

2008

The Parliament of the  
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

*Presented and read a first time*

**Financial Claims Scheme (ADIs) Levy  
Bill 2008**

**No.     , 2008**

*(Treasury)*

**A Bill for an Act to provide for the imposition of a  
levy on liabilities of authorised deposit-taking  
institutions to their depositors**



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## Contents

1	Short title.....	1
2	Commencement.....	1
3	Definitions.....	2
4	Regulations may impose levies .....	3
5	Amount of levy.....	3
6	Regulations.....	4



1     **A Bill for an Act to provide for the imposition of a**  
2     **levy on liabilities of authorised deposit-taking**  
3     **institutions to their depositors**

4     The Parliament of Australia enacts:

5     **1 Short title**

6                     This Act may be cited as the *Financial Claims Scheme (ADIs) Levy*  
7                     *Act 2008*.

8     **2 Commencement**

9                     (1) Each provision of this Act specified in column 1 of the table  
10                     commences, or is taken to have commenced, in accordance with

## Section 3

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1 column 2 of the table. Any other statement in column 2 has effect  
2 according to its terms.

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<b>Commencement information</b>		
<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provision(s)</b>	<b>Commencement</b>	<b>Date/Details</b>
1. Sections 1 and 2 and anything in this Act not elsewhere covered by this table	The day on which this Act receives the Royal Assent.	
2. Sections 3 to 6	The later of: (a) the start of the day on which this Act receives the Royal Assent; and (b) the commencement of Schedule 1 to the <i>Financial System Legislation Amendment (Financial Claims Scheme and Other Measures) Act 2008</i> .  However, the provision(s) do not commence at all if the event mentioned in paragraph (b) does not occur.	

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4 Note: This table relates only to the provisions of this Act as originally  
5 passed by both Houses of the Parliament and assented to. It will not be  
6 expanded to deal with provisions inserted in this Act after assent.

7 (2) Column 3 of the table contains additional information that is not  
8 part of this Act. Information in this column may be added to or  
9 edited in any published version of this Act.

## 10 3 Definitions

11 In this Act:

12 *ADI* has the same meaning as in the *Banking Act 1959*.

13 *APRA* has the same meaning as in the *Banking Act 1959*.

14 *APRA's financial claims scheme costs* for an ADI in relation to  
15 which Subdivision C of Division 2AA of Part II of the *Banking Act*  
16 *1959* applies or applied means the sum of:

- 1 (a) entitlements under that Subdivision relating to the ADI; and  
2 (b) the costs of the following:  
3 (i) the administration of that Division in relation to the  
4 ADI;  
5 (ii) the exercise of APRA's powers under that Division in  
6 relation to the ADI;  
7 (iii) the performance of APRA's functions under that  
8 Division in relation to the ADI; and  
9 (c) the costs of any borrowing under section 54E of the  
10 *Australian Prudential Regulation Authority Act 1998*  
11 connected with the application of that Subdivision in relation  
12 to the ADI.

13 *levy* means levy imposed under this Act.

#### 14 **4 Regulations may impose levies**

- 15 (1) In connection with the application of Subdivision C of  
16 Division 2AA of Part II of the *Banking Act 1959* in relation to an  
17 ADI, the regulations may impose levy on the liabilities that:  
18 (a) are liabilities of ADIs in a class prescribed by the regulations  
19 to their depositors; and  
20 (b) exist at the end of a financial year or other 12-month  
21 accounting period used instead of a financial year.  
22 (2) The regulations must prescribe the class for the purposes of  
23 paragraph (1)(a) so as to exclude all ADIs in relation to which that  
24 Subdivision applies.

#### 25 **5 Amount of levy**

- 26 (1) The amount of levy is the amount worked out in accordance with  
27 the regulations.  
28 (2) However, the amount of levy on an ADI's liabilities to its  
29 depositors cannot be more than 0.5% of the amount, worked out in  
30 accordance with the regulations, of those liabilities.  
31 (3) The regulations may prescribe:

## Section 6

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- 1 (a) different ways of working out for the purposes of  
2 subsection (1) the amount of levy on liabilities of ADIs in  
3 different classes prescribed by the regulations; and  
4 (b) different ways of working out for the purposes of  
5 subsection (2) the amounts of liabilities of ADIs in different  
6 classes prescribed by the regulations.

### 7 **6 Regulations**

- 8 (1) The Governor-General may make regulations prescribing matters  
9 required or permitted by this Act to be prescribed.
- 10 (2) Before the Governor-General makes a regulation affecting the  
11 imposition or amount of a levy connected with the application of  
12 Subdivision C of Division 2AA of Part II of the *Banking Act 1959*  
13 in relation to an ADI, the Minister must be satisfied the regulation  
14 will help achieve the objective in subsection (3) of this section.
- 15 (3) The objective is that the total amount of levy connected with the  
16 application of that Subdivision in relation to the ADI equal the  
17 excess of APRA's financial claims scheme costs for the ADI over  
18 the sum of amounts paid to APRA by the ADI in connection with  
19 that Division or in the winding up of the ADI.