

EXPLANATORY STATEMENT

Authorised Deposit-taking Institutions Supervisory Levy Imposition Determination 2011

This determination relates to a levy imposed by the *Authorised Deposit-Taking Institutions Supervisory Levy Imposition Act 1998* on authorised deposit-taking institutions (ADIs).

This determination commences on the day after it is registered and relates to the 2011-12 financial year. The *Authorised Deposit-Taking Institutions Supervisory Levy Imposition Determination 2010* is revoked on 1 July 2011. Consistent with section 50 of the *Acts Interpretation Act 1901*, any obligation or liability incurred in previous financial years remains valid.

Subsection 7(3) of the *Authorised Deposit-taking Institutions Supervisory Levy Imposition Act 1998* allows the Minister to determine:

- (a) the maximum restricted levy amount for each financial year;
- (b) the minimum restricted levy amount for each financial year;
- (c) the restricted levy percentage for each financial year;
- (ca) the unrestricted levy percentage for each financial year; and
- (d) how an authorised deposit-taking institution's asset value is to be calculated.

For foreign authorised deposit-taking institutions this determination provides that the restricted component of the 2011-12 levy will be calculated at 0.00198 per cent of assets held by the entity, subject to a minimum of \$470 and a maximum of \$850,000. The unrestricted component of the 2011-12 levy will be calculated at 0.000573 per cent of assets held by the entity.

For Specialist Credit Card Institutions and Providers of Purchased Payment Facilities this determination provides that the restricted component of the 2011-12 levy will be calculated at 0.00198 per cent of assets held by the entity, subject to a minimum of \$10,000 and a maximum of \$850,000. The unrestricted component of the 2011-12 levy will be calculated at 0.000573 per cent of assets held by the entity.

For all other authorised deposit-taking institutions, this determination provides that the restricted component of the 2011-12 levy will be calculated at 0.00396 per cent of assets held by the entity, subject to a minimum of \$470 and a maximum of \$1,700,000. The unrestricted component of the 2011-12 levy will be calculated at 0.000573 per cent of assets held by the entity.

The finance sector has been consulted on the 2011-12 supervisory levies through a Treasury and Australian Prudential Regulation Authority Discussion Paper released on 18 May 2011.

This determination is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.