EXPLANATORY STATEMENT

Issued by the Export Finance and Insurance Corporation

Export Finance and Insurance Corporation Act 1991


The Declaration is a legislative instrument for the purposes of the Legislation Act 2003, and is subject to disallowance and sunsetting under sections 42 and 50 of that Act respectively. It replaces the Export Finance and Insurance Corporation Act 1991 - Declaration of Approved Causes of Loss, dated 3 September 2004.

Subsection 21(1) of the Export Finance and Insurance Corporation Act 1991 (the Act) provides that ‘EFIC may declare a specified cause of loss to be an approved cause of loss for the purposes of [Part 4 of the Act]’. A person who applies to Efic to enter into a contract of insurance insuring the person against risk of direct or indirect monetary loss under section 22 of the Act is required to specify an approved cause of loss in the application.

Objectives of the instrument


Consultation

The Export Finance and Insurance Corporation (Efic) did not undertake any public consultation in relation to the instrument, given that the instrument declares the cause of loss as required for the purposes of allowing a cause of loss to be specified in an application for persons applying to Efic for a contract of insurance under section 22 of the Act. In addition the instrument is a mechanical in nature and does not alter existing arrangements.

Regulatory impact assessment

The Office of Best Practice Regulation advised that a Regulation Impact Statement was not required for this instrument (OBPR ID 24869).

Statement of compatibility with human rights

The instrument is compatible with the human rights and freedoms recognised or declared under section 3 of the Human Rights (Parliamentary Scrutiny) Act 2011. A full statement of compatibility is set out in Attachment A.
Declaration

The details of this Declaration are set out below:

Clause 1 provides that the instrument may be cited as the *Export Finance and Insurance Corporation Act 1991 (Approved Causes of Loss) Declaration 2019*.

Clause 2 provides that the instrument commences on the day after registration on the Federal Register of Legislation.

Clause 3 provides that the instrument is made under section 21(1) of the Act.

Clause 4 provides authority for the application of Schedule 1 to the instrument.

Clause 5 prescribes relevant definitions for the instrument.

Clause 6 declares the approved causes of loss for the purposes of Part 4 of the Act.

Schedule 1 repeals the *Export Finance and Insurance Corporation Act 1991 - Declaration of Approved Causes of Loss*. 

Authorised Version Explanatory Statement registered 13/03/2019 to F2019L00287
Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011


This instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the Human Rights (Parliamentary Scrutiny) Act 2011.

Overview of the Legislative Instrument

This instrument declares approved causes of loss for the purposes of Part 4 of the Export Finance and Insurance Corporation Act 1991.

Human rights implications

This instrument does not engage any of the applicable rights or freedoms.

Conclusion

This instrument is compatible with human rights as it does not raise any human rights issues.