

EXPLANATORY STATEMENT

Select Legislative Instrument 2011 No. 108

Issued by authority of the Assistant Treasurer and Minister for Financial Services and Superannuation

A New Tax System (Goods and Services Tax) Act 1999

A New Tax System (Goods and Services Tax) Amendment Regulations 2011 (No. 1)

Section 177-15 of the *A New Tax System (Goods and Services Tax) Act 1999* (the Act) provides that the Governor-General may make regulations prescribing matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

The purpose of the amending Regulations is to amend the *A New Tax System (Goods and Services Tax) Regulations 1999* (the Principal Regulations) to update references to the Corporations Law by replacing them with references to equivalent provisions in the *Corporations Act 2001* (the Corporations Act).

In 2001, the Corporations Act was passed, repealing the Corporations Law. A number of consequential amendments were made to legislation, including the GST Act where references to the Corporations Law were amended to refer to the Corporations Act.

However, the Principal Regulations were not amended and still contain references to the Corporations Law. These include the definitions of 'Australian ADI', 'externally-administered body corporate' and 'securities'. Sub-regulation 40-5.09(3) also makes reference to the definitions of 'debenture' and 'managed investment scheme' in the Corporations Law.

The amending Regulations amended item 10 of sub-regulation 40-5.09(3) and the Dictionary to the Principal Regulations by replacing all references to the Corporations Law with references to the equivalent provisions in the Corporations Act.

The Regulations commenced on the day after they were registered on the Federal Register of Legislative Instruments.

A preliminary assessment of the compliance costs of the amending Regulations found the expected compliance costs for taxpayers to be low. Accordingly, a Regulation Impact Statement was not required and has not been prepared.

Although no formal public consultation was undertaken, the issue was raised by a member of the public on the Tax Issues Entry System (TIES) website, an online mechanism through which members of the public can raise issues relating to the care and maintenance of the tax and superannuation systems. No specific consultation was undertaken on these Regulations as the change is a minor technical amendment to provide clarity and for the avoidance of doubt. It will not impact on the operation of the GST law.