

EXPLANATORY STATEMENT

Select Legislative Instrument 2011 No. 39

Subject - *National Consumer Credit Protection Act 2009*

National Consumer Credit Protection Amendment Regulations 2011 (No. 1)

The *National Consumer Credit Protection Act 2009* (Credit Act) applies to the provision of credit for personal use, and to related matters, including the establishment of a licensing regime for persons engaging in credit activities.

Section 329 of the Credit Act provides that the Governor-General may make regulations prescribing matters required or permitted by the Credit Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Credit Act.

The Regulations amend the *National Consumer Credit Protection Regulations 2010* (Credit Regulations) to extend the transitional period prior to commencement of the substantive provisions covering disclosure obligations of persons engaging in credit activities.

The disclosure provisions are intended to address concerns raised by stakeholders and ASIC and identified by the Department of the Treasury following circulation of an exposure draft of the Credit Regulations.

Specifically, the Regulations modify the transitional arrangements to extend their application date from 1 April 2011 until 1 August 2011.

The Credit Act does not specify any conditions that need to be satisfied before the power to make the Regulations may be exercised.

The Regulations are a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

The Regulations will commence on the day after they are registered on the Federal Register of Legislative Instruments.

The Minute recommends that Regulations be made in the form proposed.

Consultation

These amendments address concerns raised by stakeholders following circulation of the exposure draft of the Credit Regulations.

Authority: Section 329 of the
*National Consumer Credit
Protection Act 2009*