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The Parliament of the
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

Presented and read a first time

**Export Finance and Insurance
Corporation Amendment (Equity
Investments and Other Measures) Bill
2021**

No. , 2021

(Foreign Affairs and Trade)

**A Bill for an Act to amend the *Export Finance and
Insurance Corporation Act 1991*, and for related
purposes**

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A Bill for an Act to amend the *Export Finance and Insurance Corporation Act 1991*, and for related purposes

The Parliament of Australia enacts:

1 Short title

This Act is the *Export Finance and Insurance Corporation Amendment (Equity Investments and Other Measures) Act 2021*.

2 Commencement

- (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 | | |
|---------------------------------|---|---------------------|
| Column 1 | Column 2 | Column 3 |
| Provisions | Commencement | Date/Details |
| 1. The whole of this Act | The day this Act receives the Royal Assent. | |

Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

- (2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

3 Schedules

Legislation that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Schedule 1—Equity investments

Export Finance and Insurance Corporation Act 1991

1 Subsection 3(1) (note to the definition of overseas infrastructure financing)

Omit “or providing a financial accommodation”, substitute “providing a financial accommodation or making an equity investment”.

2 Subsection 3(2)

Omit “or to the provision of a financial accommodation”, substitute “the provision of a financial accommodation or the making of equity investments”.

3 At the end of subsection 7(3)

Add:

Note: The provision of loans includes providing finance, providing a financial accommodation or making an equity investment, in any form: see subsection 3(2).

4 Paragraph 16(1)(a)

After “has lent, or proposes to lend,”, insert “other than in the form of an equity investment,”.

5 Subsection 17(1)

After “has lent, or proposes to lend,”, insert “other than in the form of an equity investment,”.

6 Paragraph 18(a)

After “has lent, or proposes to lend,”, insert “other than in the form of an equity investment,”.

7 Paragraph 18(b)

After “has also lent, or proposes to lend,”, insert “other than in the form of an equity investment,”.

8 Subsection 23(1) (note)

Omit “or to provide a financial accommodation”, substitute “to provide a financial accommodation or to make an equity investment”.

9 Subsection 23(3)

After “must not lend money”, insert “(other than in the form of an equity investment)”.

10 At the end of section 23

Add:

- (5) In addition, EFIC must not lend money in the form of an equity investment under this section unless an application for the loan has been referred to the Minister under section 25.

Note: A direction under section 26 may prevent such applications from being referred to the Minister. EFIC cannot lend money under this section in those circumstances.

11 Subsection 23A(1) (note)

Omit “or to provide a financial accommodation”, substitute “to provide a financial accommodation or to make an equity investment”.

12 At the end of section 23A

Add:

- (4) In addition, EFIC must not lend money in the form of an equity investment under this section unless the application for the loan has been referred to the Minister under section 25.

Note: A direction under section 26 may prevent such applications from being referred to the Minister. EFIC cannot lend money under this section in those circumstances.

13 At the end of subsection 27(4)

Add:

Note: The provision of loans includes providing finance, providing a financial accommodation or making an equity investment, in any form: see subsection 3(2).

14 At the end of subsection 27(4A)

Add:

Note: The provision of loans includes providing finance, providing a financial accommodation or making an equity investment, in any form: see subsection 3(2).

15 Paragraph 28(c)

After “the rate of interest to be charged”, insert “(if applicable)”.

16 Paragraph 29(5)(c)

After “the rate of interest to be charged”, insert “(if applicable)”.

17 Paragraph 30(2)(c)

After “the rate of interest to be charged”, insert “(if applicable)”.

18 At the end of subsection 56(1)

Add:

; and (c) to make adequate provision for losses in relation to loans made in the form of equity investments made by EFIC.

19 Paragraph 56(2)(b)

After “in relation to a loan made by EFIC,”, insert “or a likely loss of a kind referred to in paragraph (1)(c) to a loan made by EFIC in the form of an equity investment,”.

20 Paragraph 66(6)(b)

After “in respect of which default”, insert “or loss”.

21 After subsection 66(10)

Insert:

(10A) For the purpose of subsection (10), the expenses of EFIC in relation to a loan made in the form of an equity investment include expenses incurred by EFIC in relation to the acquisition, management or sale of its equity interest.

22 Application of amendments

The amendments of sections 23 and 23A of the *Export Finance and Insurance Corporation Act 1991* made by this Schedule apply in relation to money lent after the commencement of this item.

Schedule 2—Guarantees for overseas infrastructure development

Export Finance and Insurance Corporation Act 1991

1 Section 18A

Repeal the section, substitute:

18A Guarantees in relation to overseas infrastructure development

If a person (in this section called *the lender*) has lent, or proposes to lend (other than in the form of an equity investment) money to a person for the purpose of supporting overseas infrastructure development, EFIC may guarantee to the lender:

- (a) the repayment of the whole, or any part, of the money lent, or to be lent; and
- (b) the payment of the whole or a part of any interest or other charges that may become payable to the lender in respect of the money lent, or to be lent.