence if:
  - (a) the first person makes a threat to another person (the **second person**) to cause any detriment to the second person or to a third person; and
  - (b) the first person:
    - (i) intends the second person to fear that the threat will be carried out; or
    - (ii) is reckless as to causing the second person to fear that the threat will be carried out; and
  - (c) the first person makes the threat because a person:
    - (i) made a disclosure that qualifies for protection under this Division; or

- (ii) may make a disclosure that would qualify for protection under this Division.

Penalty: 25 penalty units or imprisonment for 6 months, or both.

*Threats*

- (3) For the purposes of subsection (2), a threat may be:
- (a) express or implied; or
  - (b) conditional or unconditional.
- (4) In a prosecution for an offence under subsection (2), it is not necessary to prove that the person threatened actually feared that the threat would be carried out.

*Definition*

- (5) In this section:

***engage in conduct*** means:

- (a) do an act; or
- (b) omit to do an act.

**52D Right to compensation**

If:

- (a) a person:
    - (i) commits an offence under subsection 52C(1) or (2); or
    - (ii) commits an offence under Part 2.4 of the *Criminal Code* in relation to subsection 52C(1) or (2); and
  - (b) another person suffers damage because of the conduct constituting the offence or because of the contravention;
- the person is liable to compensate the other person for the damage.

**52E Confidentiality requirement for company, company officers and employees and auditors**

- (1) A person (the ***offender***) commits an offence under this subsection if:
- (a) a person (the ***discloser***) makes a disclosure of information that qualifies for protection under this Division; and

**Section 52E**

---

- (b) the disclosure is made to:
  - (i) the auditor of, or a member of an audit team conducting an audit of, the body corporate or a related body corporate within the meaning of subsection 52A(3); or
  - (ii) a director or senior manager of the body corporate or a related body corporate within the meaning of subsection 52A(3); or
  - (iii) a person authorised by the body corporate to receive disclosures of that kind; and
- (c) the offender is:
  - (i) the auditor, or a member of an audit team conducting an audit, of the body corporate or a related body corporate; or
  - (ii) a director or senior manager of the body corporate or a related body corporate; or
  - (iii) a person authorised by the body corporate to receive disclosures of that kind; or
  - (iv) the body corporate or a related body corporate; or
  - (v) an officer or employee of the body corporate or a related body corporate; and
- (d) the offender discloses any of the following information (the **confidential information**):
  - (i) the information referred to in paragraph (a);
  - (ii) the identity of the discloser;
  - (iii) information that is likely to lead to the identification of the discloser; and
- (e) the confidential information is information that the offender obtained directly or indirectly because of the disclosure referred to in paragraph (a); and
- (f) either:
  - (i) the offender is the person to whom the disclosure referred to in paragraph (a) is made; or
  - (ii) the offender is a person to whom the confidential information is disclosed in contravention of this section and the offender knows that the disclosure of the confidential information to the offender was unlawful or made in breach of confidence; and

- (g) the disclosure referred to in paragraph (d) is not authorised under subsection (2).

Penalty: 25 penalty units.

- (2) The disclosure referred to in paragraph (1)(d) is authorised under this subsection if:
- (a) it is made to APRA; or
  - (b) it is made to a member of the Australian Federal Police (within the meaning of the *Australian Federal Police Act 1979*); or
  - (c) it is made to someone else with the consent of the discloser.
- (3) In this section, ***officer*** has the same meaning as it has in the *Corporations Act 2001*.

## **Division 2—Self-incrimination**

### **52F Self-incrimination**

- (1) A person is not excused from complying with a requirement under this Act or the *Financial Sector (Collection of Data) Act 2001* to give information to APRA on the ground that doing so would tend to incriminate the person or make the person liable to a penalty.
- (2) However, if the person is an individual, the information given by the individual in compliance with the requirement is not admissible in evidence against the individual in criminal proceedings or in proceedings for the imposition of a penalty, other than proceedings in respect of the falsity of the information, if:
  - (a) before giving the information, the individual claims that giving the information might tend to incriminate the individual or make the individual liable to a penalty; and
  - (b) giving the information might in fact tend to incriminate the individual or make the individual liable to a penalty.

**Part VII—Miscellaneous****61 APRA may conduct investigations**

- (1) APRA may appoint a person to investigate and report on prudential matters in relation to:
  - (a) a body corporate that is:
    - (i) an ADI; or
    - (ii) an authorised NOHC; or
    - (iii) a subsidiary of an ADI or of an authorised NOHC; or
  - (b) if a body corporate that is an ADI is a subsidiary of a foreign corporation (whether or not the ADI is itself a foreign ADI):
    - (i) another subsidiary of the foreign corporation (other than a body mentioned in paragraph (a), being a subsidiary that is incorporated in Australia; or
    - (ii) the Australian operations of another subsidiary of the foreign corporation (other than a body mentioned in paragraph (a), being a subsidiary that is not incorporated in Australia and carries on business in Australia;

if it is satisfied that such a report is necessary. The appointment must be in writing and must specify the prudential matters that are to be the subject of the investigation and report.
- (2) If APRA has appointed a person under this section to investigate and report on prudential matters in relation to a body corporate, the body corporate must give the person access to its books, accounts and documents and must give the person such information and facilities as the person requires to conduct the investigation and produce the report.
- (3) A body corporate commits an offence if:
  - (a) under subsection (1), APRA has appointed a person to investigate and report on prudential matters in relation to the body corporate; and
  - (b) the body corporate:
    - (i) does not give the person access to its books, accounts and documents; or

Section 62

---

- (ii) fails to comply with a requirement made under subsection (2) for the provision of information or facilities.

Maximum penalty: 50 penalty units.

Note: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

- (5) If a body corporate does or fails to do an act in circumstances that give rise to the body corporate committing an offence against subsection (3), the body corporate commits an offence against that subsection in respect of:
  - (a) the first day on which the offence is committed; and
  - (b) each subsequent day (if any) on which the circumstances that gave rise to the body corporate committing the offence continue (including the day of conviction for any such offence or any later day).

Note: This subsection is not intended to imply that section 4K of the *Crimes Act 1914* does not apply to offences against this Act or the regulations.

- (6) Nothing in this section is intended to limit the operation of any other provision of this Act.

**62 Supply of information**

- (1) APRA may require persons to provide information as follows:
  - (a) an ADI may be required to give APRA information in respect of the ADI or in respect of any member of a relevant group of bodies corporate of which the ADI is a member;
  - (b) an authorised NOHC may be required to give APRA information in respect of the NOHC or in respect of any member of a relevant group of bodies corporate of which the NOHC is a member;
  - (c) a subsidiary of an ADI or an authorised NOHC may be required to give APRA information in respect of the subsidiary or in respect of any member of a relevant group of bodies corporate of which the subsidiary is a member;
  - (ca) if an ADI is a subsidiary of a foreign corporation (whether or not the ADI is itself a foreign ADI):
    - (i) another subsidiary of the foreign corporation (other than a body mentioned in paragraph (a), (b) or (c) that is



incorporated in Australia may be required to give APRA information in respect of the subsidiary; or

- (ii) another subsidiary of the foreign corporation (other than a body mentioned in paragraph (a), (b) or (c)) that is not incorporated in Australia and carries on business in Australia may be required to give APRA information in respect of its Australian operations;
- (d) any other person who carries on any banking business in Australia may be required to give APRA information in connection with the person's banking business.

The requirement to supply information may include a requirement to supply books, accounts or documents.

- (1A) A person is guilty of an offence if:
- (a) under subsection (1), APRA requires the person to provide information, books, accounts or documents; and
  - (b) the person fails to comply with the requirement.

Maximum penalty: 200 penalty units.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

- (1B) An offence against subsection (1A) is an indictable offence.
- (1C) If a person fails to comply with a requirement under subsection (1) in circumstances that give rise to the person committing an offence against subsection (1A), the person is guilty of an offence against subsection (1A) in respect of:
- (a) the first day on which the offence is committed; and
  - (b) each subsequent day (if any) on which the circumstances that gave rise to the person committing the offence continue (including the day of conviction for any such offence or any later day).

Note: This subsection is not intended to imply that section 4K of the *Crimes Act 1914* does not apply to offences against this Act or the regulations.

- (2) A requirement under subsection (1) must not require information, books, accounts or documents to be given with respect to the affairs of an individual customer of an ADI unless the information,

Section 62A

---

books, accounts or documents are in respect of prudential matters relating to:

- (a) the ADI; or
- (b) any member of a relevant group of bodies corporate of which the ADI is a member.

**62A Notices to APRA**

*Matters requiring immediate notice*

- (1) A member of a relevant group of bodies corporate commits an offence if:
  - (a) it becomes aware that it, another member of the group, or the group as a whole, may not be in a sound financial position; and
  - (b) it fails to notify APRA in writing of the matter immediately after it becomes aware of the matter.

Penalty: 200 penalty units.

*Defence if matter already notified*

- (1A) Subsection (1) does not apply in relation to a matter if:
  - (a) the member of the group becomes aware of the matter because it is informed of it by the auditor of the member; and
  - (b) the auditor informs the member that the auditor has notified APRA in writing of the matter; and
  - (c) the member has no reason to disbelieve the auditor.

Note: The defendant bears an evidential burden in relation to the matters in subsection (1A). See subsection 13.3(3) of the *Criminal Code*.

*Matters requiring notice as soon as practicable*

- (1B) A member of a relevant group of bodies corporate commits an offence if:
  - (a) it becomes aware that:
    - (i) it, another member of the group, or the group as a whole, has breached or will breach a prudential standard applying to it, the other member or the group as a whole; or

- (ii) another member of the group has breached or will breach a provision of this Act or the regulations, or a direction under Division 1BA of Part II or a condition of any authority granted under this Act to the other member; and
- (b) the breach is or will be significant (see subsection (1C)); and
- (c) it fails to give APRA a written report about the breach as soon as practicable, and in any case no later than 10 business days, after becoming aware of the breach.

Penalty: 200 penalty units.

- (1C) For the purposes of paragraph (1B)(b), a breach is *significant* if the breach is or will be significant having regard to any one or more of the following factors:
- (a) the number or frequency of similar breaches;
  - (b) the impact the breach has or will have on the member's or other member's ability to conduct its business;
  - (c) the extent to which the breach indicates that the member's or other member's arrangements to ensure compliance with this Act, the regulations, the prudential standards or a direction or condition might be inadequate;
  - (d) the actual or potential financial loss arising or that will arise from the breach:
    - (i) to the depositors of the ADI or any ADI that is a member of the relevant group of bodies corporate; or
    - (ii) to the member or other member;
  - (e) any matters prescribed by the regulations for the purposes of this paragraph.

*Defence if auditor notifies breach*

- (1D) Subsection (1B) does not apply in relation to a breach if:
- (a) the auditor of the member of the group gives APRA a written report about the breach; and
  - (b) the report is given before, or within 10 business days after, the member becomes aware of the breach.

Note: The defendant bears an evidential burden in relation to the matters in subsection (1D). See subsection 13.3(3) of the *Criminal Code*.

Section 62B

---

- (2) If an individual:
  - (a) commits an offence against subsection (1) or (1B) because of Part 2.4 of the *Criminal Code*; or
  - (b) commits an offence under Part 2.4 of the *Criminal Code* in relation to an offence against subsection (1) or (1B);he or she is punishable, on conviction, by a fine not exceeding 40 penalty units.
- (3) A notification or report given to APRA of a matter mentioned in paragraph (1)(a) or (1B)(a) must not include information, books, accounts or documents with respect to the affairs of an individual customer of an ADI unless the information, books, accounts or documents are in respect of prudential matters relating to:
  - (a) the ADI; or
  - (b) any member of a relevant group of bodies corporate of which the ADI is a member.
- (4) For the purposes of this section, treat a reference in this section to this Act as including a reference to the *First Home Saver Accounts Act 2008*.

**62B Involving APRA in applications to appoint external administrators of ADIs**

- (1) Before a person other than APRA makes an application to a court under Chapter 5 of the *Corporations Act 2001* for the appointment of an external administrator of an ADI, the person must give APRA written notice that the person proposes to make the application.
- (2) APRA is entitled to be heard on the application.
- (3) After receiving the notice, APRA may request the person to provide details of the proposed application.

*Offence*

- (4) A person (other than APRA) commits an offence if:
  - (a) the person makes an application to a court under Chapter 5 of the *Corporations Act 2001* for the appointment of an external administrator of an ADI; and

- (b) before making the application, the person did not give APRA written notice indicating that the person proposed to make the application.

Penalty: 60 penalty units.

- (5) An offence against subsection (4) is an offence of strict liability.

Note: For strict liability, see section 6.1 of the *Criminal Code*.

### **62C Involving APRA in applications by liquidator**

- (1) Before making an application to a court in relation to a matter arising under the winding-up of an ADI, a liquidator must give APRA written notice that the liquidator proposes to make the application.
- (2) The notice must include details of the proposed application.
- (3) APRA is entitled to be heard on the application.

### **63 Restructuring of ADIs**

- (1AA) If consent has been given under this section to an arrangement, agreement or reconstruction, the Treasurer must arrange for notice of the consent to be published in the *Gazette* as soon as practicable.

- (1) An ADI, other than a foreign ADI, is guilty of an offence if:
- (a) the ADI:
- (i) enters into an arrangement or agreement for any sale or disposal of its business by amalgamation or otherwise, or for the carrying on of business in partnership with another ADI; or
- (ii) effects a reconstruction of the ADI; and
- (b) the Treasurer did not give prior consent in writing to the ADI entering into the arrangement or agreement or effecting the reconstruction.

Maximum penalty: 200 penalty units.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

Section 63

---

- (1A) An offence against subsection (1) is an indictable offence.
- (2) Any such arrangement, agreement or reconstruction, and any such sale or disposal in pursuance of any such arrangement or agreement, entered into without the prior consent of the Treasurer is void and of no effect.
- (3) The consent of the Treasurer under subsection (1) shall not be unreasonably withheld.
- (3A) In making a decision whether to consent to an arrangement, agreement or reconstruction, the Treasurer must take the national interest into account.
- (4) A foreign ADI is guilty of an offence if:
  - (a) there is a proposal that involves the ADI:
    - (i) entering into an arrangement or agreement for any sale or disposal of its business by amalgamation or otherwise, or for the carrying on of business in partnership with another ADI; or
    - (ii) effecting a reconstruction of the ADI; and
  - (b) the ADI does not give the Treasurer reasonable notice, in writing, of the proposal.

Maximum penalty: 200 penalty units.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

- (4A) An offence against subsection (4) is an indictable offence.
- (5) The Treasurer may, in writing, delegate all or any of his or her powers under this section and section 64 to:
  - (a) APRA, an APRA member or an APRA staff member; or
  - (aa) ASIC, a member of ASIC or a staff member (as defined in subsection 5(1) of the *Australian Securities and Investments Commission Act 2001*) only in the case of a demutualisation of an ADI; or
  - (b) an officer of the Department.

- (6) A reference in this section to a reconstruction of an ADI includes a reference to a demutualisation of an ADI.
- (7) The regulations may define the meaning of *demutualisation* for the purposes of this section. If the regulations do so, *demutualisation* has, in this section, the meaning given by the regulations.
- (8) The Treasurer may, by legislative instrument, determine guidelines as to acceptable standards of disclosure of information by an ADI (other than a foreign ADI) to its members in respect of a proposed demutualisation of the ADI.
- (9) The Treasurer must consider whether an ADI has complied with the guidelines (if any) in deciding whether to give a consent, for the purposes of paragraph (1)(b), to the ADI effecting a demutualisation.
- (10) In making a determination under subsection (8), the Treasurer must consult with APRA and ASIC.
- (12) Subsections (6) to (11) do not limit the generality of the rest of this section. In particular, those subsections do not limit the matters that the Treasurer may take into account in deciding whether to give a consent, for the purposes of paragraph (1)(b), to an ADI effecting a demutualisation.

#### **64 Conditions on consent to restructure an ADI**

- (1) The Treasurer's consent under subsection 63(1) is subject to the conditions (if any) imposed by the Treasurer on the consent.
- (2) The Treasurer may, by written notice given to the person who has been given the consent:
  - (a) impose conditions, or further conditions, on the consent; or
  - (b) revoke or vary any condition imposed on the consent; or
  - (c) revoke the consent if the Treasurer is satisfied that there has been a contravention of a condition to which the consent is subject.
- (2A) The Treasurer must arrange for a copy of a notice that has been given under subsection (2) to be published in the *Gazette* as soon as practicable.

Section 65

---

- (3) The Treasurer's powers under subsection (2) may be exercised on the Treasurer's own initiative. The Treasurer's powers under paragraph (2)(a) or (b) may be exercised on application made to the Treasurer by the person who has been given the consent.

**65 ADIs and authorised NOHCs may be directed to comply with Act**

- (1) Where an ADI or an authorised NOHC is convicted of an offence against this Act or the regulations, a Full Court of the Federal Court of Australia may, upon the application of the Attorney-General by motion, direct compliance by the ADI or NOHC, within a period specified by the Court, with the provisions of this Act or the regulations with which the ADI or NOHC has failed to comply.
- (2) In default of compliance by the ADI or NOHC within the specified period with a direction given in pursuance of subsection (1), the Federal Court of Australia may authorize APRA to assume control of, and to carry on, the business of the ADI or NOHC.
- (3) The provisions of Subdivision B of Division 2 of Part II have effect, so far as they are applicable, as if they also extended to APRA being in control of the business of the ADI or NOHC under subsection (2) of this section, and as if they covered authorised NOHCs in the same way as they cover ADIs.
- (4) Where APRA has assumed control of the business of the ADI or NOHC under subsection (2), APRA shall remain in control of, and shall continue to carry on, the business of the ADI or NOHC until such time as the Federal Court of Australia is satisfied that it is no longer necessary for APRA to remain in control of the business of the ADI or NOHC and authorizes APRA to cease to control the business of the ADI or NOHC.

**65A Injunctions**

*Restraining injunctions*

- (1) If a person has engaged, is engaging or is proposing to engage, in conduct that constituted, constitutes or would constitute:
    - (a) a contravention of a provision of section 7, 8, 66, 66A or 67, or a condition imposed under section 64; or
    - (b) attempting to contravene the provision or condition; or
-



- (c) aiding, abetting, counselling or procuring a person to contravene the provision or condition; or
- (d) inducing or attempting to induce, whether by threats, promises or otherwise, a person to contravene the provision or condition; or
- (e) being in any way, directly or indirectly, knowingly concerned in, or party to, the contravention by a person of the provision or condition; or
- (f) conspiring with others to contravene the provision or condition;

the Federal Court of Australia may grant an injunction in accordance with subsection (2).

- (2) The injunction:
- (a) may restrain the person from engaging in the conduct; and
  - (b) may also require that person to do a particular act or thing, if the Court thinks it desirable to do so.

The Court may grant the injunction on such terms as it thinks appropriate.

- (3) The power of the Court to grant an injunction restraining a person from engaging in conduct may be exercised:
- (a) whether or not it appears to the Court that the person intends to engage again, or to continue to engage, in conduct of that kind; and
  - (b) whether or not the person has previously engaged in conduct of that kind; and
  - (c) whether or not there is an imminent danger of substantial damage to any other person if the person engages in conduct of that kind.

*Performance injunctions*

- (4) If a person has refused or failed, is refusing or failing, or is proposing to refuse or fail, to do an act or thing that the person is required:
- (a) by a provision of section 7, 8, 66, 66A or 67 to do; or
  - (b) by a condition on a consent given under subsection 63(1);
- the Court may grant an injunction requiring the person to do that act or thing. It may grant the injunction on such terms as the Court thinks appropriate.

Section 65A

---

- (5) The power of the Court to grant an injunction requiring a person to do an act or thing may be exercised:
- (a) whether or not it appears to the Court that the person intends to refuse or fail again, or to continue to refuse or fail, to do that act or thing; and
  - (b) whether or not the person has previously refused or failed to do that act or thing; and
  - (c) whether or not there is an imminent danger of substantial damage to any other person if the person refuses or fails to do that act or thing.

*Who may apply for an injunction*

- (6) The Court may only grant an injunction on the application of:
- (a) APRA—in all cases; or
  - (b) the Treasurer—in the case of a contravention of a condition imposed under section 64; or
  - (c) ASIC or a member of the ADI—in the case of a contravention of a condition imposed under section 64 that has been imposed in relation to a demutualisation of an ADI.

In this subsection, *demutualisation* has the same meaning as in section 63.

*Consent injunctions*

- (7) If an application for an injunction under subsection (1) or (4) has been made, the Court may, if the Court thinks it appropriate, grant an injunction by consent of all the parties to the proceedings, whether or not the Court is satisfied that the subsection applies.

*Interim injunctions*

- (8) The Court may grant an interim injunction pending determination of an application under subsection (1).

*Variation or discharge of injunctions*

- (9) The Court may discharge or vary an injunction granted under subsection (1), (4) or (7).

*Damages undertakings*

- (10) APRA, ASIC and the Treasurer cannot be required, as a condition of granting an interim injunction, to give an undertaking as to damages.

*Damages orders*

- (11) If the Court has power under this section to grant an injunction restraining a person from engaging in particular conduct, or requiring a person to do a particular act or thing, the Court may, either in addition to or in substitution for the grant of the injunction, order that person to pay damages to any other person.
- (12) The powers conferred on the Court by this section are in addition to any other of its powers, and do not derogate from its other powers.

**65B Civil penalties**

Schedule 2 (Civil penalties) has effect.

**66 Restriction on use of certain words and expressions**

- (1) A person is guilty of an offence if:
- (a) the person carries on a financial business, whether or not in Australia; and
  - (b) the person assumes or uses, in Australia, a restricted word or expression in relation to that financial business; and
  - (c) neither subsection (1AB) nor subsection (1AC) allows that assumption or use of that word or expression; and
  - (d) APRA did not consent to that assumption or use of that word or expression; and
  - (e) there is no determination in force under section 11 that this subsection does not apply to the person.

Maximum penalty: 50 penalty units.

Note 1: For the meanings of *restricted word or expression*, *assume or use* and *financial business*, see subsection (4).

Note 2: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Section 66

---

Note 3: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

- (1AA) If a person assumes or uses a word or expression in circumstances that give rise to the person committing an offence against subsection (1), the person is guilty of an offence against that subsection in respect of:
- (a) the first day on which the offence is committed; and
  - (b) each subsequent day (if any) on which the circumstances that gave rise to the person committing the offence continue (including the day of conviction for any such offence or any later day).

Note: This subsection is not intended to imply that section 4K of the *Crimes Act 1914* does not apply to offences against this Act or the regulations.

- (1AB) It is not an offence against subsection (1) for the Reserve Bank to assume or use the words **bank**, **banker** or **banking** in relation to its financial business.

- (1AC) It is not an offence against subsection (1) for an ADI to assume or use the word **banking** in referring to the fact that it has been granted an authority under this Act.

Note: For example, an ADI may, in its letterhead, refer to itself as being authorised under the *Banking Act 1959* to carry on banking business.

- (1B) A consent may be expressed to apply to a particular person or to persons included in a class of persons.
- (2) APRA may, at any time:
- (a) impose conditions, or additional conditions, on a consent; or
  - (b) vary or revoke conditions imposed on a consent; or
  - (c) revoke a consent.
- (2A) The form of the granting of a consent, or the taking of action under subsection (2) in relation to a consent, is to be as follows:
- (a) if the consent applies to a particular person—notice in writing served on the person;
  - (b) if the consent applies to a class of persons—notice in writing published in the *Gazette*.

- (2B) If APRA:
- (a) grants a consent; or
  - (b) takes action under subsection (2) in relation to a consent;
- APRA must give ASIC notice of the granting of the consent or the taking of the action.
- (2C) Part VI applies to the following decisions made under this section:
- (a) a decision to refuse consent to a particular person;
  - (b) a decision to impose conditions, or additional conditions, on a consent that applies to a particular person;
  - (c) a decision to vary conditions imposed on a consent that applies to a particular person;
  - (d) a decision to revoke a consent that applies to a particular person.
- (3) A person is guilty of an offence if:
- (a) the person has been given a consent under this section; and
  - (b) the person contravenes a condition to which the consent is subject; and
  - (c) there is no determination in force under section 11 that this subsection does not apply to the person.

Maximum penalty: 50 penalty units.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

- (3A) If a person does or fails to do an act in circumstances that give rise to the person committing an offence against subsection (3), the person is guilty of an offence against that subsection in respect of:
- (a) the first day on which the offence is committed; and
  - (b) each subsequent day (if any) on which the circumstances that gave rise to the person committing the offence continue (including the day of conviction for any such offence or any later day).

Note: This subsection is not intended to imply that section 4K of the *Crimes Act 1914* does not apply to offences against this Act or the regulations.

Section 66A

---

- (4) In this section:
- (a) a reference to a restricted word or expression is a reference to:
    - (i) the word *bank*, *banker* or *banking*; or
    - (ii) the expression *building society*, *credit union* or *credit society*; or
    - (iii) any other word or expression specified in a determination in force under subsection (5); or
    - (iv) any other word or expression (whether or not in English) that is of like import to a word or expression covered by any of the previous subparagraphs; and
  - (b) a reference to a word or expression being assumed or used includes a reference to the word or expression being assumed or used:
    - (i) as part of another word or expression; or
    - (ii) in combination with other words, letters or other symbols; and
  - (c) a reference to a financial business is a reference to a business that:
    - (i) consists of, or includes, the provision of financial services; or
    - (ii) relates, in whole or in part, to the provision of financial services.
- (5) APRA may, by legislative instrument, determine that a specified word or expression is to be a restricted word or expression for the purposes of this section.

**66A Restriction on use of expressions *authorised deposit-taking institution* and *ADI***

- (1) A person, other than an ADI, is guilty of an offence if:
- (a) the person carries on a financial business, whether or not in Australia; and
  - (b) the person assumes or uses, in Australia, the expression *authorised deposit-taking institution*, or *ADI*, in relation to that financial business; and
  - (c) there is no determination in force under section 11 that this subsection does not apply to the person.

Maximum penalty: 50 penalty units.

Note 1: For the meanings of *assume or use* and *financial business*, see subsection (2).

Note 2: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 3: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

- (1A) If a person assumes or uses an expression in circumstances that give rise to the person committing an offence against subsection (1), the person is guilty of an offence against that subsection in respect of:
- (a) the first day on which the offence is committed; and
  - (b) each subsequent day (if any) on which the circumstances that gave rise to the person committing the offence continue (including the day of conviction for any such offence or any later day).

Note: This subsection is not intended to imply that section 4K of the *Crimes Act 1914* does not apply to offences against this Act or the regulations.

- (2) In this section:

- (a) a reference to an expression being assumed or used includes a reference to the expression being assumed or used:
  - (i) as part of another expression; or
  - (ii) in combination with other words, letters or other symbols; and
- (b) a reference to a financial business is a reference to a business that:
  - (i) consists of, or includes, the provision of financial services; or
  - (ii) relates, in whole or in part, to the provision of financial services.

- (3) However, this section does not prohibit the use of the letters ADI as part of another word.

Note: For example, the letters *adi* appear in the word *traditional*. Use of the word *traditional* is not prohibited by this section.

Section 67

---

**67 Restriction on establishment or maintenance of representative offices of overseas banks**

- (1) A person, other than an ADI, is guilty of an offence if:
- (a) the person carries on banking business in a foreign country but does not carry on banking business in Australia; and
  - (b) the person establishes or maintains an office in Australia wholly or partly in connection with the carrying on of that banking business in that foreign country; and
  - (c) APRA did not consent, in writing, to the establishment or maintenance of that office; and
  - (d) there is no determination in force under section 11 that this subsection does not apply to the person.

Maximum penalty: 50 penalty units.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

- (1A) If a person establishes or maintains an office in circumstances that give rise to the person committing an offence against subsection (1), the person is guilty of an offence against that subsection in respect of:
- (a) the first day on which the offence is committed; and
  - (b) each subsequent day (if any) on which the circumstances that gave rise to the person committing the offence continue (including the day of conviction for any such offence or any later day).

Note: This subsection is not intended to imply that section 4K of the *Crimes Act 1914* does not apply to offences against this Act or the regulations.

- (2) APRA may, at any time, by notice in writing served on the person concerned:
- (a) impose conditions, or additional conditions, on a consent;
  - (b) vary or revoke conditions imposed on a consent; or
  - (c) revoke a consent.
- (3) A person is guilty of an offence if:
- (a) the person has been given a consent under this section; and



- (b) the person contravenes a condition to which the consent is subject; and
- (c) there is no determination in force under section 11 that this subsection does not apply to the person.

Maximum penalty: 50 penalty units.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

- (4) If a person does or fails to do an Act in circumstances that give rise to the person committing an offence against subsection (3), the person is guilty of an offence against that subsection in respect of:
  - (a) the first day on which the offence is committed; and
  - (b) each subsequent day (if any) on which the circumstances that gave rise to the person committing the offence continue (including the day of conviction for any such offence or any later day).

Note: This subsection is not intended to imply that section 4K of the *Crimes Act 1914* does not apply to offences against this Act or the regulations.

- (5) Part VI applies to the following decisions made under this section:
  - (a) a decision to refuse consent;
  - (b) a decision to impose conditions, or additional conditions, on a consent;
  - (c) a decision to vary conditions imposed on a consent;
  - (d) a decision to revoke a consent.

## **68 Bank holidays**

- (1) The Treasurer may, by notice published in the *Gazette*, declare a day specified in the notice to be a bank holiday.
- (2) An ADI is not, on a day so declared to be a bank holiday, compellable to make a payment or to do any other act that the ADI would not be compellable to make or do on a Sunday and the obligation to make the payment or to do the act shall be deemed to be an obligation to make the payment or to do the act on the next day which is not a Sunday, a bank holiday or a public holiday.

Section 69

---

(3) This section does not affect the operation of any law of a State or Territory relating to bank holidays or public holidays.

(4) In this section:

*ADI* includes the Reserve Bank.

**69 Unclaimed moneys**

(1) For the purposes of this section, *unclaimed moneys* means all principal, interest, dividends, bonuses, profits and sums of money legally payable by an ADI but in respect of which the time within which proceedings may be taken for the recovery thereof has expired, and includes moneys to the credit of an account that has not been operated on either by deposit or withdrawal for a period of not less than 7 years.

(2) For the purposes of subsection (1), the debiting of a fee to an account shall be deemed not to be a withdrawal and the crediting to an account of interest payable by an ADI on that account shall be deemed not to be a deposit.

(3) An ADI shall, within 3 months after the 31 December in each year, deliver to the Treasurer a statement, complying with subsection (4) and any regulations under subsection (3), of all sums of unclaimed moneys, other than unclaimed moneys held in RSAs (within the meaning of the *Retirement Savings Accounts Act 1997*) or FHSAs (within the meaning of the *First Home Saver Accounts Act 2008*), of not less than \$100 or such higher amount as is prescribed.

Note: The *First Home Saver Accounts Act 2008* deals with unclaimed money held in FHSAs.

(3AA) The ADI is guilty of an offence if:

- (a) it does not give the Treasurer a statement as required by subsection (3); and
- (b) there is no determination in force under section 11 that this subsection does not apply to the ADI.

Maximum penalty: 50 penalty units.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

- (3A) The regulations may require the statement to be delivered in a specified form in a specified kind of disk, tape, film or other medium.
- (4) The statement shall set out:
- (a) the name, and the last-known address, of each shareholder, depositor or creditor; and
  - (b) the amount due; and
  - (c) in the case of moneys to the credit of an account—the office or branch of the ADI at which the account was kept.
- (5) The total amount shown in the statement shall be paid by the ADI to the Commonwealth at the time of the delivery of the statement.
- (5A) The ADI is guilty of an offence if:
- (a) it does not pay, at the time of the delivery of the statement, the amount specified in the statement, as required by subsection (5); and
  - (b) there is no determination in force under section 11 that this subsection does not apply to the ADI.

Maximum penalty: 50 penalty units.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

- (6) Subject to subsection (7), an ADI is, upon payment to the Commonwealth of an amount as required by this section, discharged from further liability in respect of that amount.
- (7) Where unclaimed moneys have been paid to the Commonwealth under this section and the Treasurer or an authorized officer is satisfied that, but for subsection (6), a person would be paid those unclaimed moneys by the ADI by which they were paid to the Commonwealth (or, if that ADI is no longer carrying on banking business, by an ADI to which the business of the first-mentioned ADI has been sold or disposed of), those unclaimed moneys shall be paid to that ADI and the ADI shall thereupon pay those moneys to that person.

Section 69

---

- (7A) The ADI is guilty of an offence if:
- (a) it does not pay moneys to a person as required by subsection (7); and
  - (b) there is no determination in force under section 11 that this subsection does not apply to the ADI.

Maximum penalty: 50 penalty units.

Note 1: Chapter 2 of the *Criminal Code* sets out the general principles of criminal responsibility.

Note 2: If a body corporate is convicted of an offence against this subsection, subsection 4B(3) of the *Crimes Act 1914* allows a court to impose a fine of up to 5 times the penalty stated above.

- (8) The Consolidated Revenue Fund is appropriated for the purposes of, and to the extent necessary to give effect to, subsection (7).
- (9) The Treasurer shall cause particulars of every sum shown in a statement delivered under this section to be:
- (a) published in the *Gazette*; or
  - (b) made available to the public (whether or not on the payment of a fee) in such other manner as the Treasurer determines.
- (11) The Treasurer or an ADI may apply to the Federal Court of Australia for a declaration whether any moneys are or are not unclaimed moneys within the meaning of this section and the Federal Court of Australia may make a declaration accordingly.
- (11A) It is the intention of the Parliament that a law of a State or Territory has no effect insofar as it requires an ADI to:
- (a) pay unclaimed moneys to, or to an authority of, a State or Territory; or
  - (b) lodge a return relating to unclaimed moneys with, or with an authority of, a State or Territory.
- (11B) The Treasurer may, by instrument in writing, delegate any of his or her functions or powers under this section to:
- (a) a Commonwealth authority for which the Treasurer is the responsible Minister; or
  - (b) a member, or staff member, of such an authority.

In this section, ***Commonwealth authority*** and ***responsible Minister*** have the respective meanings given by the *Commonwealth Authorities and Companies Act 1997*.

---

Section 69AA

(11C) The reference to the Treasurer in paragraph (3AA)(a) is to be read as including a reference to the authority or person to whom the Treasurer has delegated his or her function under subsection (3).

(12) In this section:

*authorized officer*, means the Secretary to the Department of the Treasury or an officer of that Department authorized by the Secretary to act under this section.

**69AA Powers about money of depositors who have died**

- (1) If a depositor of an ADI dies, the ADI may apply an amount not exceeding \$15,000 held by the ADI that was deposited or paid up on a withdrawable share by the deceased person:
- (a) in payment of the deceased person's funeral expenses or debts; or
  - (b) in payment to the executor of the deceased person's will; or
  - (c) in payment to anyone else who is, in the ADI's opinion, entitled to the amount, having regard to the laws of probate and accepted practice for the administration of deceased estates.

The amount may be applied without production of probate, of the will or letters of administration of the estate.

- (2) No action lies against an ADI for acting, or failing to act, under subsection (1).

**69C Conduct of directors, servants and agents**

- (3) Where it is necessary to establish, for the purposes of this Act or the regulations, the state of mind of a person other than a body corporate in relation to particular conduct, it is sufficient to show:
- (a) that the conduct was engaged in by a servant or agent of the person within the scope of his or her actual or apparent authority; and
  - (b) that the servant or agent had the state of mind.
- (4) Any conduct engaged in on behalf of a person other than a body corporate by a servant or agent of the person within the scope of his or her actual or apparent authority shall be deemed, for the purposes of this Act and the regulations, to have been engaged in

Section 69D

---

also by the first-mentioned person unless the first-mentioned person establishes that the first-mentioned person took reasonable precautions and exercised due diligence to avoid the conduct.

- (5) Where:
- (a) a person other than a body corporate is convicted of an offence; and
  - (b) the person would not have been convicted of the offence if subsections (3) and (4) had not been enacted;
- the person is not liable to be punished by imprisonment for that offence.
- (6) A reference in subsection (3) to the state of mind of a person includes a reference to:
- (a) the knowledge, intention, opinion, belief or purpose of the person; and
  - (b) the person's reasons for the intention, opinion, belief or purpose.
- (8) A reference in this section to engaging in conduct includes a reference to failing or refusing to engage in conduct.

Note: For provisions relating to proof of offences by bodies corporate, see Part 2.5 of the *Criminal Code*.

**69D Disclosure of information received under Act prohibited in certain circumstances**

Part 6 of the *Australian Prudential Regulation Authority Act 1998* prohibits certain disclosures of information received under this Act.

**69E Compensation for acquisition of property**

- (1) If:
- (a) apart from this section, the operation of this Act would result in the acquisition of property from a person otherwise than on just terms; and
  - (b) the acquisition would be invalid because of paragraph 51(xxxi) of the Constitution;
- the Commonwealth is liable to pay to the person compensation of a reasonable amount as agreed on between the Commonwealth and the person. If the Commonwealth and the person do not agree on

the amount of the compensation, the person may institute proceedings in the Federal Court of Australia for the recovery from the Commonwealth of such reasonable amount of compensation as the Court determines.

- (2) Any damages or compensation recovered or other remedy given in a proceeding that is commenced otherwise than under this section is to be taken into account in assessing compensation payable in a proceeding that is commenced under this section and that arises out of the same event or transaction.
- (3) In this section:

*acquisition of property* and *just terms* have the same respective meanings as in paragraph 51(xxxi) of the Constitution.

### **69F Severability**

*Act also has effect as provided in this section*

- (1) Without prejudice to its effect apart from this section, this Act also has effect as provided by this section.

*References to a NOHC of an ADI*

- (2) This Act has, by force of this subsection, the effect it would have if the Act separately provided as mentioned in the following paragraphs:
  - (a) the Act has effect as if a reference to a NOHC of an ADI were expressly limited to a reference to a NOHC of an ADI that carries on banking business as mentioned in paragraph (a) of the *banking business definition*;
  - (b) the Act has effect as if a reference to a NOHC of an ADI were expressly limited to a reference to a NOHC of an ADI that carries on banking business as mentioned in paragraph (b) of the *banking business definition*.

*References to a subsidiary of an ADI*

- (3) This Act has, by force of this subsection, the effect it would have if the Act separately provided as mentioned in the following paragraphs:

Section 69F

---

- (a) the Act has effect as if a reference to a subsidiary of an ADI were expressly limited to a reference to a subsidiary of an ADI, being a subsidiary that is a corporation to which paragraph 51(xx) of the Constitution applies;
- (b) this Act has effect as if a reference to a subsidiary of an ADI were expressly limited to a reference to a subsidiary of an ADI, being an ADI that carries on banking business as mentioned in paragraph (a) of the *banking business definition*;
- (c) this Act has effect as if a reference to a subsidiary of an ADI were expressly limited to a reference to a subsidiary of an ADI, being an ADI that carries on banking business as mentioned in paragraph (b) of the *banking business definition*.

*References to a subsidiary of a foreign corporation*

- (3A) This Act has, by force of this subsection, the effect it would have if the Act separately provided as mentioned in the following paragraphs:
  - (a) the Act has effect as if a reference to a subsidiary of a foreign corporation were expressly limited to a reference to a subsidiary of a foreign corporation, being a subsidiary that is a corporation to which paragraph 51(xx) of the Constitution applies;
  - (b) the Act has effect as if a reference to a subsidiary of a foreign corporation were expressly limited to a reference to a subsidiary of a foreign corporation, being a subsidiary that carries on banking business as mentioned in paragraph (a) of the *banking business definition*;
  - (c) the Act has effect as if a reference to a subsidiary of a foreign corporation were expressly limited to a reference to a subsidiary of a foreign corporation, being a subsidiary that carries on banking business as mentioned in paragraph (b) of the *banking business definition*.

*References to a body corporate that is a member of a relevant group of bodies corporate*

- (3B) This Act has, by force of this subsection, the effect it would have if the Act separately provided as mentioned in the following paragraphs:



- (a) the Act has effect as if a reference to a body corporate that is a member of a relevant group of bodies corporate were expressly limited to a reference to a body corporate, being a body corporate that is a corporation to which paragraph 51(xx) of the Constitution applies;
- (b) the Act has effect as if a reference to a body corporate that is a member of a relevant group of bodies corporate were expressly limited to a reference to a body corporate, being a body corporate that carries on banking business as mentioned in paragraph (a) of the *banking business definition*;
- (c) the Act has effect as if a reference to a body corporate that is a member of a relevant group of bodies corporate were expressly limited to a reference to a body corporate, being a body corporate that carries on banking business as mentioned in paragraph (b) of the *banking business definition*;

*References to a subsidiary of an authorised NOHC*

- (4) This Act has, by force of this subsection, the effect it would have if the Act separately provided as mentioned in the following paragraphs:
  - (a) the Act has effect as if a reference to a subsidiary of an authorised NOHC were expressly limited to a reference to a subsidiary of an authorised NOHC, being a subsidiary that is a corporation to which paragraph 51(xx) of the Constitution applies;
  - (b) this Act has effect as if a reference to a subsidiary of an authorised NOHC were expressly limited to a reference to a subsidiary of an authorised NOHC, being a NOHC of an ADI that carries on banking business as mentioned in paragraph (a) of the *banking business definition*;
  - (c) this Act has effect as if a reference to a subsidiary of an authorised NOHC were expressly limited to a reference to a subsidiary of an authorised NOHC, being a NOHC of an ADI that carries on banking business as mentioned in paragraph (b) of the *banking business definition*.

Section 70A

---

*Interpretation*

(5) In this section:

***banking business definition*** means the definition of banking business in subsection 5(1).

**70A Protection from liability**

- (1) A person is not subject to any liability to any person in respect of anything done, or omitted to be done, in good faith and without negligence in the exercise or performance, or the purported exercise or performance, of powers, functions or duties under this Act.
- (2) To avoid doubt, any information provided by a person to APRA under section 16C is taken, for the purposes of subsection (1), to be provided in the exercise of a power or the performance of a function under this Act.
- (3) Subsection (1) does not apply to a person referred to in section 58 of the *Australian Prudential Regulation Authority Act 1998* and, to avoid doubt, does not affect the operation of that section.

**70B Act has effect despite the Corporations Act**

This Act has effect despite any provision of the *Corporations Act 2001*.

**70C Authorising contracts etc. for protecting depositors' interests and financial system stability**

*Authorising the making of contracts and arrangements*

- (1) With the Finance Minister's written approval, the Minister may authorise the making of contracts and arrangements by the Commonwealth for the purposes of:
  - (a) protecting the interests of depositors of ADIs in ways that are consistent with the continued development of a viable, competitive and innovative banking industry; or
  - (b) protecting financial system stability in Australia.

*Specifying amounts to be credited to Special Account*

- (2) The authorisation must specify the amount (if any) to be credited to the Financial System Stability Special Account, so that the total described in subsection (3) does not exceed by more than \$20,000,000,000 the total described in subsection (4).

Note: This ensures that the balance of the Special Account directly attributable to authorisations under this section cannot exceed \$20,000,000,000 at any time.

- (3) The total described in this subsection is the total of all the amounts specified under subsection (2) in authorisations made under this section (taking account of any amendments of those authorisations).
- (4) The total described in this subsection is the total of all the amounts taken under subsection 21(2) of the *Financial Management and Accountability Act 1997* to be debited from the Financial System Stability Special Account for expenditure for the purpose described in paragraph 70G(a) of this Act.

Note: That purpose is making a payment under a contract or arrangement whose making was authorised under this section.

*Amending specification of amount to be credited*

- (5) The Minister may amend an authorisation made under this section, but only to change the specification of an amount under subsection (2), within the limit set out in that subsection.

*Authorisation cannot be revoked*

- (6) The Minister cannot revoke an authorisation made under this section.

*Authorisation or amendment not disallowable or subject to expiry*

- (7) An authorisation or amendment made under this section is a legislative instrument, but neither section 42 (disallowance) nor Part 6 (sunsetting) of the *Legislative Instruments Act 2003* applies to the authorisation or amendment.

Section 70D

---

*When authorisation or amendment takes effect*

- (8) The authorisation or amendment takes effect from the time it is made, despite subsections 12(1) and (2) of the *Legislative Instruments Act 2003*.

**70D Borrowing funds for payments under authorised contracts etc.**

- (1) Subsection (2) applies if the Minister has determined under section 70C an amount to be credited to the Financial System Stability Special Account.
- (2) On behalf of the Commonwealth, the Minister may, with the Finance Minister's written approval, borrow money for not more than 24 months on terms and conditions specified in, or consistent with, the approval, so that the total unrepaid borrowing under this section is not more than \$20,000,000,000 at any time.
- (3) The Finance Minister may delegate, in writing, to an SES employee or acting SES employee in the Department that is administered by the Finance Minister, the Finance Minister's power of approval for the purposes of subsection (2).
- (4) In this section:

*borrow* includes raise money or obtain credit, whether by dealing in securities or otherwise, but does not include obtain credit in a transaction forming part of the day-to-day operations of the Commonwealth.

**70E Financial System Stability Special Account**

- (1) The Financial System Stability Special Account is established by this section.
- (2) The Account is a Special Account for the purposes of the *Financial Management and Accountability Act 1997*.

**70F Credits to the Account**

- (1) There must be credited to the Account amounts equal to the following:

- (a) the amount specified in an authorisation under any of the following sections as an amount to be credited to the Account:
  - (i) section 70C;
  - (ii) section 131A of the *Insurance Act 1973*;
  - (iii) section 251A of the *Life Insurance Act 1995*;
- (b) an amount borrowed under any of the following sections:
  - (i) section 70D;
  - (ii) section 131B of the *Insurance Act 1973*;
  - (iii) section 251B of the *Life Insurance Act 1995*.

Note: An Appropriation Act may contain a provision to the effect that, if any of the purposes of a Special Account is a purpose that is covered by an item in the Appropriation Act (whether or not the item expressly refers to the Special Account), then amounts may be debited against the appropriation for that item and credited to that Special Account.

(2) To avoid doubt, if:

- (a) the amount specified in an authorisation described in paragraph (1)(a) is credited to the Account; and
- (b) the authorisation is later amended so as to increase the amount;

only the increase, and not the whole of the increased amount, is to be credited to the Account as a result of the amendment.

Note: Crediting the whole of the increased amount to the Account would lead to double-counting of the amount specified in the authorisation before the amendment.

## **70G Purposes of the Account**

The purposes of the Account are as follows:

- (a) making a payment under a contract or arrangement whose making was authorised under section 70C;
- (b) making a payment under a contract or arrangement whose making was authorised under section 131A of the *Insurance Act 1973*;
- (c) making a payment under a contract or arrangement whose making was authorised under section 251A of the *Life Insurance Act 1995*;
- (d) repaying a borrowing, and paying interest on a borrowing, made under any of the following sections:
  - (i) section 70D;

Section 70H

---

- (ii) section 131B of the *Insurance Act 1973*;
- (iii) section 251B of the *Life Insurance Act 1995*;
- (e) meeting the expenses of administering the Account.

Note: See section 21 of the *Financial Management and Accountability Act 1997* (debits from Special Accounts).

**70H Debits to reflect reduced amounts specified in authorisations**

If an authorisation under any of the following sections specifying an amount to be credited to the Account is amended so as to reduce the amount, an amount equal to the reduction must be debited from the Account:

- (a) section 70C;
- (b) section 131A of the *Insurance Act 1973*;
- (c) section 251A of the *Life Insurance Act 1995*.

**71 Regulations**

- (1) The Governor-General may make regulations, not inconsistent with this Act, prescribing all matters which by this Act are required or permitted to be prescribed, or which are necessary or convenient to be prescribed for carrying out or giving effect to this Act and, in particular, prescribing penalties for offences against the regulations which, except as otherwise provided by this Act, shall not exceed:
  - (a) if the offender is a natural person—a fine of 50 penalty units;
  - or
  - (b) if the offender is a body corporate—a fine of 250 penalty units.
- (2) Without limiting the generality of subsection (1), the regulations may confer on APRA functions relating to the supervision of ADIs and NOHCs in relation to prudential matters.
- (3) The Governor-General shall not make regulations for or in relation to requiring ADIs or NOHCs to observe requirements in relation to prudential matters except in accordance with the recommendation of the Treasurer.
- (4) Before making a recommendation for the purposes of subsection (3), the Treasurer shall consult APRA.

## **The Schedules**

### **Schedule 1—State and Territory laws relating to ADI mergers**

Note: See section 38A.

The Commercial Bank of Australia Limited (Merger) Act, 1982 of New South Wales

The Commercial Banking Company of Sydney Limited (Merger) Act, 1982 of New South Wales

*The Commercial Bank of Australia Limited (Merger) Act 1982 of Victoria*

*The Commercial Banking Company of Sydney Limited (Merger) Act 1982 of Victoria*

*Commercial Bank of Australia Limited Merger Act 1982 of Queensland*

*Commercial Banking Company of Sydney Limited Merger Act 1982 of Queensland*

The Commercial Bank of Australia Limited (Merger) Act, 1982 of South Australia

The Commercial Banking Company of Sydney Limited (Merger) Act, 1982 of South Australia

*The Commercial Bank of Australia Limited (Merger) Act 1982 of Western Australia*

*The Commercial Banking Company of Sydney Limited (Merger) Act 1982 of Western Australia*

*Commercial Bank of Australia Limited (Merger) Act 1982 of Tasmania*

*Commercial Banking Company of Sydney Limited (Merger) Act 1982 of Tasmania*

*The Commercial Bank of Australia Limited (Merger) Act 1982 of the Northern Territory*

*The Commercial Banking Company of Sydney Limited (Merger) Act 1982 of the Northern Territory*

*The Commercial Bank of Australia Limited (Merger) Ordinance 1982 of the Australian Capital Territory*

*The Commercial Banking Company of Sydney Limited (Merger) Ordinance 1982 of the Australian Capital Territory*

## Schedule 2—Civil penalties

Note: See section 65B.

### Part 1—Contravention of a civil penalty provision

#### 1 Federal Court may order person to pay pecuniary penalty for contravening civil penalty provision

*Application for order*

- (1) Within 6 years of a person contravening a civil penalty provision, APRA may apply, on behalf of the Commonwealth, to the Federal Court of Australia for an order that the person pay the Commonwealth a pecuniary penalty.

*Court may order person to pay pecuniary penalty*

- (2) If the Court is satisfied that the person has contravened a civil penalty provision, the Court may order the person to pay to the Commonwealth for each contravention the pecuniary penalty that the Court determines is appropriate (but not more than the relevant amount specified for the provision).

*Determining amount of pecuniary penalty*

- (3) In determining the pecuniary penalty, the Court must have regard to all relevant matters, including:
  - (a) the nature and extent of the contravention; and
  - (b) the nature and extent of any loss or damage suffered as a result of the contravention; and
  - (c) the circumstances in which the contravention took place; and
  - (d) whether the person has previously been found by the Court in proceedings under this Act to have engaged in any similar conduct.

*Conduct contravening more than one civil penalty provision*

- (4) If conduct constitutes a contravention of 2 or more civil penalty provisions, proceedings may be instituted under this Act against a



person in relation to the contravention of any one or more of those provisions. However, the person is not liable to more than one pecuniary penalty under this clause in respect of the same conduct.

## **2 Contravening a civil penalty provision is not an offence**

A contravention of a civil penalty provision is not an offence.

## **3 Persons involved in contravening civil penalty provision**

- (1) A person must not:
  - (a) aid, abet, counsel or procure a contravention of a civil penalty provision; or
  - (b) induce (by threats, promises or otherwise) a contravention of a civil penalty provision; or
  - (c) be in any way directly or indirectly knowingly concerned in, or party to, a contravention of a civil penalty provision; or
  - (d) conspire to contravene a civil penalty provision.
- (2) This Schedule applies to a person who contravenes subclause (1) in relation to a civil penalty provision as if the person had contravened the provision.
- (3) However, if an individual contravenes subclause (1) in relation to a civil penalty provision that can be contravened only by a body corporate, subclause 1(2) applies as if the reference in that subclause to the relevant amount specified for the provision were a reference to  $\frac{1}{5}$  of the relevant amount specified for the provision.

## **4 Recovery of a pecuniary penalty**

If the Federal Court of Australia orders a person to pay a pecuniary penalty:

- (a) the penalty is payable to the Commonwealth; and
- (b) the Commonwealth may enforce the order as if it were a judgment of the Court.

## **5 Civil evidence and procedure rules for pecuniary penalty orders**

The Federal Court of Australia must apply the rules of evidence and procedure for civil matters when hearing proceedings for a pecuniary penalty order.

## **Part 2—Civil penalty proceedings and criminal proceedings**

### **6 Civil proceedings after criminal proceedings**

The Federal Court of Australia must not make a pecuniary penalty order against a person for a contravention of a civil penalty provision if the person has been convicted of an offence constituted by conduct that is substantially the same as the conduct constituting the contravention.

### **7 Criminal proceedings during civil proceedings**

- (1) Proceedings for a pecuniary penalty order against a person for a contravention of a civil penalty provision are stayed if:
  - (a) criminal proceedings are started or have already been started against the person for an offence; and
  - (b) the offence is constituted by conduct that is substantially the same as the conduct alleged to constitute the contravention.
- (2) The proceedings for the order may be resumed if the person is not convicted of the offence. Otherwise, the proceedings for the order are dismissed.

### **8 Criminal proceedings after civil proceedings**

Criminal proceedings may be started against a person for conduct that is substantially the same as conduct constituting a contravention of a civil penalty provision regardless of whether a pecuniary penalty order has been made against the person.

### **9 Evidence given in proceedings for penalty not admissible in criminal proceedings**

Evidence of information given or evidence of production of documents by an individual is not admissible in criminal proceedings against the individual if:

- (a) the individual previously gave the evidence or produced the documents in proceedings for a pecuniary penalty order

against the individual for a contravention of a civil penalty provision (whether or not the order was made); and

- (b) the conduct alleged to constitute the offence is substantially the same as the conduct that was claimed to constitute the contravention.

However, this does not apply to a criminal proceeding in respect of the falsity of the evidence given by the individual in the proceedings for the pecuniary penalty order.



**Table of Acts****Notes to the *Banking Act 1959*****Note 1**

The *Banking Act 1959* as shown in this compilation comprises Act No. 6, 1959 amended as indicated in the Tables below.

The *Banking Act 1959* was amended by the Banking (Statistics) Regulations (as amended). The amendments made by these Regulations were repealed by Statutory Rules 1989 No. 357. The amendments are incorporated in this compilation.

For application, saving or transitional provisions made by the *Corporations (Repeals, Consequential and Transitional) Act 2001*, see Act No. 55, 2001.

All relevant information pertaining to application, saving or transitional provisions prior to 29 June 1998 is not included in this compilation. For subsequent information see Table A.

**Table of Acts**

Act	Number and year	Date of Assent	Date of commencement	Application, saving or transitional provisions
<i>Banking Act 1959</i>	6, 1959	23 Apr 1959	14 Jan 1960 (see <i>Gazette</i> 1960, p. 47)	
<i>Banking Act 1965</i>	127, 1965	18 Dec 1965	14 Feb 1966	—
<i>Statute Law Revision (Decimal Currency) Act 1966</i>	93, 1966	29 Oct 1966	1 Dec 1966	—
<i>Banking Act 1967</i>	84, 1967	8 Nov 1967	8 Nov 1967	—
<i>Banking Act 1973</i>	116, 1973	26 Oct 1973	Ss. 1–3, 5, 6 and 11: Royal Assent Remainder: 1 Nov 1973	—
<i>Banking Act (No. 2) 1973</i>	193, 1973	17 Dec 1973	17 Dec 1973	—
<i>Statute Law Revision Act 1973</i>	216, 1973	19 Dec 1973	31 Dec 1973	Ss. 9(1) and 10
<b>as amended by</b>				
<i>Statute Law Revision Act 1974</i>	20, 1974	25 July 1974	31 Dec 1973	—
<i>Banking Act 1974</i>	132, 1974	9 Dec 1974	23 Dec 1974 (see <i>Gazette</i> 1974, No. 103D)	Ss. 4–6

**Table of Acts**

Act	Number and year	Date of Assent	Date of commencement	Application, saving or transitional provisions
<i>Australian Rural Bank Act 1977</i>	156, 1977	10 Nov 1977	Part III (ss. 12–19): 22 Sept 1978 (see <i>Gazette</i> 1978, No. S185) Remainder: Royal Assent	—
<b>as amended by</b>				
<i>Primary Industry Bank Amendment Act 1978</i>	78, 1978	22 June 1978	22 June 1978	—
<i>Jurisdiction of Courts (Miscellaneous Amendments) Act 1979</i>	19, 1979	28 Mar 1979	Parts II–XVII (ss. 3–123): 15 May 1979 (see <i>Gazette</i> 1979, No. S86) Remainder: Royal Assent	S. 124
<i>Statute Law (Miscellaneous Amendments) Act (No. 2) 1982</i>	80, 1982	22 Sept 1982	Part XII (ss. 31–33): 1 Oct 1982 (see <i>Gazette</i> 1982, No. S202) (a)	—
<i>Commonwealth Banks Amendment Act 1984</i>	76, 1984	25 June 1984	29 June 1984 (see <i>Gazette</i> 1984, No. S241)	—
<i>Banking Legislation Amendment Act 1986</i>	166, 1986	18 Dec 1986	Ss. 9–11 and Part III (ss. 13–17): 30 Nov 1988 (see <i>Gazette</i> 1988, No. S362) Remainder: 15 Jan 1987	—
<i>Primary Industry Bank Repeal Act 1987</i>	105, 1987	10 Nov 1987	10 Nov 1987	—
<i>Banking Legislation Amendment Act 1989</i>	129, 1989	7 Nov 1989	Ss. 1–3, 26, 29–33, 35, 38 and 40: Royal Assent S. 23(1): 4 May 1989 S. 39: 23 Jan 1988 Remainder: 28 Dec 1989 (see <i>Gazette</i> 1989, No. S383)	Ss. 5(2), 20(2)–(4), 27 and 28
<i>Commonwealth Banks Restructuring Act 1990</i>	118, 1990	28 Dec 1990	S. 62: (b)	S. 5
<i>Bank Integration Act 1991</i>	210, 1991	24 Dec 1991	S. 32: 1 Jan 1993 (see <i>Gazette</i> 1992, No. GN36, p. 2415) (c) Remainder: Royal Assent	—

**Table of Acts**

Act	Number and year	Date of Assent	Date of commencement	Application, saving or transitional provisions
<i>Banking Legislation Amendment Act 1992</i>	193, 1992	21 Dec 1992	Ss. 4(2), 5(1), 16, 17, 19–21 and 35: 5 Feb 1993 (see s. 2(2), (6) and <i>Gazette</i> 1993, No. GN4, p. 359) Ss. 4(3) and 5(2): 1 July 1994 (see <i>Gazette</i> 1994, No. GN25) Remainder: Royal Assent	Ss. 15–18
<i>Banking (State Bank of South Australia and Other Matters) Act 1994</i>	69, 1994	9 June 1994	Ss. 3, 4, 5(1) and 6(1): 1 July 1994 (see <i>Gazette</i> 1994, No. GN25) Ss. 5(2) and 6(2): 22 June 1995 (see <i>Gazette</i> 1995, No. GN24) Remainder: Royal Assent	Ss. 3, 58 and 61
<i>Banking (Queensland Industry Development Corporation) Amendment Act 1995</i>	99, 1995	15 Sept 1995	15 Sept 1995	—
<i>Commonwealth Bank Sale Act 1995</i>	161, 1995	16 Dec 1995	Schedule (items 3–6): (d)	—
<i>Statute Law Revision Act 1996</i>	43, 1996	25 Oct 1992	Schedule 2 (items 20, 21): (e)	—
<i>Retirement Savings Accounts (Consequential Amendments) Act 1997</i>	62, 1997	28 May 1997	2 June 1997 (see s. 2 and <i>Gazette</i> 1997, No. S202)	—
<i>Financial Laws Amendment Act 1997</i>	107, 1997	30 June 1997	Schedule 1: Royal Assent (f)	—
<i>Financial Sector Reform (Amendments and Transitional Provisions) Act 1998</i>	54, 1998	29 June 1998	Schedule 2 (items 1–85, 87–159): 1 July 1998 (see <i>Gazette</i> 1998, No. S316) (g) Schedule 2 (item 86): 1 July 1999 (see <i>Gazette</i> 1999, No. S289) (g) Schedule 19 (items 1–19): Royal Assent (g)	Sch. 19 (items 1–19) [see Table A]
<b>as amended by</b> <i>Statute Law Revision Act 2006</i>	9, 2006	23 Mar 2006	Schedule 2 (item 18): (k)	—

**Table of Acts**

Act	Number and year	Date of Assent	Date of commencement	Application, saving or transitional provisions
<i>Financial Sector Reform (Amendments and Transitional Provisions) Act (No. 1) 1999</i>	44, 1999	17 June 1999	Schedules 2 and 8: Royal Assent ( <i>h</i> )	Sch. 8 (items 7–9, 22, 23) [see Table A]
<i>Financial Sector Reform (Amendments and Transitional Provisions) Act (No. 1) 2000</i>	24, 2000	3 April 2000	Schedule 2: Royal Assent ( <i>i</i> ) Schedule 12 (items 1–3): 3 Apr 2000 ( <i>i</i> )	Sch. 12 (items 1–3) [see Table A]
<i>Financial Sector Legislation Amendment Act (No. 1) 2000</i>	160, 2000	21 Dec 2000	Schedule 1 (item 21): Royal Assent Remainder: 18 Jan 2001	Sch. 1 (item 19) [see Table A]
<i>Corporations (Repeals, Consequential and Transitional) Act 2001</i>	55, 2001	28 June 2001	Ss. 4–14 and Schedule 3 (items 69–78): 15 July 2001 (see <i>Gazette</i> 2001, No. S285) ( <i>j</i> )	Ss. 4–14 [see Note 1]
<i>Financial Sector (Collection of Data—Consequential and Transitional Provisions) Act 2001</i>	121, 2001	24 Sept 2001	Ss. 1–3: Royal Assent Remainder: 1 July 2002 (see s. 2(2) and <i>Gazette</i> 2002, No. GN24)	Sch. 2 (item 18) and Sch. 3 (items 1–4) [see Table A]
<i>Australian Prudential Regulation Authority Amendment Act 2003</i>	42, 2003	24 June 2003	Schedules 1–3: 1 July 2003 (see <i>Gazette</i> 2003, No. S230) Remainder: Royal Assent	Sch. 3 [see Table A]
<i>Financial Sector Legislation Amendment Act (No. 1) 2003</i>	116, 2003	27 Nov 2003	Schedule 2: 28 Nov 2003	—
<i>Statute Law Revision Act 2006</i>	9, 2006	23 Mar 2006	Schedule 1 (item 7): ( <i>k</i> )	—
<i>Financial Sector Legislation Amendment (Trans-Tasman Banking Supervision) Act 2006</i>	147, 2006	6 Dec 2006	6 Dec 2006	—
<i>Financial Sector Legislation Amendment (Simplifying Regulation and Review) Act 2007</i>	154, 2007	24 Sept 2007	Schedule 1 (items 10–51, 291, 296) and Schedule 4 (items 6–9): Royal Assent Schedule 1 (items 158–166): 1 Jan 2008	Sch. 1 (items 291, 296) and Sch. 4 (item 9) [see Table A]



**Table of Acts**

Act	Number and year	Date of Assent	Date of commencement	Application, saving or transitional provisions
<i>Financial Sector Legislation Amendment (Review of Prudential Decisions) Act 2008</i>	25, 2008	26 May 2008	Schedule 1 (items 1–9), Schedule 2 (items 1–6) and Schedule 4 (items 1–14, 43): Royal Assent	Sch. 1 (item 9), Sch. 2 (item 6) and Sch. 4 (item 43) [see Table A]
<i>First Home Saver Accounts (Consequential Amendments) Act 2008</i>	45, 2008	25 June 2008	Schedule 3 (items 10–15): 26 June 2008	—
<i>Statute Law Revision Act 2008</i>	73, 2008	3 July 2008	Schedule 4 (item 89): 4 July 2008	—
<i>First Home Saver Accounts (Further Provisions) Amendment Act 2008</i>	92, 2008	30 Sept 2008	Schedule 2 (items 2, 3): 1 Oct 2008	—
<i>Financial System Legislation Amendment (Financial Claims Scheme and Other Measures) Act 2008</i>	105, 2008	17 Oct 2008	Schedule 1 (items 1–17, 61, 62): (1) Schedule 2 (items 1–23): 18 Oct 2008	Sch. 1 (items 61, 62) and Sch. 2 (items 6, 10, 13, 15, 19, 21) [see Table A]

## Act Notes

---

- (a) The *Banking Act 1959* was amended by Part XII (sections 31–33) only of the *Statute Law (Miscellaneous Amendments) Act (No. 2) 1982*, subsection 2(4) of which provides as follows:
- (4) Parts XII and XIX shall come into operation on such respective dates as are fixed by Proclamation.
- (b) The *Banking Act 1959* was amended by section 62 only of the *Commonwealth Banks Restructuring Act 1990*, subsection 2(3) of which provides as follows:
- (3) Each of the remaining provisions of this Act commences on a day, or at a time, fixed by Proclamation in relation to the provisions concerned.
- In pursuance of subsection 2(3) the date of commencement was 31 December 1990 (see *Gazette* 1990, No. S346 and Victorian Government Gazette, No. S73, 31.12.90).
- (c) Section 32 of the *Bank Integration Act 1991* provides as follows:
32. On the succession day for the Commonwealth Bank and the Commonwealth Savings Bank, the Acts referred to in Schedule 3 are amended as set out in that Schedule.
- The succession day was 1 January 1993 (see *Gazette* 1992, No. GN36, p. 2415).
- (d) The *Banking Act 1959* was amended by the Schedule (items 3–6) only of the *Commonwealth Bank Sale Act 1995*, subsection 2(2) of which provides as follows:
- (2) Part 3, and all the items of the Schedule (except items 1, 12, 16, 17, 21, 22, 23, 26, 27, 31, 37 and 48), commence at the transfer time.
- The transfer time occurred on 19 July 1996.
- (e) The *Banking Act 1959* was amended by Schedule 2 (items 20 and 21) only of the *Statute Law Revision Act 1996*, subsection 2(2) of which provides as follows:
- (2) Each item in Schedule 2 commences or is taken to have commenced (as the case requires) at the time specified in the note at the end of the item.
- Items 20 and 21 are taken to have commenced immediately after the commencement of section 26 of the *Banking Legislation Amendment Act 1989*.
- Section 26 of the *Banking Legislation Amendment Act 1989* commenced on 7 November 1989.
- (f) The *Banking Act 1959* was amended by Schedule 1 only of the *Financial Laws Amendment Act 1997*, subsection 2(1) of which provides as follows:
- (1) Subject to this section, this Act commences on the day on which it receives the Royal Assent.
- (g) The *Banking Act 1959* was amended by Schedule 2 (items 1–159) only of the *Financial Sector Reform (Amendments and Transitional Provisions) Act 1998*, subsections 2(2)(b), (3) and (4) of which provide as follows:
- (2) The following provisions of this Act commence on the commencement of the *Australian Prudential Regulation Authority Act 1998*:
    - (b) Schedule 2, other than item 86;
  - (3) Subject to subsection (4), item 86 of Schedule 2 commences on a day to be fixed by Proclamation.
- (h) The *Banking Act 1959* was amended by Schedule 2 only of the *Financial Sector Reform (Amendments and Transitional Provisions) Act (No. 1) 1999*, subsection 3(1) of which provides as follows:
- (1) Subject to this section, this Act commences on the day on which it receives the Royal Assent.
- (i) The *Banking Act 1959* was amended by Schedule 2 only of the *Financial Sector Reform (Amendments and Transitional Provisions) Act (No. 1) 2000*, subsections 2(1), (12) and (13) of which provide as follows:
- (1) Subject to this section, this Act commences on the day on which it receives the Royal Assent.

**Act Notes**

- (12) Part 1 of Schedule 12 commences:
- (a) after all of the Acts listed in subsection (13) have received the Royal Assent; and
  - (b) on the day that is the last day on which any of those Acts received the Royal Assent.
- (13) These are the relevant Acts for the purposes of paragraph (12)(a):
- (a) this Act;
  - (b) each of the Acts referred to in the definition of **Validation Act** in item 1 of Schedule 12 to this Act.
- (j) The *Banking Act 1959* was amended by Schedule 3 (items 69–78) only of the *Corporations (Repeals, Consequential and Transitional) Act 2001*, subsection 2(3) of which provides as follows:
- (3) Subject to subsections (4) to (10), Schedule 3 commences, or is taken to have commenced, at the same time as the *Corporations Act 2001*.
- (k) Subsection 2(1) (items 5 and 33) of the *Statute Law Revision Act 2006* provides as follows:
- (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

**Commencement information**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provision(s)</b>	<b>Commencement</b>	<b>Date/Details</b>
5. Schedule 1, item 7	Immediately after the commencement of item 98 of Schedule 2 to the <i>Financial Sector Reform (Amendments and Transitional Provisions) Act 1998</i> .	1 July 1998
33. Schedule 2, item 18	Immediately after the time specified in the <i>Financial Sector Reform (Amendments and Transitional Provisions) Act 1998</i> for the commencement of item 99 of Schedule 2 to that Act.	1 July 1998
(l) Subsection 2(1) (items 2 and 3) of the <i>Financial System Legislation Amendment (Financial Claims Scheme and Other Measures) Act 2008</i> provides as follows:		
(1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.		
<b>Provision(s)</b>	<b>Commencement</b>	<b>Date/Details</b>
2. Schedule 1	Immediately after the provision(s) covered by table item 3.	18 October 2008
3. Schedules 2 to 5	The day after this Act receives the Royal Assent.	18 October 2008



**Table of Amendments****Table of Amendments**

ad. = added or inserted   am. = amended   rep. = repealed   rs. = repealed and substituted

Provision affected	How affected
<b>Part I</b>	
S. 3 .....	rep. No. 116, 1973
Subhead. to s. 5(1).....	ad. No. 105, 2008
Subhead. to s. 5(2).....	ad. No. 105, 2008
Subhead. to s. 5(3).....	ad. No. 105, 2008
S. 5 .....	am. No. 84, 1967; No. 116, 1973; No. 156, 1977 (as am. by No. 78, 1978); No. 76, 1984; No. 105, 1987; No. 129, 1989; No. 118, 1990; No. 210, 1991; No. 193, 1992; No. 69, 1994; Nos. 99 and 161, 1995; No. 54, 1998; No. 44, 1999; No. 24, 2000; No. 55, 2001; Nos. 42 and 116, 2003; No. 147, 2006; No. 154, 2007; No. 105, 2008
S. 6 .....	am. No. 116, 1973; No. 193, 1992; No. 69, 1994; No. 99, 1995; No. 54, 1998
S. 6A .....	ad. No. 116, 1973 am. No. 129, 1989
S. 6B .....	ad. No. 44, 1999
<b>Part II</b>	
<b>Division 1</b>	
S. 7.....	am. No. 93, 1966; No. 129, 1989 rs. No. 44, 1999 am. No. 154, 2007
S. 8.....	am. No. 93, 1966; No. 129, 1989 rs. No. 44, 1999 am. No. 154, 2007
Note to s. 8.....	ad. No. 54, 1998 rs. No. 44, 1999
S. 9 .....	am. No. 93, 1966; No. 116, 1973; No. 129, 1989; No. 193, 1992; No. 69, 1994; No. 54, 1998; No. 44, 1999; No. 154, 2007; No. 25, 2008
Note to s. 9(2) .....	ad. No. 54, 1998
S. 9A .....	ad. No. 84, 1967 am. No. 116, 1973 rep. No. 193, 1992 ad. No. 54, 1998 am. No. 121, 2001; No. 116, 2003; No. 147, 2006; No. 25, 2008
S. 9B .....	ad. No. 54, 1998
S. 9C .....	ad. No. 54, 1998
Heading to s. 10.....	am. No. 54, 1998
S. 10 .....	am. No. 93, 1966; No. 84, 1967; No. 156, 1977 (as am. by No. 78, 1978); No. 105, 1987; No. 129, 1989; No. 193, 1992; No. 54, 1998; No. 44, 1999; No. 154, 2007

**Table of Amendments**

ad. = added or inserted    am. = amended    rep. = repealed    rs. = repealed and substituted	
Provision affected	How affected
Heading to s. 11 .....	rs. No. 54, 1998
S. 11 .....	am. No. 93, 1966; No. 129, 1989; No. 54, 1998; No. 44, 1999; No. 154, 2007; No. 25, 2008
<b>Division 1AA</b>	
Div. 1AA of Part II.....	ad. No. 54, 1998
S. 11AA .....	ad. No. 54, 1998 am. No. 44, 1999; No. 154, 2007; No. 25, 2008
S. 11AB .....	ad. No. 54, 1998 am. No. 121, 2001; No. 116, 2003; No. 147, 2006; No. 25, 2008
Ss. 11AC, 11AD .....	ad. No. 54, 1998
<b>Division 1A</b>	
Heading to Div. 1A of Part II.....	rs. No. 54, 1998
Div. 1A of Part II .....	ad. No. 129, 1989
S. 11AF .....	ad. No. 54, 1998 am. No. 44, 1999; No. 116, 2003; No. 154, 2007; No. 25, 2008
Heading to s. 11A.....	am. No. 54, 1998
S. 11A .....	ad. No. 129, 1989 am. No. 54, 1998
Heading to s. 11B.....	am. No. 54, 1998
S. 11B .....	ad. No. 129, 1989 am. No. 54, 1998
S. 11C .....	ad. No. 129, 1989
<b>Division 1BA</b>	
Div. 1BA of Part II.....	ad. No. 54, 1998
<b>Subdivision A</b>	
Heading to Subdiv. A of ..... Div. 1BA of Part II	rs. No. 44, 1999
S. 11CA.....	ad. No. 54, 1998 am. No. 44, 1999; No. 160, 2000; Nos. 55 and 121, 2001; No. 116, 2003; No. 147, 2006; Nos. 25 and 45, 2008
<b>Subdivision B</b>	
Heading to Subdiv. B of ..... Div. 1BA of Part II	rs. No. 44, 1999
Heading to s. 11CB.....	am. No. 44, 1999
S. 11CB.....	ad. No. 54, 1998 am. No. 44, 1999; No. 25, 2008
Heading to s. 11CC.....	am. No. 44, 1999
S. 11CC.....	ad. No. 54, 1998 am. No. 44, 1999; No. 25, 2008
<b>Subdivision C</b>	
S. 11CD.....	ad. No. 54, 1998 am. No. 116, 2003; No. 105, 2008
Ss. 11CE, 11CF .....	ad. No. 54, 1998

**Table of Amendments**

ad. = added or inserted    am. = amended    rep. = repealed    rs. = repealed and substituted	
Provision affected	How affected
S. 11CG .....	ad. No. 54, 1998 am. No. 44, 1999; No. 55, 2001; No. 116, 2003; No. 154, 2007
<b>Division 1B</b>	
Heading to Div. 1B of Part II.....	rs. No. 54, 1998
Div. 1B of Part II .....	ad. No. 193, 1992
S. 11D .....	ad. No. 193, 1992 am. No. 54, 1998
Heading to s. 11E.....	am. No. 54, 1998
S. 11E .....	ad. No. 193, 1992 am. No. 54, 1998; No. 44, 1999; No. 154, 2007
Heading to s. 11F.....	am. No. 54, 1998
S. 11F.....	ad. No. 193, 1992 am. No. 54, 1998
<b>Division 2</b>	
<b>Subdivision A</b>	
Heading to Subdiv. A of ..... Div. 2 of Part II	ad. No. 54, 1998
Heading to s. 12.....	am. No. 54, 1998
S. 12.....	am. No. 54, 1998; No. 147, 2006
S. 13 .....	am. No. 116, 1973; No. 129, 1989 rs. No. 54, 1998 am. No. 44, 1999; No. 160, 2000; No. 154, 2007
Heading to s. 13A .....	am. No. 160, 2000
Subhead. to s. 13A(4) .....	ad. No. 105, 2008
S. 13A .....	ad. No. 54, 1998 am. No. 44, 1999; No. 160, 2000; No. 154, 2007; No. 105, 2008
S. 13B .....	ad. No. 54, 1998 am. No. 44, 1999; No. 160, 2000; No. 154, 2007
S. 13BA.....	ad. No. 105, 2008
S. 13C .....	ad. No. 54, 1998 am. No. 55, 2001
S. 14 .....	am. No. 93, 1966; No. 116, 1973; No. 19, 1979; No. 129, 1989 rep. No. 54, 1998
<b>Subdivision B</b>	
Subdiv. B of Div. 2 of Part II.....	ad. No. 54, 1998
S. 14A .....	ad. No. 54, 1998 am. No. 44, 1999; No. 116, 2003; No. 154, 2007; No. 105, 2008
Ss. 14AA–14AC .....	ad. No. 105, 2008
S. 14B .....	ad. No. 54, 1998
Subhead. to s. 14C(4) .....	am. No. 55, 2001
S. 14C .....	ad. No. 54, 1998 am. No. 55, 2001

**Table of Amendments**

ad. = added or inserted    am. = amended    rep. = repealed    rs. = repealed and substituted	
Provision affected	How affected
S. 14D .....	ad. No. 54, 1998
S. 14DAA .....	ad. No. 105, 2008
S. 14DA .....	ad. No. 147, 2006
S. 14E .....	ad. No. 54, 1998
S. 14F .....	ad. No. 54, 1998 am. No. 55, 2001; No. 105, 2008
S. 15 .....	am. No. 129, 1989 rs. No. 54, 1998 am. No. 55, 2001
S. 15A .....	ad. No. 54, 1998 am. No. 55, 2001; No. 105, 2008
S. 15B .....	ad. No. 54, 1998 am. No. 105, 2008
S. 15C .....	ad. No. 54, 1998 rs. No. 105, 2008
S. 15D .....	ad. No. 105, 2008
S. 16 .....	am. No. 93, 1966; No. 129, 1989 rs. No. 54, 1998
S. 16A .....	ad. No. 54, 1998
S. 16AA .....	ad. No. 105, 2008
<b>Division 2AA</b>	
Div. 2AA of Part II .....	ad. No. 105, 2008
<b>Subdivision A</b>	
Ss. 16AB, 16AC .....	ad. No. 105, 2008
<b>Subdivision B</b>	
Ss. 16AD, 16AE .....	ad. No. 105, 2008
<b>Subdivision C</b>	
Ss. 16AF–16AI .....	ad. No. 105, 2008
<b>Subdivision D</b>	
Ss. 16AJ–16AO .....	ad. No. 105, 2008
<b>Subdivision E</b>	
Ss. 16AP–16AS .....	ad. No. 105, 2008
<b>Subdivision F</b>	
S. 16AT .....	ad. No. 105, 2008
<b>Subdivision G</b>	
S. 16AU .....	ad. No. 105, 2008
<b>Division 2A</b>	
Div. 2A of Part II .....	ad. No. 54, 1998
Heading to s. 16B .....	rs. No. 154, 2007
S. 16B .....	ad. No. 54, 1998 am. No. 44, 1999; No. 121, 2001; No. 116, 2003; No. 154, 2007



**Table of Amendments**

ad. = added or inserted    am. = amended    rep. = repealed    rs. = repealed and substituted	
Provision affected	How affected
S. 16BA .....	ad. No. 154, 2007
S. 16C .....	ad. No. 54, 1998 am. No. 121, 2001 rs. No. 116, 2003
<b>Division 2B</b>	
Div. 2B of Part II .....	ad. No. 116, 2003
S. 17 .....	am. No. 84, 1967; No. 116, 1973; No. 156, 1977 (as am. by No. 78, 1978); No. 105, 1987 rs. No. 129, 1989 rep. No. 54, 1998 ad. No. 116, 2003 am. No. 25, 2008
S. 18 .....	rs. No. 129, 1989 rep. No. 54, 1998 ad. No. 116, 2003 rs. No. 154, 2007
<b>Division 2C</b>	
Div. 2C of Part II .....	ad. No. 154, 2007
S. 18A .....	ad. No. 154, 2007 am. No. 45, 2008
<b>Division 3</b>	
Div. 3 of Part II .....	rs. No. 129, 1989 rep. No. 54, 1998 ad. No. 116, 2003
Heading to s. 19 .....	am. No. 54, 1998 rep. No. 54, 1998 ad. No. 116, 2003
S. 19 .....	rs. No. 129, 1989 am. No. 54, 1998 rep. No. 54, 1998 ad. No. 116, 2003 am. No. 25, 2008
S. 20 .....	rs. No. 129, 1989 am. No. 54, 1998 rep. No. 54, 1998 ad. No. 116, 2003 am. No. 25, 2008
Note to s. 20(1) .....	am. No. 25, 2008
S. 21 .....	rs. No. 129, 1989 am. No. 54, 1998 rep. No. 54, 1998 ad. No. 116, 2003 rs. No. 25, 2008

**Table of Amendments**

ad. = added or inserted    am. = amended    rep. = repealed    rs. = repealed and substituted	
Provision affected	How affected
Heading to s. 22 .....	am. No. 54, 1998 rep. No. 54, 1998 ad. No. 116, 2003 rs. No. 25, 2008
S. 22 .....	am. No. 116, 1973 rs. No. 129, 1989 am. No. 54, 1998 rep. No. 54, 1998 ad. No. 116, 2003 rs. No. 25, 2008
S. 23 .....	rs. No. 129, 1989 am. No. 54, 1998; No. 44, 1999 rep. No. 54, 1998 ad. No. 116, 2003 am. No. 25, 2008
S. 24 .....	rs. No. 129, 1989 am. No. 54, 1998 rep. No. 54, 1998
S. 25 .....	am. No. 116, 1973; No. 216, 1973 (as am. by No. 20, 1974) rs. No. 129, 1989 am. No. 54, 1998 rep. No. 54, 1998
S. 26 .....	am. No. 93, 1966; No. 116, 1973 rep. No. 129, 1989
S. 27 .....	am. No. 127, 1965 rep. No. 129, 1989
Ss. 28, 29 .....	rep. No. 129, 1989
Ss. 30, 31 .....	am. No. 116, 1973 rep. No. 129, 1989
<b>Division 4</b>	
S. 32 .....	am. No. 54, 1998
S. 33 .....	am. No. 93, 1966; No. 116, 1973; No. 129, 1989; No. 54, 1998 (as am. by No. 9, 2006); No. 44, 1999; No. 9, 2006; No. 154, 2007
S. 34 .....	am. No. 129, 1989; No. 54, 1998
S. 35 .....	am. No. 54, 1998
<b>Division 5</b>	
S. 36 .....	am. No. 93, 1966; No. 84, 1967; No. 116, 1973; No. 156, 1977 (as am. by No. 78, 1978); No. 105, 1987; No. 129, 1989; No. 54, 1998; No. 44, 1999; No. 154, 2007
Div. 6 of Part II .....	rep. No. 129, 1989
S. 37 .....	am. No. 93, 1966; No. 116, 1973 rep. No. 129, 1989
S. 38 .....	rep. No. 129, 1989

**Table of Amendments**


---

ad. = added or inserted	am. = amended	rep. = repealed	rs. = repealed and substituted
-------------------------	---------------	-----------------	--------------------------------

---

Provision affected	How affected
<b>Part IIA</b>	
Heading to Part IIA.....	rs. No. 54, 1998
Part IIA .....	ad. No. 80, 1982
Heading to s. 38A.....	am. No. 44, 1999
S. 38A .....	ad. No. 80, 1982
	am. No. 107, 1997; No. 54, 1998
<b>Part III</b>	
Part III.....	rs. No. 132, 1974
S. 39 .....	am. No. 93, 1966; No. 193, 1973
	rs. No. 132, 1974
	am. No. 129, 1989; No. 107, 1997
Ss. 39A, 39B .....	ad. No. 132, 1974
	am. No. 129, 1989
<b>Part IV</b>	
S. 40 .....	am. No. 129, 1989
S. 41 .....	am. No. 44, 1999; No. 154, 2007
S. 42 .....	am. No. 129, 1989; No. 43, 1996; No. 107, 1997; No. 44, 1999; No. 154, 2007
S. 43 .....	am. No. 129, 1989
S. 44 .....	am. No. 116, 1973
Ss. 45, 46 .....	am. No. 129, 1989; No. 44, 1999; No. 154, 2007
S. 49 .....	am. No. 93, 1966; No. 116, 1973
	rep. No. 129, 1989
<b>Part V</b>	
S. 50 .....	am. No. 93, 1966; No. 129, 1989; No. 54, 1998
<b>Part VI</b>	
Heading to Part VI.....	rs. No. 44, 1999
	rep. No. 121, 2001
	ad. No. 116, 2003
Part VI .....	rs. No. 129, 1989
	rep. No. 121, 2001
	ad. No. 116, 2003
S. 51A .....	ad. No. 116, 2003
	am. No. 45, 2008
S. 51B .....	ad. No. 116, 2003
S. 51C .....	ad. No. 116, 2003
	am. No. 25, 2008
S. 51D .....	ad. No. 116, 2003
Heading to s. 51 .....	am. No. 54, 1998
	rep. No. 121, 2001
S. 51 .....	am. No. 84, 1967; No. 116, 1973; No. 156, 1977 (as am. by No. 78, 1978); No. 105, 1987
	rs. No. 129, 1989
	am. No. 54, 1998
	rep. No. 121, 2001

---

**Table of Amendments**

ad. = added or inserted   am. = amended   rep. = repealed   rs. = repealed and substituted	
Provision affected	How affected
S. 52 .....	am. Statutory Rules 1962 No. 92; No. 93, 1966; No. 166, 1986 rs. No. 129, 1989 rep. No. 54, 1998
<b>Part VIA</b>	
Part VIA .....	ad. No. 154, 2007
<b>Division 1</b>	
Ss. 52A–52E .....	ad. No. 154, 2007
<b>Division 2</b>	
S. 52F .....	ad. No. 154, 2007
S. 53 .....	am. Statutory Rules 1962 No. 92; No. 93, 1966; No. 116, 1973 rep. No. 129, 1989
S. 54 .....	am. No. 93, 1966; No. 166, 1986 rep. No. 129, 1989
S. 55 .....	am. No. 166, 1986 rep. No. 129, 1989
Ss. 56, 57 .....	rep. No. 129, 1989
S. 58 .....	am. No. 166, 1986 rep. No. 129, 1989
Ss. 59, 60 .....	rep. No. 129, 1989
<b>Part VII</b>	
S. 61 .....	am. No. 93, 1966 rs. No. 129, 1989; No. 54, 1998 am. No. 44, 1999 rs. No. 116, 2003 am. No. 154, 2007
S. 62 .....	am. No. 93, 1966; No. 129, 1989 rs. No. 54, 1998 am. No. 44, 1999; No. 160, 2000; No. 121, 2001; No. 116, 2003; No. 154, 2007
Subhead. to s. 62A(1) .....	ad. No. 154, 2007
S. 62A .....	ad. No. 116, 2003 am. No. 154, 2007; No. 45, 2008
Ss. 62B, 62C .....	ad. No. 105, 2008
Heading to s. 63 .....	am. No. 54, 1998
S. 63 .....	am. No. 93, 1966; No. 116, 1973; No. 129, 1989; No. 69, 1994; No. 54, 1998; No. 44, 1999; Nos. 24 and 160, 2000; No. 55, 2001; No. 42, 2003; No. 154, 2007; No. 73, 2008
S. 63A .....	ad. No. 84, 1967 am. No. 129, 1989 rep. No. 193, 1992
S. 63B .....	ad. No. 156, 1977 (as am. by No. 78, 1978) rep. No. 105, 1987
S. 64 .....	am. No. 93, 1966; No. 129, 1989 rep. No. 54, 1998 ad. No. 160, 2000

**Table of Amendments**

ad. = added or inserted    am. = amended    rep. = repealed    rs. = repealed and substituted	
Provision affected	How affected
Heading to s. 65 .....	am. No. 54, 1998
S. 65 .....	am. No. 116, 1973; No. 19, 1979; No. 129, 1989; No. 54, 1998
S. 65A .....	ad. No. 160, 2000
S. 65B .....	ad. No. 105, 2008
Heading to s. 66 .....	rs. No. 54, 1998
S. 66 .....	am. No. 93, 1966 rs. No. 129, 1989 am. No. 54, 1998; No. 44, 1999; No. 154, 2007; No. 25, 2008
S. 66A .....	ad. No. 54, 1998 am. No. 44, 1999; No. 154, 2007
S. 67 .....	am. No. 93, 1966 rs. No. 129, 1989 am. No. 54, 1998; No. 44, 1999; No. 154, 2007; No. 25, 2008
S. 68 .....	am. No. 116, 1973; No. 44, 1999
S. 69 .....	am. No. 93, 1966; No. 84, 1967; No. 116, 1973; No. 156, 1977 (as am. by No. 78, 1978); No. 19, 1979; No. 105, 1987; No. 129, 1989; No. 193, 1992; No. 62, 1997; No. 44, 1999; No. 160, 2000; No. 154, 2007; No. 92, 2008
Note to s. 69(3) .....	ad. No. 92, 2008
S. 69AA .....	ad. No. 54, 1998
S. 69A .....	ad. No. 129, 1989 am. No. 193, 1992; No. 107, 1997; No. 54, 1998; No. 44, 1999
S. 69B .....	ad. No. 129, 1989 rep. No. 107, 1997
S. 69C .....	ad. No. 129, 1989 am. No. 44, 1999
Note to s. 69C .....	ad. No. 44, 1999
S. 69D .....	ad. No. 193, 1992 rs. No. 107, 1997 am. No. 54, 1998
S. 69E .....	ad. No. 54, 1998
S. 69F .....	ad. No. 54, 1998 am. No. 116, 2003
S. 70 .....	am. No. 116, 1973; No. 129, 1989 rep. No. 69, 1994
S. 70A .....	ad. No. 129, 1989 rs. No. 54, 1998; No. 116, 2003
Heading to s. 70B .....	am. No. 55, 2001
S. 70B .....	ad. No. 54, 1998 am. No. 55, 2001
Ss. 70C–70H .....	ad. No. 105, 2008
S. 71 .....	am. No. 93, 1966; No. 129, 1989; No. 107, 1997; No. 54, 1998; No. 44, 1999

## Table of Amendments

---

ad. = added or inserted    am. = amended    rep. = repealed    rs. = repealed and substituted	
Provision affected	How affected
<b>The Schedules</b>	
First Schedule .....	am. No. 216, 1973 (as am. by No. 20, 1974) rs. No. 129, 1989; No. 193, 1992 rep. No. 54, 1998
Second Schedule .....	am. Statutory Rules 1962 No. 92; No. 127, 1965; No. 93, 1966; No. 84, 1967; No. 116, 1973; No. 76, 1984 rep. No. 129, 1989
<b>Schedule 1</b>	
Heading to Third Schedule.....	rep. No. 54, 1998
Heading to Schedule 1 .....	ad. No. 54, 1998 rs. No. 44, 1999
Third Schedule .....	ad. No. 80, 1982
<b>Schedule 2</b>	
Schedule 2 .....	ad. No. 105, 2008
<b>Part 1</b>	
Cc. 1–5.....	ad. No. 105, 2008
<b>Part 2</b>	
Cc. 6–9.....	ad. No. 105, 2008

---

**Table A****Table A****Application, saving or transitional provisions**

*Financial Sector Reform (Amendments and Transitional Provisions) Act 1998*  
(No. 54, 1998)

**Schedule 19****1 Interpretation**

In this Part:

*amended Act* means the *Banking Act 1959* as in force immediately after the APRA commencement.

*APRA* means the Australian Prudential Regulation Authority.

*APRA commencement* means the commencement of the *Australian Prudential Regulation Authority Act 1998*.

*old Act* means the *Banking Act 1959* as in force immediately before the APRA commencement.

**2 Treatment of section 9 authorities**

- (1) This item applies to an authority that, immediately before the APRA commencement, was:
  - (a) in force under section 9 of the old Act; or
  - (b) deemed by subsection 9(1) of the old Act to be an authority under section 9 of that Act.
- (2) The authority is to be taken, after that commencement, to be an authority under subsection 9(3) of the amended Act.
- (3) Any conditions to which the authority was subject immediately before the APRA commencement are to be taken, after that commencement, to be conditions imposed under subsection 9(4) of the amended Act.

**Table A**

---

**3 Treatment of undetermined applications for section 9 authorities**

An application for an authority under section 9 of the old Act made, but not determined, before the APRA commencement is to be treated, after that commencement, as if it were an application for an authority under subsection 9(3) of the amended Act.

**4 Treatment of obligations to publish notices in relation to section 9 authorities**

An obligation under section 9 of the old Act to publish notice of a matter in relation to, or to the holder of, an authority, being an obligation that is undischarged as at the APRA commencement, becomes, on that commencement, an obligation that APRA is to discharge.

**5 Treatment of bodies covered by State and Territory Financial Institutions Codes**

- (1) Subject to subitem (2), APRA may, in writing, determine that a specified FIC body, or each body in a specified class of FIC bodies, is taken to be granted an authority under subsection 9(3) of the amended Act on a specified date.
- (2) APRA's power to make a determination under subitem (1) that covers a particular FIC body (whether individually or as a member of a class of bodies) is subject to the following qualifications:
  - (a) APRA must not make a determination covering the FIC body unless the Treasurer and the relevant State or Territory Minister have agreed that the body, or a class of bodies that includes the body, should be covered by the amended Act from a specified date; and
  - (b) the date specified in the determination as mentioned in subitem (1) must be the specified date referred to in paragraph (a).
- (3) The determination may specify conditions to which an authority that is taken to have been granted because of subitem (1) is subject.
- (4) The determination has effect accordingly.
- (5) The determination is a disallowable instrument for the purposes of section 46A of the *Acts Interpretation Act 1901*.



**Table A**

- (6) Subsection 9(7) of the amended Act does not apply to:
- (a) a grant of an authority that is taken to have occurred under subitem (1); or
  - (b) the imposition of conditions on an authority under subitem (3).

- (7) In this item:

***FIC body*** means a body that is a financial institution for the purposes of any of the Financial Institutions Codes.

***Financial Institutions Code*** means any of the following Codes of a State or Territory:

- (a) the Financial Institutions (NSW) Code of New South Wales;
- (b) the Financial Institutions (Victoria) Code of Victoria;
- (c) the Financial Institutions (Queensland) Code of Queensland;
- (d) the Financial Institutions (Western Australia) Code of Western Australia;
- (e) the Financial Institutions (South Australia) Code of South Australia;
- (f) the Financial Institutions (Tasmania) Code of Tasmania;
- (g) the Financial Institutions (ACT) Code of the Australian Capital Territory;
- (h) the Financial Institutions (NT) Code of the Northern Territory.

***relevant State or Territory Minister***, in relation to a body that is a financial institution under the Financial Institutions Code of a particular State or Territory, means the State or Territory Minister with responsibility for the administration of that Financial Institutions Code.

## **6 Treatment of exemptions under section 11**

- (1) An order in force immediately before the APRA commencement under section 11 of the old Act continues to have effect after that commencement as if it were an order under subsection 11(1) of the amended Act.
- (2) Any conditions to which the order was subject immediately before the APRA commencement are to be taken, after that commencement, to be conditions applying under subsection 11(2) of the amended Act.

---

**Table A**

---

**7 Treatment of subsection 11E(2) approvals**

An approval by the Governor of the Reserve Bank in force under subsection 11E(2) of the old Act immediately before the APRA commencement is to be taken, after that commencement, to be an approval by APRA under subsection 11E(2) of the amended Act.

**8 Treatment of matters under depositor protection provisions**

- (1) The following provisions apply in relation to matters under provisions of Division 2 of Part II of the old Act (including matters under those provisions as applying for the purpose of subsection 65(3) of the old Act):
- (a) an obligation to provide information to the Reserve Bank, or to inform the Reserve Bank of a matter, under a provision of the Division, being an obligation that is undischarged as at the APRA commencement, becomes, on the APRA commencement, an obligation to provide the information to APRA, or to inform APRA of the matter;
  - (b) an appointment of an investigator under a provision of the Division, being an appointment that is still in force immediately before the APRA commencement, has effect after that commencement as if it were an appointment by APRA under section 13 or 13A of the amended Act;
  - (c) if the Reserve Bank is, immediately before the APRA commencement, in control of an institution's business under a provision of the Division, the Reserve Bank is to transfer the control of the institution's business to APRA, and the provisions of Division 2 of Part II of the amended Act apply in relation to APRA being in control of the institution's business;
  - (d) proceedings under subsection 14(6) of the old Act that have not been completed by the APRA commencement lapse;
  - (e) an obligation on the Reserve Bank under a provision of the Division to publish notice of a matter, being an obligation that is undischarged as at the APRA commencement, becomes, on that commencement, an obligation that APRA is to discharge;
  - (f) an authorisation that is in force under subsection 16(2) of the old Act immediately before the APRA commencement has effect, after that commencement, as if it were an authorisation under subsection 13A(4) of the amended Act.

**Table A**

- 
- (2) The regulations may make provision dealing with how the transfer of control of an institution's business as mentioned in paragraph (1)(c) is to occur, or otherwise relating to such a transfer.
- (3) Section 15 of the old Act continues to have effect (despite its repeal) after the APRA commencement in relation to things done or omitted to be done before that commencement.

**9 Treatment of instruments under Division 3 of Part II**

An instrument in force immediately before the APRA commencement under a provision of Division 3 of Part II of the old Act, being a provision that is amended by this Act, continues to have effect after that commencement (as far as practicable and subject to later instruments) as if it covered ADIs in the same way as it covers banks.

**10 Reserve Bank to repay non-callable deposits on repeal of Division 3 of Part II**

On the repeal of Division 3 of Part II of the *Banking Act 1959*, the Reserve Bank is to repay to an ADI the amount then standing to the credit of the ADI's Non-callable Deposit Account. The repayment is to be made as soon as practicable after the repeal takes effect.

Note: Schedule 2 provides for the repeal of the Division. The repeal takes effect on a separate day to be Proclaimed (rather than on the APRA commencement).

**11 Treatment of regulations under Part V**

Regulations in force immediately before the APRA commencement under section 50 of the old Act continue to have effect after that commencement (as far as practicable and subject to later regulations) as if they covered ADIs in the same way as they cover banks.

**12 Treatment of regulations under Part VI**

Regulations in force immediately before the APRA commencement under section 51 of the old Act continue to have effect after that commencement (as far as practicable and subject to later regulations) as if they covered ADIs in the same way as they cover banks.

**13 Treatment of investigations under section 61**

An appointment of an investigator under section 61 of the old Act, being an appointment that is still in force immediately before the APRA commencement, has effect after that commencement as if it were an appointment by APRA under section 61 of the amended Act.

---

---

**Table A**

---

**14 Treatment of obligations under section 62**

An obligation to provide information to the Reserve Bank under section 62 of the old Act, being an obligation that is undischarged as at the APRA commencement, becomes, on the APRA commencement, an obligation to provide the information to APRA.

**15 Assumption of control of business under section 65**

- (1) An order in force in relation to an institution immediately before the APRA commencement under section 65 of the old Act continues to have effect after that commencement as if it authorised APRA to assume control of, and to carry on, the institution's business.
- (2) If the Reserve Bank is, immediately before the APRA commencement, in control of an institution's business under section 65 of the old Act, the Reserve Bank is to transfer the control of the institution's business to APRA, and the provisions of Subdivision B of Division 2 of the amended Act apply in relation to APRA being in control of the institution's business in accordance with subsection 65(3) of that Act.
- (3) The regulations may make provision dealing with how the transfer of control of an institution's business as mentioned in subitem (2) is to occur, or otherwise relating to such a transfer.

**16 Treatment of consents under section 66**

- (1) A consent in force immediately before the APRA commencement under section 66 of the old Act continues to have effect after that commencement as if it were a consent under section 66 of the amended Act.
- (2) Any conditions to which the consent was subject immediately before the APRA commencement are to be taken, after that commencement, to be conditions applying under section 66 of the amended Act.

**17 Continued use of words by banks**

- (1) This item applies to an institution that, immediately before the APRA commencement was a bank that was assuming or using a bank-related word in relation to a financial business (within the meaning of section 66 of the old Act).

**Table A**

- (2) The institution is taken, on the APRA commencement, to have been granted a consent under section 66 of the amended Act covering the assumption or use of the word.

**18 Treatment of consents under section 67**

- (1) A consent in force immediately before the APRA commencement under section 67 of the old Act continues to have effect after that commencement as if it were a consent under section 67 of the amended Act.
- (2) Any conditions to which the consent was subject immediately before the APRA commencement are to be taken, after that commencement, to be conditions applying under section 67 of the amended Act.

**19 Treatment of regulations under section 71**

Regulations in force immediately before the APRA commencement under section 71 of the old Act continue to have effect after that commencement (as far as practicable and subject to later regulations) as if:

- (a) they covered ADIs in the same way as they cover banks; and
- (b) references in them to the Reserve Bank were instead references to APRA.

---

*Financial Sector Reform (Amendments and Transitional Provisions) Act (No. 1) 1999* (No. 44, 1999)

**Schedule 8****7 Certain bodies taken to have authorities to carry on banking business**

- (1) This item applies to the following bodies:
- (a) all bodies that were FIC bodies immediately before the transfer date;
  - (b) The Cairns Cooperative Weekly Penny Savings Bank Limited (*CCWPSBL*), but only if a determination under subitem (2) is in force immediately before the transfer date.

Note: The Cairns Cooperative Weekly Penny Savings Bank Limited is a body incorporated under the *Financial Intermediaries Act 1996* of Queensland.

**Table A**

---

- (2) APRA may, in writing, determine that this item applies to CCWPSBL, but only if the Treasurer and the Queensland Minister responsible for the administration of the *Financial Intermediaries Act 1996* of Queensland have agreed that CCWPSBL should be covered by the *Banking Act 1959* from the transfer date.
- (3) On the transfer date, a body to which this item applies is taken to have been granted an authority under subsection 9(3) of the *Banking Act 1959*.
- (4) APRA may, in writing, determine conditions to which the authority is subject. The determination has effect accordingly.
- (5) The authority may be dealt with under the *Banking Act 1959* as if it had actually been granted under subsection 9(3) of that Act.
- (6) Conditions determined under subitem (4) may be dealt with under the *Banking Act 1959* as if they were imposed under subsection 9(4) of that Act.
- (7) Subsection 9(7) of the *Banking Act 1959* does not apply to:
  - (a) the grant of an authority that is taken to have occurred under subitem (3); or
  - (b) the imposition of conditions on that authority under subitem (4).
- (8) APRA must give the body written notice of the following:
  - (a) the fact that the body is taken, by subitem (3), to have been granted an authority under subsection 9(3) of the *Banking Act 1959*; and
  - (b) the determination under subitem (4) of conditions to which the authority is subject.
- (9) APRA may also give notice of a matter referred to in paragraph (8)(a) or (b) in such other way as APRA considers appropriate.

**8 Bodies taken to have consent for use of certain expressions**

- (1) A body that, immediately before the transfer date:
  - (a) was a society, services corporation or association as defined in section 3 of a Financial Institutions Code; and

**Table A**

- (b) was trading or carrying on business (within the meaning of section 144 of that Code) under a name or title of which words, abbreviations or symbols covered by paragraph 144(2)(a) of that Code formed part;

is taken, on the transfer date, to have been granted a consent under section 66 of the *Banking Act 1959* covering the body trading or carrying on business under that name or title. The consent may be dealt with under that Act as if it had actually been granted under section 66 of that Act.

- (2) An exemption in force under subsection 144(4) of a Financial Institutions Code immediately before the transfer date continues to have effect from that date, and may be dealt with, as if it were a consent under section 66 of the *Banking Act 1959*. Any conditions to which the exemption was subject immediately before the transfer date are to be taken, from that date, to be, and may be dealt with as if they were, conditions applying under section 66 of the *Banking Act 1959*.

**9 Unclaimed money**

- (1) This item applies to each body that is taken by subitem 7(3) to have been granted an authority under subsection 9(3) of the *Banking Act 1959*.
- (2) An amount of money in respect of which notification action has been taken before the transfer date by a body to which this item applies under an unclaimed money law is not unclaimed moneys for the purposes of section 69 of the *Banking Act 1959*.
- (3) For the avoidance of doubt, it is declared that, subject to subitem (2), an amount of money that, on the transfer date, satisfies the description of unclaimed moneys in section 69 of the *Banking Act 1959* is unclaimed moneys for the purposes of that section even though, for any reason, the amount was not, immediately before that date, unclaimed money, or unclaimed moneys, within the meaning of an unclaimed money law.
- (4) If, but for this item, a body to which this item applies would be required to deliver a Commonwealth unclaimed money statement on or before the 31 March next following the transfer date, then:
- (a) the body may, but is taken not to be required to, deliver a Commonwealth unclaimed money statement on or before that 31 March; and

**Table A**

---

- (b) if the body does not deliver a Commonwealth unclaimed money statement on or before that 31 March—the amounts that would have been included in that statement must (if they are still unclaimed money) be included in the next Commonwealth unclaimed money statement delivered by the body.
- (5) The Treasurer, or an authorized officer (within the meaning of section 69 of the *Banking Act 1959*), may, in relation to a specified body to which this item applies, determine in writing that subsection 69(5) of the *Banking Act 1959* has effect in relation to the first Commonwealth unclaimed money statement delivered by the body after the transfer date as if it required the amount shown in the statement to be paid to the Commonwealth:
  - (a) on a specified date or at the end of a specified period; or
  - (b) in accordance with a specified scheme for payment by instalments.

Note: A body may be specified by name, by inclusion in a specified class or in some other way.

- (6) A person must not, under subitem (5), make a determination that would result in an amount being required to be paid to the Commonwealth more than 5 years after the date on which the amount would otherwise have had to be paid to the Commonwealth.
- (7) A determination under subitem (5) has effect accordingly.
- (8) In this item:

***Commonwealth unclaimed money statement*** means a statement under subsection 69(3) of the *Banking Act 1959*.

***notification action*** means:

- (a) in relation to the unclaimed money law of Victoria, Queensland, South Australia, Tasmania, the Australian Capital Territory or the Northern Territory—enter, or enter particulars of, unclaimed money, or unclaimed moneys, (within the meaning of that law) in a register in accordance with that law; or
- (b) in relation to the unclaimed money law of New South Wales—lodge a return with the Chief Commissioner (within the meaning of that law) relating to unclaimed money (within the meaning of that law) in accordance with that law; or



**Table A**

- (c) in relation to the unclaimed money law of Western Australia—notify the Treasurer of particulars of unclaimed money (within the meaning of that law) in accordance with that law.

*unclaimed money law* means:

- (a) the *Unclaimed Money Act 1995* of New South Wales;
- (b) the **Unclaimed Moneys Act 1962** of Victoria;
- (c) Part 8 of the *Public Trustee Act 1978* of Queensland;
- (d) the *Unclaimed Money Act 1990* of Western Australia;
- (e) the *Unclaimed Moneys Act 1891* of South Australia;
- (f) the *Unclaimed Moneys Act 1918* of Tasmania;
- (g) the *Unclaimed Moneys Act 1950* of the Australian Capital Territory;
- (h) the *Companies (Unclaimed Assets and Moneys) Act* of the Northern Territory.

Note: For the transitional provisions relating to the operation of the *Financial Sector (Shareholdings) Act 1998*, see the amendment made by item 45 of Schedule 7 to this Act.

## **22 Regulations may deal with transitional, saving or application matters**

- (1) The regulations may deal with matters of a transitional, saving or application nature relating to:
- (a) the transition from the application of provisions of the replaced legislation to the application of provisions of the *Banking Act 1959*, the *Life Insurance Act 1995*, the *Financial Sector (Transfers of Business) Act 1999*, the *Financial Sector (Shareholdings) Act 1998* or the *Australian Prudential Regulation Authority Act 1998*; or
  - (b) the transition, for The Cairns Cooperative Weekly Penny Savings Bank Limited, from the application of provisions of the *Financial Intermediaries Act 1996* of Queensland to the application of provisions of any of the Acts referred to in paragraph (a); or
  - (c) the amendments and repeals made by the Schedules to this Act.

**Table A**

---

- (2) Without limiting subitem (1), the regulations may provide for a matter to be dealt with, wholly or partly, in any of the following ways:
- (a) by applying (with or without modifications) to the matter:
    - (i) provisions of a law of the Commonwealth, or of a State or Territory; or
    - (ii) provisions of a repealed or amended law of the Commonwealth, or of a State or Territory, in the form that those provisions took before the repeal or amendment; or
    - (iii) a combination of provisions referred to in subparagraphs (i) and (ii);
  - (b) by otherwise specifying rules for dealing with the matter;
  - (c) by specifying a particular consequence of the matter, or of an outcome of the matter, for the purposes of a law of the Commonwealth.
- (3) Without limiting subitems (1) and (2), the regulations may provide for the continued effect, for the purposes of a provision of a law of the Commonwealth, of a thing done or instrument made, or a class of things done or instruments made, before the transfer date under or for the purposes of a provision of a law of a State or Territory. In the case of an instrument or class of instruments, the regulations may provide for the instrument or instruments to continue to have effect subject to modifications.
- (4) Without limiting subitem (3), regulations providing for the continued effect of things done or instruments made may permit all or any of the following matters to be determined in writing by a specified person, or by a person included in a specified class of persons:
- (a) the identification of a thing done or instrument made, or a class of things done or instruments made, that is to continue to have effect;
  - (b) the purpose for which a thing done or instrument made, or a class of things done or instruments made, is to continue to have effect;
  - (c) any modifications subject to which an instrument made, or a class of instruments made, is to continue to have effect.

---

**Table A**

- (5) Despite subsection 48(2) of the *Acts Interpretation Act 1901*, regulations for the purposes of this item:
- (a) may be expressed to take effect from a date before the regulations are notified in the *Gazette*; and
  - (b) may provide for a determination of a kind referred to in subitem (4) to take effect from a date before the determination is made (including a date before the regulations are notified in the *Gazette*).
- (6) In this item, a reference to a **law**, whether of the Commonwealth or of a State or Territory, includes a reference to an instrument made under such a law.
- (7) In this item:
- replaced legislation** means:
- (a) the AFIC Codes; and
  - (b) the Financial Institutions Codes; and
  - (c) the Friendly Societies Codes; and
  - (d) the *Australian Financial Institutions Commission Act 1992* of Queensland, and any Act of another State or of a Territory that provides for the application, as a law of the State or Territory, of the Code set out in section 21 of the *Australian Financial Institutions Commission Act 1992* of Queensland; and
  - (e) the *Financial Institutions (Queensland) Act 1992* of Queensland, and any Act of another State or of a Territory that provides for the application, as a law of the State or Territory, of the Code set out in section 30 of the *Financial Institutions (Queensland) Act 1992* of Queensland; and
  - (f) the **Friendly Societies (Victoria) Act 1996** of Victoria, and any Act of another State or of a Territory that provides for the application, as a law of the State or Territory, of the Code set out in the Schedule to the **Friendly Societies (Victoria) Act 1996** of Victoria; and
  - (g) the *Friendly Societies (Western Australia) Act 1999*; and
  - (h) any other law of a State or Territory prescribed by the regulations for the purposes of this definition.
-

## Table A

---

### 23 Power to make regulations

The Governor-General may make regulations, not inconsistent with this Act, prescribing matters required or permitted by this Act to be prescribed.

---

*Financial Sector Reform (Amendments and Transitional Provisions) Act (No. 1) 2000* (No. 24, 2000)

## Schedule 12

### 1 Definitions

In this Part:

**Collection Act** means the *Financial Institutions Supervisory Levies Collection Act 1998*.

**deferred payment day** means the day that is 6 weeks after the day on which this Part commences.

**Imposition Act** means any of the following Acts:

- (a) the *Authorised Non-operating Holding Companies Supervisory Levy Imposition Act 1998*;
- (b) the *General Insurance Supervisory Levy Imposition Act 1998*;
- (c) the *Life Insurance Supervisory Levy Imposition Act 1998*;
- (d) the *Retirement Savings Account Providers Supervisory Levy Imposition Act 1998*;
- (e) the *Superannuation Supervisory Levy Imposition Act 1998*.

**levy paying entity** has the same meaning as in the Collection Act.

**Validation Act** means any of the following Acts:

- (a) the *Authorised Non-operating Holding Companies Supervisory Levy Determination Validation Act 2000*;
  - (b) the *General Insurance Supervisory Levy Determination Validation Act 2000*;
  - (c) the *Life Insurance Supervisory Levy Determination Validation Act 2000*;
  - (d) the *Retirement Savings Account Providers Supervisory Levy Determination Validation Act 2000*;
  - (e) the *Superannuation Supervisory Levy Determination Validation Act 2000*.
-

**Table A****2 Deferral of date for paying levy**

- (1) This item applies to a levy paying entity if, because of section 4 of a Validation Act:
- (a) the entity is liable to pay levy imposed by an Imposition Act; and
  - (b) the levy payable by the entity would, apart from this item, have been due and payable under section 9 of the Collection Act before the deferred payment day.
- (2) The levy payable by the entity is taken to be due and payable on the deferred payment day, despite section 9 of the Collection Act.
- Note: This provision affects the calculation of late payment penalty (if any) under section 10 of the Collection Act.

**3 No retrospective criminal liability**

Nothing in this Part or the Validation Acts is taken to make a person criminally liable in respect of acts or omissions of the person before the day on which this Part commences, if the person would not have been so liable had this Part and the Validation Acts not been enacted.

---

*Financial Sector Legislation Amendment Act (No. 1) 2000* (No. 160, 2000)

**Schedule 1****19 Application of new section 64**

Section 64 of the *Banking Act 1959* does not apply to a consent given before the commencement of that section.

---

*Financial Sector (Collection of Data—Consequential and Transitional Provisions) Act (No. 1) 2001* (No. 121, 2001)

**Schedule 2****18 Application**

- (1) The amendments made by this Part apply to a financial sector entity (within the meaning of the *Financial Sector (Collection of Data) Act 2001*) that is a body referred to in subitem (2) only on and after the day

## Table A

---

on which the reporting standards determined under section 13 of that Act begin to apply under section 15 of that Act to a class or kind of financial sector entities in which that body is included.

- (2) The bodies are:
  - (a) ADIs; and
  - (b) authorised NOHCs; and
  - (c) subsidiaries of ADIs; and
  - (d) subsidiaries of authorised NOHCs.
- (3) Expressions used in subitem (2) have the same meanings as in the *Banking Act 1959*.

## Schedule 3

### 1 Treatment of certain exemptions and determinations in connection with obligations of corporations to register

An exemption or determination by the Reserve Bank that was in force immediately before the commencement of this Schedule under paragraph 8(2)(l) of the *Financial Corporations Act 1974* continues to have effect as if it were an exemption or determination by APRA under paragraph 7(2)(j) of the *Financial Sector (Collection of Data) Act 2001*.

### 2 Former Register of Corporations

On the commencement of this Schedule, the Register of Corporations that, immediately before that commencement, was kept by the Reserve Bank under subsection 9(9) of the *Financial Corporations Act 1974* continues in existence as the Register of Entities kept by APRA under section 8 of the *Financial Sector (Collection of Data) Act 2001*.

### 3 Former list of registered corporations and categories

- (1) On the commencement of this Schedule:
  - (a) the list (the *former list*) of registered corporations, divided into categories, that, immediately before that commencement, was prepared by the Reserve Bank under section 10 of the *Financial Corporations Act 1974* continues in existence as a list (the *new list*) of the names of registered entities, divided into categories, kept by APRA under subsection 11(1) of the *Financial Sector (Collection of Data) Act 2001*; and

**Table A**

- (b) a reference in any instrument having effect under an Act to a corporation included in a particular category in the former list is taken to be a reference to that corporation in its capacity as a registered entity included in the corresponding category in the new list.
- (2) An obligation on the Reserve Bank to publish notice, or to notify a person, of a matter under section 10 of the *Financial Corporations Act 1974*, being an obligation that is undischarged as at the commencement of this Schedule, becomes, on that commencement, an obligation that APRA is to discharge in respect of the corresponding matter under section 11 of the *Financial Sector (Collection of Data) Act 2001*.
- (3) A determination by the Reserve Bank that was in force under a provision of section 10 of the *Financial Corporations Act 1974* immediately before the commencement of this Schedule continues to have effect, after that commencement, as if it were a determination by APRA under the corresponding provision of section 11 of the *Financial Sector (Collection of Data) Act 2001*.
- (4) A request to the Reserve Bank under subsection 10(7) of the *Financial Corporations Act 1974* that has not been dealt with by the commencement of this Schedule is, after that commencement, to be dealt with by APRA as if it were a request under subsection 11(7) of the *Financial Sector (Collection of Data) Act 2001*.

**4 Definitions**

In this Schedule:

**APRA** means the Australian Prudential Regulation Authority.

**Reserve Bank** means the Reserve Bank of Australia.

---

*Australian Prudential Regulation Authority Amendment Act 2003*  
(No. 42, 2003)

**Schedule 3****1 Definitions**

In this Schedule:

**amended Act** means the *Australian Prudential Regulation Authority Act 1998* as in force after the commencement of the amendments.

## Table A

---

*commencement of the amendments* means the commencement of the amendments made by Schedule 1.

*old Act* means the *Australian Prudential Regulation Authority Act 1998* as in force immediately before the commencement of the amendments.

### 2 APRA's corporate existence is continued

- (1) The body corporate that was, immediately before the commencement of the amendments, the Australian Prudential Regulation Authority (*APRA*) continues in existence after that commencement by force of this item under the corporate structure provided for by the amended Act.

Note: Rights, liabilities and obligations as between APRA and other people, and things done by or on behalf of APRA, or in relation to APRA, are therefore not affected by the restructure of APRA.

- (2) However, this does not imply that any person who, immediately before the commencement of the amendments, was a member of APRA's Board, or was APRA's Chief Executive Officer, continues to hold office after that commencement.

Note: These people cease to hold office on the commencement of the amendments because of the repeal of the provisions under which they were appointed.

### 3 Continued protection from liability

Section 58 of the old Act continues to apply in relation to conduct, before the commencement of the amendments, of APRA's Board, a member of APRA's Board or an agent of a member of APRA's Board.

Note: The reference to a member of APRA's Board covers APRA's Chief Executive Officer.

### 4 Continued effect of certain delegations

- (1) A delegation in force, immediately before the commencement of the amendments, under subsection 15(1) or (2) of the old Act continues to have effect after that commencement as if it were a delegation under APRA's seal under that subsection of the amended Act. If the delegation was to one or more members of APRA's Board, it continues to have effect as if it were a delegation to any APRA member.
- (2) A direction in force, immediately before the commencement of the amendments, under subsection 15(3) of the old Act continues to have effect after that commencement, in relation to a delegation to which



---

**Table A**

subitem (1) applies, as if it were a direction given by APRA under that subsection of the amended Act.

- (3) A delegation to one or more members of APRA's Board in force, immediately before the commencement of the amendments, under a provision amended by Schedule 2 continues to have effect after that commencement as if it were a delegation under the amended provision to any APRA member.

Note: Delegations in favour of APRA, or APRA staff members, are not affected by the Schedule 2 amendments.

### **5 Continued effect of determinations of terms and conditions for staff and consultants**

A determination of terms and conditions in force, immediately before the commencement of the amendments, under subsection 45(2) or 47(2) of the old Act continues to have effect after that commencement as if it were a determination by APRA under that subsection of the amended Act.

### **6 Continued effect of approvals under paragraph 56(5)(b)**

An approval in force, immediately before the commencement of the amendments, under paragraph 56(5)(b) of the old Act continues to have effect after that commencement as if it were an approval by APRA under that paragraph of the amended Act.

### **7 Continued or extended effect of certain regulations**

- (1) Regulations in force, immediately before the commencement of the amendments, under paragraph (k) of the definition of *Act covered by this section* in subsection 56(1) of the old Act continue to have effect after that commencement as if they were made under paragraph (o) of the definition of *prudential regulation framework law* in subsection 3(1) of the amended Act, but only as that paragraph applies for the purposes of section 56 of the amended Act.
- (2) Regulations in force, immediately before the commencement of the amendments, under paragraph 56(5)(a) of the old Act have effect after that commencement (in addition to the effect they continue to have for that paragraph of the amended Act) as if they were also made under subsection 10A(1) of the amended Act.

## Table A

---

### 8 Delegations by ASIC to APRA staff members

- (1) Subsection 102(2A) of the *Australian Securities and Investments Commission Act 2001* has effect after the commencement of the amendments as if the reference in that subsection to the Chief Executive Officer of APRA were instead a reference to APRA.
- (2) For the purposes of that subsection as it continues to have effect, an agreement to a delegation, in force under that subsection immediately before the commencement of the amendments, continues to have effect after that commencement as if it were given by APRA.

---

*Financial Sector Legislation Amendment (Simplifying Regulation and Review) Act 2007* (No. 154, 2007)

### Schedule 1

#### 291 Saving provision for section 11 orders (Banking Act)

- (1) This item applies to an order that was in force under section 11 of the *Banking Act 1959* immediately before that section was amended by this Act.
- (2) To the extent that it relates to a provision of the *Banking Act 1959* referred to in section 11 as amended by this Act, the order:
  - (a) continues in force after the commencement of the amendments, as if it were a determination made under section 11 as amended; and
  - (b) may be varied or revoked by APRA under section 11 as amended.
- (3) An order or part of an order to which subitem (2) does not apply ceases to have effect at the time the amendments of section 11 made by this Act commence.

#### 296 Regulations may prescribe matters

The Governor-General may make regulations prescribing matters of a transitional nature (including prescribing any saving or application provisions) in relation to the amendments or repeals made by this Schedule.

**Table A****Schedule 4****9 Saving provision**

Instruments in force under subsection 66(5) of the *Banking Act 1959* immediately before the commencement of item 8 continue in force, on and after that commencement, according to their terms and subject to the *Legislative Instruments Act 2003*, as if they had been made under that provision of the *Banking Act 1959* as amended by this Act.

---

*Financial Sector Legislation Amendment (Review of Prudential Decisions) Act 2008* (No. 25, 2008)

**Schedule 1****9 Application and transitional provisions***Disqualifications*

- (1) For the purposes of the *Banking Act 1959*, a disqualification by APRA that is in force under section 21 of that Act immediately before this item commences continues in force after this item commences.
- (2) For the purposes of the *Banking Act 1959*, a reference in column 1 of the table in the provision of the *Banking Act 1959* (as in force immediately after this item commences) referred to in column 2 is taken to include the reference in column 3.

---

**New references to court orders to include references to disqualifications by APRA**

---

<b>Item</b>	<b>Column 1 Reference</b>	<b>Column 2 Provision of the Banking Act</b>	<b>Column 3 Reference taken to be included</b>
1	a person who was disqualified under section 21	section 19 and paragraph 22(1)(a)	a person who was disqualified under section 21 under a disqualification that is continued in force under subitem (1)

---

**Table A**

<b>New references to court orders to include references to disqualifications by APRA</b>			
<b>Item</b>	<b>Column 1 Reference</b>	<b>Column 2 Provision of the Banking Act</b>	<b>Column 3 Reference taken to be included</b>
2	a person disqualified under section 21 by the Federal Court of Australia	paragraph 20(1)(f)	a person disqualified under section 21 by APRA under a disqualification that is continued in force under subitem (1)
3	an order made under section 21	paragraph 22(1)(a) and subsection 22(2)	a disqualification made under section 21 that is continued in force under subitem (1)

- (3) Section 21 of the *Banking Act 1959* (as in force immediately after this item commences) applies in relation to any conduct engaged in by a person, whether before or after this item commences.

*Waivers of disqualifications*

- (4) If:
- (a) a person applies to APRA for a determination under section 22 of the *Banking Act 1959* that the person is not a disqualified person; and
  - (b) APRA has not made a decision on the application at the time this item commences;

the application is taken to be withdrawn at that time.

Note: See subitem (7) for the treatment of a decision by APRA under section 22 of the *Banking Act 1959* in respect of which review proceedings are on foot at commencement.

- (5) A determination under section 22 of the *Banking Act 1959* that is in force immediately before this item commences continues in force after that time. However, APRA may not revoke the determination.
- (6) If:
- (a) a determination in relation to a person continues in force under subitem (5); and

**Table A**

- (b) after this item commences, an order is made under section 21 of the *Banking Act 1959* (as in force at that time) that the person is disqualified from being or acting as a person referred to in subsection 21(2) of that Act;

the determination ceases to be in force.

*Review proceedings on foot at commencement*

- (7) The amendments to the *Banking Act 1959* made by this Schedule do not affect:
- (a) any request, in relation to a decision made under section 21 or 22 of that Act, for a review that is pending under section 51B of that Act immediately before the commencement of this item; or
  - (b) any proceeding, in relation to a decision under section 21 or 22 of that Act that has been confirmed or varied under subsection 51B(3) of that Act, that is pending before the Administrative Appeals Tribunal immediately before the commencement of this item; or
  - (c) any appeal to a court in relation to a proceeding referred to in paragraph (b).
- (8) If a disqualification by APRA under section 21, or a determination under section 22, of the *Banking Act 1959* is confirmed or varied as a result of a request, proceeding or appeal referred to in subitem (7), the disqualification or determination is, for the purposes of subitem (1) or (5) (as the case requires), taken to have been in force immediately before this item commences.

**Schedule 2****6 Application**

- (1) The amendments made by items 1 to 3 and 5 of this Schedule apply to any direction given after this item commences.
- (2) The amendment made by item 4 of this Schedule applies to any direction, whether given before or after this item commences.

## Table A

---

### Schedule 4

#### 43 Application

The amendments made by this Schedule apply to decisions made on or after the day on which this Schedule commences.

---

*Financial System Legislation Amendment (Financial Claims Scheme and Other Measures) Act 2008* (No. 105, 2008)

### Schedule 1

#### 61 Application—declaration of ADIs and general insurers

Subsection 16AD(1) of the *Banking Act 1959* permits the Minister to make a declaration on or after the commencement of the subsection if the condition in the subsection for making the declaration is met at any time before or on the making of the declaration (whether that time is before, on or after the commencement of the subsection).

#### 62 Transitional—Product Disclosure Statements

Despite Chapter 7 of the *Corporations Act 2001*, a Product Disclosure Statement (as defined in that Chapter) given within 18 months after the commencement of this Schedule need not contain information relating to Division 2AA of Part II of the *Banking Act 1959* or Part VC of the *Insurance Act 1973*.

### Schedule 2

#### 6 Application

The amendments of section 11CD of the *Banking Act 1959* made by this Schedule apply to contracts made after the commencement of this Schedule.

#### 10 Application

Section 13BA of the *Banking Act 1959* applies in relation to decisions made on or after the commencement of that section that an ADI statutory manager will take control of an ADI's business.

---

**Table A**

**13 Application**

- (1) Subsections 14(5A) and (5B), and section 14AA, of the *Banking Act 1959* apply to an ADI statutory manager that takes control of an ADI's business before, on or after the commencement of this Schedule.
- (2) Section 14AC of that Act applies to contracts made after the commencement of this Schedule.

**15 Application**

Section 14DAA of the *Banking Act 1959* applies to an administrator of an ADI's business appointed on or after the commencement of that section.

**19 Application**

Section 15C of the *Banking Act 1959* (as amended by this Schedule) applies to contracts made after the commencement of this Schedule.

**21 Application**

Section 16AA of the *Banking Act 1959* applies to acquisitions occurring on or after the commencement of that section.