

Attachment to CP 283: Draft instrument



ASIC

Australian Securities & Investments Commission

ASIC Corporations (Credit Union Member Shares) Instrument 2017/XX

I, <insert name>, delegate of the Australian Securities and Investments Commission, make the following legislative instrument.

Date 2017

[DRAFT ONLY—NOT FOR SIGNATURE]

<signature>

<insert name>

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Part 1—Preliminary

1 Name of legislative instrument

This is the *ASIC Corporations (Credit Union Member Shares) Instrument 2017/XX*.

2 Commencement

This instrument commences on the day after it is registered on the Federal Register of Legislation.

Note: The register may be accessed at www.legislation.gov.au.

3 Authority

This instrument is made under paragraphs 926A(2)(a), 951B(1)(a) and 1020F(1)(a) of the *Corporations Act 2001*.

4 Definitions

In this instrument:

Act means the *Corporations Act 2001*.

Eligible Company means a company that:

- (a) is registered under clause 3 of Schedule 4 to the Act; and
- (b) on 1 July 1999 was permitted to use the expression ‘credit union’, ‘credit society’, or ‘credit co-operative’ under section 66 of the *Banking Act 1959*.

member share has the meaning given in reg 12.8.03 of the Regulations.

Regulations mean the *Corporations Regulations 2001*.

Part 2—Exemptions

5 Exemptions from the requirement to hold an Australian financial services licence and financial services disclosure requirements

Services covered by exemption

- (1) An Eligible Company does not have to comply with subsection 911A(1) of the Act to the extent it requires the Eligible Company to hold an Australian financial services licence for the provision of financial product advice to a member or prospective member of the Eligible Company in relation to the issue of member shares.
- (2) An Eligible Company providing financial services by providing financial product advice to a member or prospective member of the Eligible Company in relation to the issue of member shares does not have to comply with Divisions 2, 3 and 4 of Part 7.7 of the Act in relation to those services.

Where exemptions apply

- (3) The exemptions in subsections (1) and (2) apply where the aggregate amount paid or to be paid by the member or prospective member for:
 - (a) all member shares then held by the member; and
 - (b) all member shares proposed for issue to the member or prospective member,does not exceed \$50.

6 Requirement to confirm member share transactions

Exemption

- (1) An Eligible Company does not have to comply with section 1017F of the Act in relation to the confirmation of a transaction that is:
 - (a) an issue of member shares; or
 - (b) the redemption of member shares.

Condition

- (2) The Eligible Company must include in each periodic statement it gives under section 1017D of the Act to a holder of member shares:
 - (a) the number of shares held by the holder; or
 - (b) the amount paid by the holder for the member shares.

Note: Section 1017D relevantly requires an Eligible Company to give periodic statements to holders of deposit products issued by the Company.