

CORPORATIONS LAW REFORM BILL (NO 2)

INTRODUCTION

This book contains the full text of the Corporate Law Reform Bill (No 2) 1992 and the Explanatory Memorandum accompanying that Bill.

The complete text of the Bill appears first, followed by the full Explanatory Memorandum.

The Bill was introduced into Federal Parliament on 26 November 1992. Details of its progress through Parliament will be notified through CCH Australian Corporations & Securities Law Reporter.

The book has been supplied, at no additional charge, to subscribers to CCH Australian Corporations & Securities Law Reporter as part of their subscriptions to this service. It is not for separate sale.

CCH Corporations Law Editors

December 1992

ABOUT CCH AUSTRALIA LIMITED

The Information Professionals

The CCH group, with world-wide activities in North America, Australia, New Zealand, Asia and Europe, is almost certainly the world's largest legal publisher.

CCH Australia Limited, while a wholly owned subsidiary of Commerce Clearing House, Inc of Chicago, Illinois, USA, enjoys an independence of operation not common in such international corporate relationships.

CCH Australia Limited commenced in Australia in 1969, and in 1973 established a branch in New Zealand which now operates as CCH New Zealand Limited. In that time it has published an extensive local line of highly efficient loose-leaf subscription services and bound

books covering a wide range of topic areas essential to accountants, lawyers, business people and employee organisations. It also markets the publications of its CCH affiliates from the USA, Canada, Europe and Asia.

The essence of all CCH publications is accuracy, authority, practicality and an ease of reference achieved by the presentation of information in a highly readable form and by the use of excellent indexes and other locators. CCH is pre-eminent in the field of loose-leaf publishing, providing not only an in-depth analysis of the topic in question but an unmatched dedication to keeping you promptly informed of new developments and helping you understand them.

While CCH is probably best known for its publications in taxation, business law and other areas such as family law, it has expanded activities beyond its traditional sphere to become true information professionals. CCH Australia Limited entered the field of electronic publishing in 1984 with its first legal data base. In the education area CCH Australia Limited provides material for students of legal studies, commerce and the various social sciences.

In the areas of company and securities law, CCH publishes a comprehensive range of loose-leaf services. Titles relevant to this publication are Australian Corporations & Securities Law Reporter, Australian Corporations and Securities Legislation, Australian Company Secretary's Practice Manual and Australian Company Law Cases. Supporting these reporters is a wide range of publications, including the loose-leaf books Australian Company Secretary's Business Law Manual and Step-by-

Step Precedents for Procedures (Companies 0 Trusts ~ Superannuation Funds), and also a newsletter
The Australian Company Secretary's Letter.

A dedicated management team, highly qualified editorial staff, a most efficient printing organisation, over 75 years of publishing know-how and the personal interest of your local CCH area manager stand behind each CCH publication.

Important Disclaimer (CCH)

No person should rely on the contents of this publication without first obtaining advice from a qualified professional person. This publication is sold on the terms and understanding that (1) the authors, consultants and editors are not responsible for the results of any actions taken on the basis of information in this publication, nor for any error in or omission from this publication; and (2) the publisher is not engaged in rendering legal, accounting, professional or other advice or services. The publisher, and the authors, consultants and editors, expressly disclaim all and any liability and responsibility to any person, whether a purchaser or reader of this publication or not, in respect of anything, and of the consequences of anything, done or omitted to be done by any such person in reliance, whether wholly or partially, upon the whole or any part of the contents of this publication. Without limiting the generality of the above, no author, consultant or editor shall have any responsibility for any act or omission of any other author, consultant or editor.

Wholly set up and printed in Australia by CCH Australia Limited

1990-91-92

CORPORATE LAW REFORM BILL (NO. 2) 1992

TABLE OF PROVISIONS

PART I - PRELIMINARY

Section

1. Short title
2. Commencement
3. Meaning of "Corporations Law"

PART 2 - IMPLEMENTING ENHANCED DISCLOSURE

4. Dictionary
5. Insertion of new Division:

Division 3A - ED securities

- 22A. Effect of Division
- 22B. Securities quoted on a stock market
- 22C. Securities to which a lodged or deemed prospectus relates
- 22D. Securities offered as consideration for an acquisition under a takeover scheme or Part 5.1 compromise or arrangement
- 22E. Securities ceasing to be ED securities when number of holders falls below 50
- 22F. Debentures in relation to which there is or should be a trustee
- 22G. Prescribed interests declared by the regulations
- 22H. Regulations may declare securities not to be ED securities
6. Insertion of new section:
53AAA. Audited or reviewed in accordance with this Law
7. Classes of shares or prescribed interests
8. Insertion of new section:
58C. Deadline
9. Insertion of new section:
80AA. Lodge-specification of offices for the purposes of paragraph (b) of the definition
10. Officers, and other persons, in default

11. Securities
12. Application of accounting standards: general
13. Application of accounting standards: accounting periods
14. Insertion of new section:
285A. Accounting standards to be made for the purposes of this Part and Part 3.7
15. Accounting records
16. Profit and loss account
17. Balance sheet
18. Insertion of new section:
293A. Sections 292 and 293 do not apply to half-year of chief entity
19. Audit of financial statements
20. Inclusion of comparative amounts for items required by accounting standards
21. Statement to be attached to accounts
22. Report on company that is not a chief entity
23. Report on company that is a chief entity
24. Report may omit prejudicial information
25. Additional requirements for financial year reports-public companies
26. Additional requirements for financial year reports-options
27. Additional requirements for financial year reports-benefits under contracts with directors
28. Commission may require certain companies that are not disclosing entities to lodge accounts etc.
29. Insertion of new section:
317A. Lodgment of accounts etc. by companies that are disclosing entities
30. Insertion of new Divisions:

Division 10 - Accounts of certain non-companies

323A. Divisions 3 to 7 of Part 3.6 and Part 3.7 apply to disclosing entities that are not companies or undertakings

Division 11 - Accounts in relation to prescribed interests that are ED securities

323B. Introduction

323C. Profit and loss account 323D. Balance-sheet

- 323E. Accounts to comply with regulations
- 323F. Accounts to comply with applicable accounting standards
- 323G. Additional information to give a true and fair view
- 323H. Audit or review of accounts I
- 323J. Trustee's report for accounting period
- 323K. Lodging accounts etc.
- 323L. Regulations may make additional provision based on Divisions 2 to 8
- 31. Auditor must report
- 32. Insertion of new section:
 - 331AA. Requirements for auditor's report
- 33. Auditor may obtain information and attend company meetings, and must report certain breaches to Commission
- 34. Insertion of new section:
 - 408C. Application of provisions applied by section 323A-certain disclosing entities that are prescribed corporations
- 35. Accounts, and directors reports, of a prescribed corporation
- 36. Consolidated accounts where the chief entity or a controlled entity is a prescribed corporation
- 37. Qualified privilege
- 38. Interpretation-statement in a prospectus
- 39. Insertion of new section:
 - 1017B. Qualifying disclosing entity
- 40. Specific provisions applicable to all prospectuses
- 41. General provisions applicable to all prospectuses other than prospectuses to on 1022AA or 1022AB applies
- 42. Insertion of new sections:
 - 1022AA. General provisions applicable to certain primary prospectuses for securities of disclosing entities
 - 1022AA. General provisions applicable to certain secondary prospectuses for securities of disclosing entities
- 43. Supplementary prospectus
- 44. Insertion of new section:

- 1024A. Inclusion of documents in prospectuses by reference
- 45. Primary prospectus-documents to be kept
- 46. Secondary prospectus-documents to be kept
- 47. Time limit on allotment, issue or sale of securities on the basis of a prospectus
- 48. Validity of allotment, issue or sale of securities
- 49. Obligations of borrowing corporations
- 50. Covenants to be included in deeds
- 51. Returns and information about prescribed interests
- 52. Insertion of new Part:

PART 7.12A - CONTINUOUS DISCLOSURE

Division 1 - Preliminary

1084A. Interpretation

1084B. How this Part applies to an undertaking that is a disclosing entity

Division 2 - Disclosure of information

1084C. Disclosure of information about notifiable events

1084D. Division does not affect operation of business rules or listing rules

Division 3 - Criminal liability

1084E. Offence for contravention of disclosure requirements

Division 4 - Civil liability

1084F. Civil liability for contravention of disclosure requirements

1084G. Defences

Division 5 - Exemptions from enhanced disclosure provisions

1084H. Enhanced disclosure provisions

1084J. Exemption by regulations

1084K. Exemption by the Commission

1084L. Enforcing conditions of exemptions

1084M. Effect of Division

53. Other orders

54. Schedule 3

55. Consequential amendments changing references to financial years to reference to accounting periods

PART 3 – INDEMNIFYING OR INSURING NA OFFICER OR AUDITOR OF A COMPANY

56. Voting by interested director of public company

57. Company not to indemnify officer or auditor

58. Insertion of new section:

241A. Company not to pay insurance premiums in respect of certain liabilities of officer or auditor

59. Remunerating officers

60. Insertion of new section:

309A. Indemnifying officer or auditor

PART 4 - MISCELLANEOUS

61. Insertion of new section:

1274B. se, in court proceedings, of information from Commission's national database

PART 5 - APPLICATION OF CHANGES TO THE CORPORATIONS LAW RESULTING FROM THIS ACT

62. Insertion of new Division:

Division 6 - Changes resulting from the Corporate Law Reform Act (No. 2) 1992

1390. Application of changes to section 241

1391. Application of section 241A

1392. Application of changes to Parts 3.6 and 3.7

1393. Application of changes to section 779

SCHEDULE

CONSEQUENTIAL AMENDMENTS CHANGING REFERENCES TO FINANCIAL YEARS TO REFERENCES TO ACCOUNTING PERIODS

A BILL FOR

An Act to change the Corporations Law The Parliament of Australia enacts:

PART 1 - PRELIMINARY

Short title

1. This Act may be cited as the Corporate Law Reform Act (No. 2) 5 1992.

Commencement

2.(1) Parts 1 and 5 commence on the day on which this Act receives the Royal Assent.

(2) Part 2 (except section 37) commences on 31 December 1993.

(3) Subject to subsection (4), the remaining provisions of this Act commence on a day or days to be fixed by Proclamation.

(4) If a provision referred to in subsection (3) does not commence under that subsection within the period of 6 months beginning on the day on which this Act receives the Royal Assent, it commences on the first day after the end of that period.

Meaning of "Corporations Law"

3. In this Act:

"Corporations Law" means the Corporations Law set out in section 82 of the Corporations Act 1989¹.

PART 2 - IMPLEMENTING ENHANCED DISCLOSURE

Dictionary

4. Section 9 of the Corporations Law is amended:

(a) by omitting "company" (wherever occurring) from the definition of "consolidated accounts" and substituting "body";

(b) by omitting "corporate" (wherever occurring) from the definition of "debenture";

(c) by omitting "corporate" (wherever occurring) from the definition of "financial statements";

(d) by omitting "or body" (first occurring) from the definition of "profit and loss account" and substituting ", body or undertaking to which prescribed interests relate";

(e) by omitting "or body" (second occurring) from the definition of "profit and loss account" and substituting ", body or undertaking";

(f) by omitting from the definition of "quotation" everything before paragraph (a) and substituting the following:

 `quotation', in relation to securities:

 (aa) in relation to a stock market of a securities exchange, or of a stock exchange, within the meaning of the provision where the expression occurs; or

(ab) in relation to an exempt stock market;

includes displaying or providing, on a stock market of the securities exchange or stock exchange, or on the exempt stock market, as the case may be, information about:";

(g) by omitting "corporate" from the definition of "share";

(h) by omitting the definitions of "accounts", "applicable accounting standard", "body", "deadline" and "lodge" and substituting the following definitions:

`accounts':

(a) in relation to an entity within the meaning of Parts 3.6 and 3.7 means, in this Part and those Parts:

(i) a profit and loss account of the entity for a period; and

(ii) a balance-sheet of the entity as at the end of that period; and

(iii) statements, reports and notes, other than a directors' report or an auditor's report, attached to, or intended to be read with, that profit and loss account or balance-sheet; or

(b) in relation to the undertaking to which prescribed interests relate, means, in this Part and Division 11 of Part 3.6:

(i) a profit and loss account of the undertaking for a period; and

(ii) a balance-sheet of the undertaking as at the end of that period;

`applicable accounting standard':

(a) in relation to, or in relation to accounts or consolidated accounts forming part of, a body's financial statements for an accounting period, means an accounting standard that, when the financial statements are made out:

(i) applies to that accounting period; and

(ii) is relevant to the financial statements; or

(b) in relation to accounts, for an accounting period, of the undertaking to which prescribed interests relate, means an accounting standard that, when the accounts are made out:

(i) applies to that accounting period; and

(ii) is relevant to the accounts;

`body' means a body corporate or an unincorporated body and includes, for example, a society or association;

`deadline', in relation to an accounting period of an accounting enterprise, has the meaning given by section S8C;

`lodge' means:

(a) subject to paragraph (b), lodge with the Commission at an office of the Commission in this or any other jurisdiction; or

(b) when used in, or in relation to a document required to be lodged by, section 317A, 323K, 1024, 1071 or 1084C-lodge with the Commission at an office of the Commission, in this or any other jurisdiction, specified in a notice in force under section 80AA;".

(i) by inserting the following definitions:

`accounting enterprise' means:

(a) a company; or

(b) a body that is not a company; or

(c) the undertaking to which prescribed interests relate;

`accounting period', in relation to an accounting enterprise, means:

(a) if the accounting enterprise is a company: (i) a financial year of the company; or (ii) a period, being the first 6 months of a financial year of the company, at the end of which, and at the end of 75 days after which, the company is a disclosing entity; or

(b) if the accounting enterprise is a body that is not a company:

(i) a financial year of the body at the end of which, and at the end of 90 days after which, the body is a disclosing entity; or

(ii) a period, being the first 6 months of a financial year of the body, at the end of which, and at the end of 75 days after which, the body is a

(c) if the accounting enterprise is the undertaking to which prescribed interests relate:

(i) a financial year, of the deed relating to the prescribed interests, at the end of which, and at the end of 90 days after which, the undertaking is a disclosing entity; or

(ii) a period, being the first 6 months of a financial year of the deed relating to the prescribed interests, at the end of which, and at the end of 75 days after which, the undertaking is a disclosing entity;

`audited or reviewed in accordance with this Law', in relation to accounts or financial statements, has the meaning given by section 53AAA;

`disclosing entity' means:

(a) if securities of a body (except prescribed interests and units of prescribed interests) are ED securities-that body; or

(b) if prescribed interests or units of prescribed interests are ED securities-the undertaking to which the prescribed interests relate;

`disclosure provisions', in relation to a disclosing entity, means the following provisions, so far as they are applicable to the disclosing entity:

(a) the provisions of Part 3.6;

- (b) the provisions of Part 3.7;
- (c) subsection 1017B(4);
- (d) section 1024;
- (e) the provisions of Part 7.12A;

'ED securities' is short for 'enhanced disclosure securities' and has the meaning given by Division 3A;

'half-year', in relation to an accounting enterprise, means an accounting period of the accounting enterprise of the kind referred to in subparagraph (a)(ii), (b)(ii) or (c)(ii) of the definition of 'accounting period';

'life period', in relation to a prospectus, has the meaning given by subsections 1040(4), (5) and (6);

'qualifying disclosing entity' has the meaning given by section 101713;

'undertaking', in relation to a prescribed interest, means the undertaking, scheme, enterprise, contract or arrangement to which the prescribed interest relates;".

5. After Division 3 of Part 1.2 of the Corporations Law the following Division is inserted:

Division 3A - ED securities

Effect of Division

"22A.(1) Securities of a body may be ED securities because of one or more provisions of this Division, but not otherwise.

"(2) For the purposes of this Division (except section 22E), a class of shares, debentures or prescribed interests is taken to include units of shares, debentures or prescribed interests in that class.

Securities quoted on a stock market

"22B.(1) Securities in a class of securities of a body are ED securities if securities in that class are listed for quotation, or are quoted or traded, on:

- (a) a stock market of a stock exchange; or
- (b) a stock market of a body corporate in relation to which an approval under section 770 is in force and that is prescribed for the purposes of this section; or
- (c) an exempt stock market that is so prescribed.

"(2) Subsection (1) does not apply to securities of a body if

- (a) the body is a public authority of the Commonwealth or an instrumentality or agency of the Crown in right of the Commonwealth; and
- (b) the only securities of the body that are listed, quoted or traded as mentioned in subsection (1) are debentures; and
- (c) both the repayment of principal, and the payment of interest, in respect of those debentures is guaranteed by the Commonwealth.

"(3) Subsection (1) does not apply to securities of a body that is:

- (a) a public authority of a State or Territory; or
- (b) an instrumentality or agency of the Crown in right of a State or Territory.

"(4) For the purposes of this section, disregard:

- (a) a temporary suspension of quotation; and
- b) a notice under subsection 775(2) prohibiting trading in securities

"(5) If, while quotation of securities of a body on a stock market of a securities exchange is suspended, the body ceases to be included in an official list of the securities exchange, the securities are taken, for the purposes of this section, to have stopped being listed for quotation on a stock market of the securities exchange when the body ceases to be so included.

"(6) Subsection (5) does not limit the circumstances in which securities may be taken to stop being listed for quotation.

Securities to which a lodged or deemed prospectus relates

"22C.(1) Securities (except debentures) in a class of securities of a body are ED securities if:

- (a) a primary prospectus in relation to securities in that class has been lodged, or was required to be lodged, under Part 7.12 or a corresponding previous law; or
- (b) a document relating to securities in that class has been taken to be a primary prospectus, or a prospectus, because of 1030 or a corresponding previous law.

"(2) This section has effect subject to section 22E.

Securities offered as consideration for an acquisition under a takeover scheme or Part 5.1 compromise or arrangement

"22D.(1) Securities (except debentures) in a class of securities of a body are ED securities if securities in that class have been offered as consideration for the acquisition of shares under a takeover scheme as defined in section 603 or a law or previous law corresponding to that section.

"(2) Securities in a class of securities of a body are ED securities if:

- (a) securities in that class have been offered as consideration for the acquisition of securities of another body under a compromise or arrangement under Part 5.1 or a law or previous law corresponding to that Part; and
- (b) securities in that class, or those or any other securities of the other body, were ED securities immediately before securities in that class were first offered as consideration for the acquisition of securities of the other body under the compromise or arrangement (even if they later ceased to be ED securities because of section 22E).

"(3) This section has effect subject to section 22E.

Securities ceasing to be ED securities when number of holders falls below 50

"22E.(1) This section applies if shares in a body, or prescribed interests to which a deed relates, become ED securities because of, or' for reasons including, an application of subsection 22C(1) or 22D(1) or (2).

"(2) If, at the end of the offer period, fewer than 50 persons hold shares in the body, or prescribed interests to which the deed relates, that application of that subsection is to be disregarded in determining whether such shares or prescribed interests are ED securities after the end of the offer period.

"(3) If

(a) at the end of the offer period, 50 or more persons hold shares in the body, or prescribed interests to which the deed relates; and

(b) at a later time, the number of persons who hold such shares or prescribed interests becomes less than 50;

that application of that subsection is to be disregarded in determining whether such shares or prescribed interests are ED securities after the later time.

"(4) Subsection (2) or (3) has effect even if 50 or more persons afterwards hold such shares or prescribed interests.

"(5) In this section: 'offer period' means:

(a) in relation to an application of subsection 22C(1)-the period after the end of which section 1040 prohibits securities from being allotted, issued or sold, as the case requires, on the basis of the prospectus; or

(b) in relation to an application of subsection 22D(1):

(i) in the case of a takeover scheme as defined in section 603 or a corresponding law- the period that is, for the purposes of Chapter 6 or a corresponding law, the takeover period in relation to the takeover scheme; or

(ii) in the case of a takeover scheme as defined in a previous law corresponding to section 603-the period that, had the takeover scheme been a takeover scheme as defined in section 603, would have been, for the purposes of Chapter 6, the takeover period in relation to it; or

(c) in relation to an application of subsection 22D(2)-the period during which the last to remain open of the offers for the acquisition of securities under the compromise or arrangement remains open, or would have remained open had it not been accepted, as the case requires.

"(6) For the purposes of this section, a person who subscribes for or buys securities is taken to hold them from the time of the subscription or purchase until the person no longer has in them an interest of any kind (whether legal or equitable)

"(7) Subsection (6) has effect whether or not the securities have been issued or allotted.

"(8) For the purposes of this section, joint holders of securities count as one person.

Debentures in relation to which there is or should be a trustee

"22F. Debentures of a borrowing corporation are ED securities if there is a trustee for the holders of the debentures, or section 1052 requires the appointment of such a trustee.

Prescribed interests declared by the regulations

"22G. Prescribed interests are ED securities if:

(a) there is a deed relating to the prescribed interests that is an approved deed for the purposes of Division 5 of Part 7.12; and

(b) the prescribed interests are declared by the regulations to be ED securities.

Regulations may declare securities not to be ED securities

"22H.(1) The regulations may declare specified securities of bodies not to be ED the securities.

"(2) Regulations in force for the purposes of subsection (1) have effect accordingly, despite anything else in this Division."

6. After section 53 of the Corporations Law the following section is inserted:

Audited or reviewed in accordance with this Law

"53AAA. Accounts or financial statements are taken to be audited or reviewed in accordance with this Law if the requirements of Division 2 of Part 3.7 are complied with in relation to the accounts or financial statements."

Classes of shares or prescribed interests

7. Section 57 of the Corporations Law is amended by adding at the end the following subsection:

"(2) If the prescribed interests to which a deed relates are not divided into 2 or more classes, they constitute a class."

8. After section 58B of the Corporations Law the following section is inserted:

Deadline

"58C.(1) This section defines the deadline after an accounting period of an accounting enterprise.

"(2) If the accounting period is a financial year of a company that is not a disclosing entity at the end of the financial year then, subject to subsection (3), the deadline after the accounting period is the end of the 14th day before the last day of the period (the meeting period) within which section 245 requires the company to hold an annual general meeting in relation to the financial year.

"(3) If

(a) before the end of the meeting period, the company holds an annual general meeting in relation to the financial year; and

(b) notice of the meeting was sent, at least 14 days before the last day of the meeting period, to persons entitled to receive notice of general meetings of the company;

the deadline after the accounting period is:

(c) if notice of the meeting was so sent at least 14 days before the day of the meeting-the end of the 14th day before that day; or

(d) otherwise-the time when notice of the meeting was so sent.

"(4) If the accounting period is an accounting period of an accounting enterprise that is a disclosing entity at the end of the period, the deadline after the accounting period is:

(a) if the accounting period is a financial year-the end of 90 days after the accounting period;
or

(b) if the accounting period is a half-year-the end of 75 days after the accounting period."

9. After section 80 of the Corporations Law the following section is inserted:

Lodge-specification of offices for the purposes of paragraph (b) of the definition

"80AA. The Minister may, by notice published in the Gazette, specify offices of the Commission for the purposes of paragraph (b) of the definition of 'lodge' in section 9."

Officers, and other persons, in default

10. Section 83 of the Corporations Law is amended by adding at the end of subsection (2) the following word and paragraph:

"; or (c) subsection 317A(1)."

Securities

11. Section 92 of the Corporations Law is amended:

(a) by omitting from paragraph (1)(b) "body corporate or an unincorporated body" and substituting "body";

(b) by omitting from subsection (2) "body corporate" and substituting "body".

Application of accounting standards: general

12. Section 284 of the Corporations Law is amended:

(a) by omitting subsection (1);

(b) by omitting subsection (3) and substituting the following subsection:

"(3) Without limiting the generality of subsection (2), an accounting standard's application may be limited to specified accounting enterprises."

Application of accounting standards: accounting periods

13. Section 285 of the Corporations Law is amended:

(a) by omitting from paragraph (1)(a) "financial year of a body corporate" and substituting "accounting period of an accounting enterprise";

(b) by omitting paragraph (1)(b) and substituting the following paragraph:

"(b) later accounting periods of the accounting enterprise.";

(c) by omitting from subsection (2) "a financial year of a body corporate" and substituting "an accounting period of an accounting enterprise";

(d) by omitting from subsection (3) "A company's directors" and substituting "An accounting enterprise";

(e) by omitting from subsection (3) "financial year of the company shall apply to that financial year" and substituting "accounting period of the accounting enterprise is to apply to that accounting period";

(f) by inserting after subsection (3) the following subsection:

"(3A) An election under subsection (3) is to be made:

(a) if the accounting enterprise is a company or other body - by:

(i) the directors of the company or body; or

(ii) in the case of a body that does not have directors - by the person or persons who have control over the general conduct of the affairs of the body; or

(b) if the accounting enterprise is the undertaking to which prescribed interests relate by the trustee."

14. After section 285 of the Corporations Law the following section is inserted:

Accounting standards to be made for the purposes of this Part and Part 3.7

"285A. Nothing in this Division (in particular, the references to an accounting enterprise, which is a very broadly defined expression) is to be taken to allow the making of accounting standards otherwise than for the purposes of this Part and Part 3.7."

Accounting records

15. Section 289 of the Corporations Law is amended by inserting in subparagraph (1)(b)(ii) "or reviewed" after "audited".

Profit and loss account

16. Section 292 of the Corporations Law is amended by omitting "A" and substituting "Subject to section 293A, a".

Balance sheet

17. Section 293 of the Corporations Law is amended by omitting "A" and substituting "Subject to section 293A, a".

18. After section 293 of the Corporations Law the following section is inserted:

Sections 292 and 293 do not apply to half-year of chief entity

"293A.(1) Sections 292 and 293 do not apply to a half-year of a company if the company is a chief entity in relation to that half-year.

"(2) However, subsections 294(2), (3) and (4) apply to that half-year as if the reference in subsection 294(1) to a company's accounts being made out under sections 292 and 293 in relation to an accounting period were instead a reference to the company's directors causing to be made out a consolidated profit and loss account and consolidated balance sheet under sections 295A and 295B in relation to that halfyear."

Audit of financial statements

19. Section 296 of the Corporations Law is amended:

(a) by omitting from subsection (1) "as required by this Part" and substituting "or reviewed in accordance with this Law";

(b) by adding at the end of subsection (2) 44 or (3)".

Inclusion of comparative amounts for items required by accounting standards

20. Section 300 of the Corporations Law is amended:

(a) by omitting from paragraph (1)(a) "current year amount" and substituting "current period amount";

(b) by omitting paragraph (1)(b) and substituting the following paragraph:

"(b) either:

(i) the accounting period is a financial year and that section required the company's financial statements for the previous financial year to specify a corresponding amount; or

(ii) the accounting period is a half-year and that section required the company's financial statements for the previous half-year to specify a corresponding amount;"

(c) by omitting from paragraphs (1)(c) and (d) "year" and substituting "period".

Statement to be attached to accounts

21. Section 301 of the Corporations Law is amended by inserting in paragraph (9)(c) "or reviewed" after "audited".

Report on company that is not a chief entity

22. Section 304 of the Corporations Law is amended:

(a) by omitting subsection (1) and substituting the following subsections:

"(1) The directors of a company that is not a chief entity in relation to an accounting period must cause to be made out a report complying with this Division, other than section 305.

"(1A) If the accounting period is a financial year of a company:

(a) that was not a disclosing entity at the end of that financial year; and

(b) that was, at the end of that financial year, an exempt proprietary company or a wholly-owned subsidiary of another company or of a recognised company;

the report need not comply with subsections (3A), (3B), (10) and (11).";

(b) by inserting after subsection (3) the following subsections:

"(3A) The report must contain a review of the company's operations during the accounting period and of the results of those operations.

"(3B) The report must give particulars of any significant change in the company's state of affairs that occurred during that accounting period.

"(3C) If the accounting period is a financial year, the report must also comply with subsections (4), (5), (6), (7), (10) and (11).";

(c) by omitting from subsections (4), (5), (6), (7), (10) and (11) "The report shall" and substituting "If subsection (3C) applies, the report must";

(d) by omitting subsections (8) and (9).

Report on company that is a chief entity

23. Section 305 of the Corporations Law is amended:

(a) by omitting subsection (1) and substituting the following subsections:

"(1) The directors of a company that is a chief entity in relation to an accounting period must cause to be made out a report complying with this Division, other than section 304.

"(1A) If the accounting period is a financial year of a company:

(a) that was not a disclosing entity at the end of that financial year; and

(b) that was an exempt proprietary company at the end of that financial year;

the report need not comply with subsections (3A), (3B), (10) and (11).";

(b) by inserting after subsection (3) the following subsections:

"(3A) The report must contain a review of:

(a) the operations, during the accounting period, of the economic entity constituted by the company and the entities it controlled from time to time during the accounting period (even if the company did not control the same entities throughout the accounting period); and

(b) the results of those operations.

"(3B) The report must give particulars of any significant change in the state of affairs of the economic entity referred to in paragraph (3A)(a) that occurred during the accounting period.

"(3C) If the accounting period is a financial year, the report must also comply with subsections (4), (5), (6), (7), (10) and (11).";

(c) by omitting from subsections (4) and (5) "The" and substituting "If subsection (3C) applies, the";

(d) by omitting from subsections (6) and (7) "The report shall" and substituting "If subsection (3C) applies, the report must";

(e) by omitting subsections (8), (9) and (9A);

(f) by omitting from subsections (10) and (11) "The" and substituting "If subsection (3C) applies, the";

(g) by adding at the end the following subsection:

"(12) To avoid doubt, if the company controlled a particular entity throughout some, but not all, of the accounting period, the report need not relate to the entity's activities, operations or state of affairs during a period throughout which the company did not control it, or to the results of such operations."

Report may omit prejudicial information

24. Section 306 of the Corporations Law is amended:

(a) by omitting all the words from and including "If" to and including "included:" and substituting the following:

"If the directors believe, on reasonable grounds, that to include in the report particular information that subsection 304(11) or is inserted: 305(11) requires would be likely to result in unreasonable prejudice to the company:";

(b) by omitting from paragraph (a) "first-mentioned".

Additional requirements for financial year reports-public companies

25. Section 307 of the Corporations Law is amended:

(a) by omitting from subsection (1) all the words from and including "If" to and including "shall" and substituting the following: "If

(aa) the accounting period is a financial year; and

(ab) at the end of the financial year, the company is a public company and is not a wholly-owned subsidiary of another company or of a recognised company;

the report must";

(b) by inserting in subparagraph (1)(c)(ii) "and a financial year" after "company".

Additional requirements for financial year reports-options

26. Section 308 of the Corporations Law is amended:

(a) by omitting subsection (1) and substituting the following subsection:

"(1) if.

(a) the accounting period is a financial year; and

(b) subsection 304(1) applies;

this section applies in relation to the company.";

(b) by omitting from subsection (2) all the words from and including "If" to and including "that:" and substituting the following: "

If:

(aa) the accounting period is a financial year; and

(ab) subsection 305(1) applies;

this section applies in relation to each body corporate that:".

Additional requirements for financial year reports-benefits under contracts with directors

27. Section 309 of the Corporations Law is amended by omitting from subsection (1) "The" and substituting "If the accounting period is a financial year, the".

Commission may require certain companies that are not disclosing entities to lodge accounts etc.

28. Section 317 of the Corporations Law is amended by omitting "under this Part" from the definition of "financial year" in subsection (1) and substituting "or reviewed in accordance with this Law".

29. After section 317 of the Corporations Law the following section is inserted:

Lodgment of accounts etc. by companies that are disclosing entities

"317A.(1) A company that was a disclosing entity at the end of an accounting period must lodge copies of the following documents before the deadline after the accounting period:

- (a) the company's financial statements for the accounting period;
- (b) the statement or statements that Division 5 requires in relation to the accounting period;
- (c) the report that Division 6 requires in relation to the accounting period;
- (d) a copy of the auditor's report (if any) about the financial statements that section 331A requires.

"(2) If the company was a borrowing corporation at the end of the accounting period, copies of the documents referred to in subsection (1) must also be given to the trustee (if any) for the holders of the debentures before the deadline after the accounting period."

30. After Division 9 of Part 3.6 of the Corporations Law the following Divisions are inserted in that Part:

Division 10 - Accounts of certain non-companies

Divisions 3 to 7 of Part 3.6 and Part 3.7 apply to disclosing entities that are not companies or undertakings

"323A.(1) In this section: `applied provisions' means:

- (a) the provisions of Divisions 3 to 7 (inclusive) of this Part; and
- (b) the provisions of Part 3.7; and
- (c) the provisions of the regulations made for the purposes of any of the provisions referred to in paragraphs (a) and (b).

"(2) The applied provisions apply in relation to a disclosing entity that is a body other than a company:

- (a) with prescribed modifications (if any); and
- (b) as if references in the provisions to a company included references to such a disclosing entity.

"(3) Except where the contrary intention appears, or the context otherwise requires:

(a) a reference in this Law to an applied provision includes a reference to that provision as it applies because of this section; and

(b) for the purposes of a reference in this Law to a Chapter, Part, Division or other group of provisions of this Law that includes some of the applied provisions, the Chapter, Part, Division or other group is taken to include those applied provisions as they apply because of this section.

"Division 11 - Accounts in relation to prescribed interests that are ED securities

Introduction

"323B. This Division (except section 323L) sets out various disclosure requirements with which:

(a) the trustee or representative ('the trustee') in relation to a deed relating to prescribed interests; and

(b) the management company ('the manager') in relation to the deed;

must comply in relation to an accounting period of the undertaking if the deed is or has been an approved deed for the purposes of Division S of Part 7.12 of the Corporations Law of this jurisdiction or a corresponding previous law of this jurisdiction. (b)

Profit and loss account

"323C. Before the deadline after the accounting period, the trustee must prepare, or cause to be prepared, a profit and loss account for that period that gives a true and fair view of the profit or loss for that period resulting from the operations of the undertaking.

Balance-sheet

"323D. Before the deadline after the accounting period, the trustee must prepare, or cause to be prepared, a balance-sheet as at the end of that period that gives a true and fair view of the state of affairs of the undertaking as at the end of that period.

Accounts to comply with regulations

"323E. The trustee must ensure that the accounts comply with such of the prescribed requirements as are relevant to the accounts.

Accounts to comply with applicable accounting standards

"323F. Subject to section 323E, the trustee must ensure that the accounts are prepared in accordance with applicable accounting standards.

Additional information to give a true and fair view

"323G. If the accounts, as prepared in accordance with sections 323E and 323F, would not otherwise give a true and fair view of the matters with which this Division requires them to deal, the trustee must add, or cause to be added, such information and explanations as will give a true and fair view of those matters.

Audit or review of accounts

"323H.(1) The trustee must take reasonable steps to ensure that, before the deadline after the accounting period, a registered company auditor gives to the trustee a written report stating that the accounts have been audited and stating whether or not, as a result of that audit, in the auditor's opinion, the accounts are properly drawn up:

- (a) so as to give a true and fair view of the matters with which this Division requires them to deal; and
- (b) in accordance with this Law; and
- (c) in accordance with applicable accounting standards; and, if not, why not.

"(2) If the accounting period is a half-year, the report may instead:

- (a) state whether, as a result of a review of the accounts, any matter has come to the auditor's attention that causes the auditor to believe that they are not drawn up as mentioned in subsection (1); and
- (b) if a matter or matters have so come to the auditor's attention that cause the auditor so to believe-include a description of the matter or matters and a statement of the auditor's reasons for that belief.

"(3) The trustee must cause the auditor's report to be attached to, or endorsed on, the accounts.

Trustee's report for accounting period

"323J. The trustee must prepare, or cause to be prepared, a report:

- (a) containing a review of the operations of the undertaking during the accounting period and of the results of those operations; and
- (b) giving particulars of any significant change in the state of affairs of the undertaking that occurred during the accounting period.

Lodging accounts etc.

"323K.(1) The manager must lodge a copy of each of the following:

- (a) the accounts that sections 323C and 323D require;
- (b) the auditor's report on those accounts given under section 323H;
- (c) the report that section 323J requires.

"(2) If the accounting period is a financial year, the manager must lodge the copies together with the return that section 1071 requires in relation to that financial year.

"(3) Otherwise, the manager must lodge the copies before the deadline after the accounting period.

Regulations may make additional provision based on Divisions 2 to 8

"323L.(1) The regulations may make provision, in relation to:

- (a) prescribed interests that are ED securities; or

(b) without limiting paragraph (a), accounting periods of undertakings to which prescribed interests relate;

for matters of a kind for which provision is made by any of Divisions 2 to 8, inclusive.

"(2) The regulations may also make provision for lodging, or for sending to the holders of prescribed interests, documents prepared under regulations in force for the purposes of subsection (1)."

Auditor must report

31. Section 331A of the Corporations Law is amended:

(a) by omitting from subsection (1) "to the company's members";

(b) by omitting paragraph (1)(a) and substituting the following paragraph:

"(a) the company's financial statements for an accounting period; and";

(c) by inserting after subsection (1) the following subsection:

"(1A) If the accounting period is a financial year, the report is to be a report to the company's members.";

(d) by omitting from subsection (2) "The" and substituting "If the accounting period is a financial year at the end of which the company was not a disclosing entity, the";

(e) by adding at the end the following subsection:

"(3) If the company was a disclosing entity at the end of the accounting period, the auditor must give the report to the company's directors soon enough for them to comply with section 317A."

32. After section 331A of the Corporations Law the following section is inserted:

Requirements for auditor's report

"331AA.(1) Subject to this section, sections 331B, 331C, 331D and 331E must be complied with in relation to the report.

"(2) Subject to subsection (3), if the accounting period is a half-year, the report may instead:

(a) state whether, as a result of a review of the financial statements, any matter has come to the auditor's attention that causes the auditor to believe that they are not drawn up as mentioned in subsection 33113(l); and

(b) if a matter or matters have so come to the auditor's attention that cause the auditor so to believe-include a description of the matter or matters and a statement of the auditor's reasons for that belief.

"(3) If the report relates to a borrowing corporation, subsection (2) does not apply to the report unless the trustee (if any) for the holders of the debentures has consented in writing to the report being prepared as mentioned in that subsection.

"(4) If the trustee has consented as mentioned in subsection (3) and the report is prepared as mentioned in subsection (2), a copy of the consent must be attached to the report when it is lodged with the Commission under section 317A.

"(5) If the report complies with subsection (2), sections 331B, 331C, 331D and 331E do not apply to the report."

Auditor may obtain information and attend company meetings, and must report certain breaches to Commission

33. Section 332 of the Corporations Law is amended by inserting in subsection (9) "or reviewed in accordance with this Law" after "audited".

34. After section 408B of the Corporations Law the following section is inserted:

Application of provisions applied by section 323A-certain disclosing entities that are prescribed corporations

"408C.(1) In this section:

 `section 323A disclosing entity' means a disclosing entity to which section 323A applies;

 `section 323A provisions' means the applied provisions, within the meaning of section 323A, as they apply because of that section.

"(2) The section 323A provisions apply in relation to a prescribed corporation that is a section 323A disclosing entity.

"(3) For the purposes of the section 323A provisions, as they apply in relation to a section 323A disclosing entity (including one that is a prescribed corporation), in relation to an accounting period of the disclosing entity, a reference to an entity includes a reference to an entity that is a prescribed corporation.

"(4) The application that the section 323A provisions have because of subsections (2) and (3) is subject to this Part."

Accounts, and directors reports, of a prescribed corporation

35. Section 409 of the Corporations Law is amended:

(a) by inserting in subsection (3) "annual" before "accounts" (second occurring);

(b) by adding at the end of subsection (3) "for financial years";

(c) by inserting after subsection (3) the following subsection:

 "(3A) Where, under a law of the Commonwealth relating to banking that requires as mentioned in subsection (3), a prescribed corporation is also required to prepare accounts for the first 6 months of each period for which it is required to prepare annual accounts, accounts for such 6 month periods that comply with that law are taken to comply with the provisions of Chapter 3 relating to accounts for half-years."

(d) by inserting in paragraph (5)(a) ", or are lodged in relation to a financial year of the corporation," after "corporation";

(e) by inserting in paragraph (5)(b) "or are lodged in relation to a financial year of the corporation," after "corporation,";

(f) by adding at the end of paragraph (5)(b) ", or is not lodged, as the case requires";

(g) by inserting after subsection (5) the following subsection:

"(5A) Where, under a law of the Commonwealth relating to life insurance that requires as mentioned in subsection (5), a prescribed corporation is also required to prepare accounts for the first 6 months of each period for which it is required to prepare annual accounts, accounts for such 6 month periods that comply with that law, and with the conditions (if any) specified by the Commission, are taken to comply with the provisions of Chapter 3 relating to accounts for half-years."

Consolidated accounts where the chief entity or a controlled entity is a prescribed corporation

36. Section 409A of the Corporations Law is amended:

- (a) by omitting from subsection (1) "of companies";
- (b) by omitting from subparagraph (1)(b)(iii) "annual";
- (c) by adding at the end the following subsection:

"(5) In this section:

`company' includes a section 323A disclosing entity as defined in section 408C."

Qualified privilege

37. Section 779 of the Corporations Law is amended:

- (a) by inserting in subsection (1) the following definitions:

" 'delisting or suspension decision' means a decision by a securities exchange:

- (a) whether or not to remove an entity from an official list of the exchange; or
- (b) whether or not to stop or suspend quotation of securities on a stock market of the exchange;

`information' means information given orally, in a document or otherwise;

`listed entity', in relation to a securities exchange, means an entity included in an official list of the exchange;

`rules', in relation to a securities exchange, means the exchange's business rules or listing rules."; month periods

- (b) by adding at the end the following subsections:

"(5) A securities exchange has qualified privilege in respect of the publication of information, or a document, given to the exchange by a listed entity under a provision of this Law or of the exchange's rules. ";

"(6) Subsection (5) does not apply if:

- (a) this Law, or the exchange's rules, as the case may be, expressly or impliedly authorised the entity to limit the purposes for which it gave the information or document to the exchange; and

- (b) when giving the information or document, the entity limited those purposes as so authorised; and

(c) the publication is not solely for one or more of the limited purposes.

"(7) A securities exchange has qualified privilege in respect of the publication of:

(a) information about a request by the exchange to a entity for information in relation to compliance by the entity with, or a contravention by the entity of, this Law or the exchange's rules; or

(b) information, or a document, given to the exchange by a listed entity in response to such a request.

"(8) A securities exchange has qualified privilege in respect of the publication of.

(a) an oral or written statement describing a delisting or suspension decision or the reasons for, or action taken because of, such a decision; or

(b) an oral or written statement to the effect that the exchange is considering whether to make such a decision; or

(c) information given, or a document prepared, given or produced, by a person (whether an officer of the exchange or not) in the course of, for the purposes of, or otherwise in connection with, the exchange making such a decision.

"(9) An officer of a securities exchange has qualified privilege in respect of an act:

(a) that is done in the course of performing functions or exercising powers as an officer of the exchange; and

(b) in respect of which the exchange would have qualified privilege under subsection (5), (7) or (8) if it had done the act.

"(10) Nothing in this section limits the generality of anything else in it."

Interpretation-statement in a prospectus

38. Section 994 of the Corporations Law is amended by adding at the end the following subsections:

"(2) Because of subsection 1024A(1), statements included in documents referred to in a prospectus may be taken to be included in the prospectus.

"(3) That subsection does not limit the circumstances in which, for the purposes of paragraph (1)(b), a statement is incorporated by reference in a prospectus."

39. After section 1017A of the Corporations Law the following section is inserted:

Qualifying disclosing entity

"1017B.(1) A disclosing entity was 'a qualifying disclosing entity at a particular time before the issue of a prospectus if:

(a) at that time, there was no relevant exemption in force in relation to the disclosing entity; or

(b) if one or more relevant exemptions were so in force:

(i) a notice under subsection (2) was in force at that time that covered the disclosing entity; or

(ii) at the time the prospectus is issued, a notice under subsection (5) is in force that covers the disclosing entity and that first-mentioned time.

"(2) For the purposes of subparagraph (1)(b)(i), the Commission may, by writing, specify a disclosing entity in relation to which, or a class of disclosing entities in relation to each of which, one or more relevant exemptions are in force if, and only if, the Commission is satisfied:

(a) that the fact that the relevant exemption or exemptions are in force in relation to the disclosing entity, or the disclosing entities in the class, does not have a material adverse effect on the level of information available to the market about the disclosing entity, or the disclosing entities in the class; or

(b) that the fact that the relevant exemption or exemptions are in force in relation to the disclosing entity, or the disclosing entities in the class, does have such a material adverse effect but that that effect will be adequately redressed if the conditions to be specified in the notice are complied with.

"(3) In a notice under subsection (2), the Commission may specify conditions to be complied with in relation to the disclosing entity or entities concerned.

"(4) A person must not contravene a condition specified in a notice under subsection (2).

"(5) For the purposes of subparagraph (1)(b)(ii), the Commission may, by writing specify a past period and a disclosing entity in relation to which, or a class of disclosing entities in relation to each of which, one or more relevant exemptions were in force during the period if, and only if, the Commission is satisfied that the fact that the relevant exemption or exemptions were in force during the period in relation to the disclosing entity, or the disclosing entities in the class, did not have a material adverse effect on the level of information available to the market about the disclosing entity, or the disclosing entities in the class.

"(6) The Commission must cause a copy of an instrument under subsection (2) or (5) to be published in the Gazette.

"(7) For the purposes of this section, a relevant exemption is in force in relation to a disclosing entity if

(a) because of an exemption under section 1084J or 1084K, one or more of the enhanced disclosure provisions, within the meaning of section 1084H, do not have to be complied with in relation to the disclosing entity; or

(b) an order made, or that has effect as if it had been made, under section 313 applies to the disclosing entity; or

(c) a subsection of section 409 or 409A applies to the disclosing entity."

Specific provisions applicable to all prospectuses

40. Section 1021 of the Corporations Law is amended by omitting from subsection (5) "6 months" and substituting "a specified period, being the life period,".

General provisions applicable to all prospectuses other than prospectuses to which section 1022AA or 1022AB applies

41. Section 1022 of the Corporations Law is amended by inserting in subsection (1) "not being a prospectus to which section 1022AA or 1022AB applies," after "a corporation,".

42. After section 1022 of the Corporations Law the following sections are inserted:

General provisions applicable to certain primary prospectuses for securities of disclosing entities

"1022AA.(1) This section applies to a primary prospectus in relation to securities of a corporation if the following conditions are satisfied:

- (a) if the securities are shares in, or units of shares in, or debentures of, the corporation-the corporation ('the disclosing entity') was a qualifying disclosing entity at all times during the period ('the qualifying period') of 12 months ending immediately before the issue of the prospectus;
- (b) if the securities are prescribed interests, or units of prescribed interests made available by the corporation-the undertaking to which the prescribed interests relates ('the disclosing entity') was a qualifying disclosing entity at all times during the period ('the qualifying period') of 12 months ending immediately before the issue of the prospectus;
- (c) the securities are in a class of securities of the corporation that, at all times during the qualifying period, were ED securities because of section 22B;
- (d) at the time of issue of the prospectus, no notice under subsection (8) is in force that specifies the disclosing entity.

"(2) In addition to the information required by section 1021 to be included in the prospectus, the prospectus must:

(a) subject to subsections (3) and (4), contain all such information as investors and their professional advisers would reasonably, require, and reasonably expect to find in the prospectus, for the purpose of making an informed assessment of:

- (i) the offer or invitation contained in the prospectus; and
- (ii) the effect of that offer or invitation on the disclosing entity; and
- (iii) the rights attaching to the securities; and

(b) contain:

(i) a statement to the effect that all information required to be included in documents required to be lodged under the disclosure provisions in relation to the disclosing entity during the qualifying period was so included in such documents; or

(ii) a statement:

(A) to the effect that, except for particular information ('the omitted information'), all information required to be so included in such documents was so included; and

(B) that sets out the omitted information; and

(c) contain a statement to the effect that the disclosing entity is subject to the disclosure provisions and that copies of documents lodged in relation to the disclosing entity under those provisions may be obtained from, or inspected at, an office of the Commission.

"(3) The information to be included because of paragraph (2)(a) is such of the information mentioned in that paragraph as is known to:

- (a) any person referred to in any of paragraphs 1006(2)(b) to (h), inclusive; or
- (b) any person who authorised or caused the issue of the prospectus; or such of the information so mentioned as it would be reasonable for such a person to obtain by making inquiries.

"(4) In determining what information is required to be included in the prospectus because of paragraph (2)(a), regard is to be had to:

- (a) the nature of the securities and of the corporation; and
- (b) the kinds of persons likely to consider subscribing for the securities; and
- (c) the fact that certain matters may reasonably be expected to be known to professional advisers of any kind whom those persons may reasonably be expected to consult; and
- (d) whether the persons to whom the offers or invitations are to be made or issued are the holders of shares in the corporation and, if they are, to what extent (if any) relevant information has previously been given to them by the corporation under any law, any requirement of the business rules or listing rules of a securities exchange, or otherwise; and
- (e) any information known to investors or their professional advisers by virtue of any Act, State Act or law of a Territory.

"(5) Subject to subsection (6), the prospectus must include, or have attached to it, a copy of

- (a) the last financial statements for a financial year in relation to the disclosing entity to be lodged before the issue of the prospectus; and
- (b) any other financial statements, and any notices under section 1084C, lodged in relation to the disclosing entity after the lodgment of the financial statements referred to in paragraph (a) and before the issue of the prospectus.

"(6) If the prospectus does not include, or have attached to it, a copy of a document as required by subsection (5):

- (a) the prospectus must include a statement to the effect that the issuer of the prospectus will provide a copy of the document, free of charge, to a person who asks for it at a time when securities can be allotted or issued on the basis of the prospectus;
- (b) the issuer must comply with that statement.

"(7) If

- (a) during the qualifying period, particular information relating to the disclosing entity did not have to be disclosed under section 1084C because of subsection 1084C(4); and
- (b) that information was not disclosed under that section during the qualifying period;

that information must be included in the prospectus.

"(8) The Commission may, by notice published in the Gazette, for the purposes of paragraph (1)(d), specify a disclosing entity if, and only if, the Commission is satisfied that some or all of the disclosure provisions have not been complied with in relation to the disclosing entity during the 12 months ending immediately before the publication of the notice.

"(9) For the purposes of this section, shares are not in different classes merely because of a temporary difference in the dividend rights attaching to the shares.

General provisions applicable to certain secondary prospectuses for securities of disclosing entities

"1022AB.(1) This section applies to a secondary prospectus in relation to securities of a corporation if the following conditions are satisfied at the time the prospectus is issued:

(a) if the securities are shares in, or units of shares in, or debentures of, the corporation ('the disclosing entity')-the seller knows, or has reasonable grounds to believe, that the disclosing entity was a qualifying disclosing entity at all times during the period of 12 months ending immediately before the issue of the prospectus;

(b) if the securities are prescribed interests, or units of prescribed interests, made available by the corporation-the seller knows, or has reasonable grounds to believe, that the undertaking to which the prescribed interests relate ('the disclosing entity') was a qualifying disclosing entity at all times during the period of 12 months ending immediately before the issue of the prospectus;

(c) if the corporation is a body corporate-the total number of voting shares (if any) in the corporation proposed to be sold by the seller, and by associates of the seller, during the period of 12 months immediately following the issue of the prospectus does not exceed 20% of the voting shares in the corporation.

"(2) The prospectus must:

(a) set out the terms and conditions of the offer or invitation contained in the prospectus; and

(b) contain a statement to the effect that the disclosing entity is subject to the disclosure provisions and that copies of documents lodged in relation to the disclosing entity under those provisions may be obtained from, or inspected at, an office of the Commission."

Supplementary prospectus

43. Section 1024 of the Corporations Law is amended:

(a) by inserting in paragraph (1)(b) "if section 1022 or 1022AA applies to the prospectus-" before "at any time";

(b) by inserting after paragraph (1)(b) the following word and paragraph:

"and (c) if section 1022AB applies to the prospectus-at any time while securities can be sold on the basis of the prospectus, there is a significant change in the terms and conditions of the offer or invitation contained in the prospectus;"

(c) by omitting subsection (2) and substituting the following subsection:

"(2) In paragraph (1)(b): 'significant' means:

(a) if section 1022 applies to the prospectus-significant for the purpose of making an informed assessment of the matters mentioned in subsection 1022(1); or

(b) if section 1022AA applies to the prospectus-significant for the purpose of making an informed assessment of the matters mentioned in paragraph 1022AA(2)(a)."

44. After section 1024 of the Corporations Law the following section is inserted:

Inclusion of documents in prospectuses by reference

"1024A.(1) If

(a) a prospectus refers to a document lodged under the Corporations Law or the Corporations Regulations of this jurisdiction or another jurisdiction; and

(b) a summary of the document is included in the prospectus; and (c) the prospectus includes a statement to the effect that the issuer of the prospectus will provide a copy of the document, free of charge, to a person who asks for it at a time when securities can be allotted, issued or sold on the basis of the prospectus; then, except for the purposes of section 1021, the prospectus is taken to include a copy of the document (and therefore also to include any statements and information contained in the document).

"(2) The issuer of a prospectus must comply with a statement included in the prospectus as mentioned in paragraph (1)(c)."

Primary prospectus-documents to be kept

45. Section 1029 of the Corporations Law is amended by omitting "6 months" and substituting "the life period".

Secondary prospectus-documents to be kept

46. Section 1029A of the Corporations Law is amended by omitting from subsection (2) "6 months" and substituting "the life period".

Time limit on allotment, issue or sale of securities on the basis of a prospectus

47. Section 1040 of the Corporations Law is amended:

(a) by omitting from subsections (1) and (3) "6 months" and substituting "the life period";

(b) by adding at the end the following subsections:

"(4) The life period is 6 months, unless subsection (5) or (6) applies.

"(5) The life period is 12 months if.

(a) the prospectus is a primary prospectus; and

(b) the securities are shares in, or units of shares in, or debentures of, a corporation that is a disclosing entity at the time when the prospectus is issued; and

(c) either or both of the following subparagraphs are satisfied:

(i) the corporation was a disclosing entity at all times during the period of 12 months ending immediately before the issue of the prospectus;

(ii) the corporation lodged at least 2 primary prospectuses in relation to shares in, or units of shares in, or debentures of, the corporation during the period of 15 months ending immediately before the issue of the prospectus.

"(6) The life period is 12 months if.

(a) the prospectus is a primary prospectus that relates to prescribed interests made available by a corporation; and

(b) the undertaking to which the prescribed interests relate ('the disclosing entity') is a disclosing entity at the time when the prospectus is issued; and

(c) either or both of the following subparagraphs are satisfied:

(i) the disclosing entity was a disclosing entity at all times during the period of 12 months ending immediately before the issue of the prospectus;

(ii) at least 2 primary prospectuses were lodged in relation to prescribed interests in relation to the disclosing entity during the period of 15 months ending immediately before the issue of the prospectus."

Validity of allotment, issue or sale of securities

48. Section 1041 of the Corporations Law is amended by omitting "6 months" and substituting "the life period".

Obligations of borrowing corporations

49. Section 1058 of the Corporations Law is amended:

(a) by omitting subsections (5) and (6) and substituting the following subsections:

"(5) The directors of a relevant guarantor body that has guaranteed the repayment of money raised by the issue, by a borrowing corporation, of debentures (other than debentures of a kind that could be lawfully described under section 1045 as mortgage debentures or certificates of mortgage debenture stock) must:

(a) before the end of the period of 90 days starting immediately after the end of a financial year of the body, cause a profit and loss account for that financial year, and a balance-sheet as at the end of that financial year, to be made out and lodged with the Commission and with the trustee for the holders of the debentures (if any); and

(b) before the end of the period of 75 days starting immediately after the end of the first 6 months of a financial year of the body, cause a profit and loss account for that 6 months, and a balance sheet as at the end of that 6 months, to be made out and lodged with the Commission and with the trustee for the holders of the debentures (if any).

"(6) The directors of a borrowing corporation that is a holding company must:

(a) before the end of the period of 90 days starting immediately after the end of a financial year of the corporation, cause a set of consolidated accounts for the (d) by corporation and each guarantor body that is a subsidiary of the corporation for that financial year to be made out and lodged with the Commission and with the trustee for the holders of the debentures (if any); and

(b) before the end of the period of 75 days starting immediately after the end of the first 6 months of a financial year of the corporation, cause a set of consolidated accounts for the corporation and each guarantor body that is a subsidiary of the corporation for that 6 months to be made out and lodged with the Commission and with the trustee for the holders of the debentures (if any).";

(b) by omitting subsections (12) and (13);

(c) by omitting from subsection (15) "The" and substituting "Subject to subsection (15A), the";

(d) by inserting after subsection (15) the following subsection:

"(15A) Section 331AA, as it applies because of subsection (IS) in relation to a relevant guarantor body in relation to a borrowing corporation, has effect as if the reference in subsection 331AA(3) to a borrowing corporation were instead a reference to the relevant guarantor body.";

(e) by omitting from paragraph (1-7)(b) all the words after "lodge" and substituting "documents with the trustee as required by subsections (5) to (15), inclusive and subsection 317A(2).";

(f) by omitting subsections (18) and (19).

Covenants to be included in deeds

50. Section 1069 of the Corporations Law is amended

(a) by inserting after paragraph (1)(e) the following paragraph:

"(ea) a covenant binding the management company and the trustee or representative, respectively, to comply with Division 11 of Part 3.6, and with regulations in force for the purposes of section 323L, so far as applicable;"

(b) by omitting from paragraph (1)(f) "2 months" and substituting "the prescribed period";

(c) by omitting subparagraph (1)(f)(i) and substituting the following subparagraphs:

"(ia) if relevant prescribed interests are ED securities at the end of the financial year-a copy of the accounts that sections 323C and 323D require, and a copy of the report that section 323J requires; and

(i) otherwise-a statement of the accounts for that financial year in relation to the relevant prescribed interests; and";

(d) by inserting after subsection (8) the following subsection:

"(8A) The covenant required by paragraph (1)(ea) is taken:

(a) to be contained in every approved deed in force at the commencement of this subsection; and

(b) in relation to a prescribed interest to which subsection (8) applies-to be given by a deed in force in relation to that interest.".

Returns and information about prescribed interests

51. Section 1071 of the Corporations Law is amended by omitting from paragraphs (1)(a) and (b) "2 months" and substituting "the prescribed period".

Insertion of new Part

52. After Part 7.12 of the Corporations Law the following Part is inserted:

PART 7.12A-CONTINUOUS DISCLOSURE

Division 1 - Preliminary

Interpretation

"1084A. For the purposes of this Part:

'disclosure notice', in relation to a notifiable event, means a notice that:

- (a) is in the prescribed form; and
- (b) contains all the information about the notifiable event that is required by the form;

'notifiable event', in relation to a disclosing entity, means an event, or a change of circumstances, about which investors and their professional advisers would reasonably require information for the purpose of making an informed assessment of:

- (a) the assets and liabilities, financial position, profits and losses, and prospects, of the disclosing entity; and
- (b) the rights attaching to the ED securities in relation to the disclosing entity; and
- (c) if the disclosing entity is the undertaking to which prescribed interests relate-the merits of participating in the undertaking and the extent of the risk involved in the participation.

How this Part applies to an undertaking that is a disclosing entity

"1084B. This Part applies to a disclosing entity that is the undertaking to which prescribed interests relate as if:

- (a) the references in Division 2 to a disclosing entity disclosing information, or lodging a disclosure notice, were instead references to the management company disclosing information, or lodging a disclosure notice; and
- (b) the references in Divisions 3 and 4 to a disclosing entity were instead references to the management company.

Division 2 - Disclosure of information

Disclosure of information about notifiable events

"1084C.(1) Subject to subsection (2), if a notifiable event in relation to a disclosing entity happens, the disclosing entity must disclose information about the event by lodging a disclosure notice, or disclosure notices, in relation to the event in accordance with this section.

"(2) If, because of the happening of the notifiable event, a supplementary prospectus has been, or is required to be, lodged under section 1024, information about the event that is included, or required to be included, in the supplementary prospectus need not be disclosed under this section.

"(3) The disclosing entity must lodge a disclosure notice in relation to the notifiable event as soon as practicable, and in any event within 3 business days, after the happening of the notifiable event.

"(4) Information need not be disclosed under subsection (3) if so disclosing it would be likely to result in unreasonable prejudice to the disclosing entity.

"(5) If.

(a) because of subsection (4), information about a notifiable event was not disclosed under subsection (3); and

(b) at some later time, disclosing the information under this section ceases to be likely to result in unreasonable prejudice to the disclosing entity;

the disclosing entity must lodge a disclosure notice, or another disclosure notice, as the case may be, in relation to the notifiable event as soon as practicable, and in any event within 3 business days, after the time referred to in paragraph (b).

Division does not affect operation of business rules or listing rules

"1084D. To avoid doubt, nothing in this Division affects the operation of provisions of the business rules or listing rules of a securities exchange that require information to be provided to the securities exchange.

Division 3 - Criminal liability

Offence for contravention of disclosure requirements

"1084E. If a disclosing entity knowingly or recklessly contravenes subsection 1084C(3) or (5), the disclosing entity is guilty of an offence.

Division 4 - Civil liability

Civil liability for contravention of disclosure requirements

"1084F.(1) If a disclosing entity contravenes subsection 1084C(3) or (5), a person who, in connection with a dealing in securities, suffers loss or damage because of the contravention may recover the amount of the loss or damage by action against the disclosing entity or against any person involved in the contravention, whether or not the disclosing entity or any person involved in the contravention has been convicted of an offence in respect of the contravention.

"(2) An action under subsection (1) must be begun within 6 years after the day on which the cause of action arose.

"(3) This Division does not affect any liability that a person has under any other law.

Defences

"1084G.(1) It is a defence to an action under section 1084F in respect of a contravention of subsection 1084C(3) or (5) consisting of the failure of a disclosing entity to disclose information under that subsection if-

(a) it is proved that, because of subsection 1084C(2) or (4), the information did not have to be disclosed; or

(b) it is proved that:

(i) the disclosing entity was not aware of the information; and

(ii) no disclosure system that the disclosing entity could reasonably be expected to have had in place could reasonably be expected to have resulted in the information being disclosed in accordance with that subsection.

"(2) In this section:

'disclosure system' means a system for the disclosure of information under section 1084C, whether or not the system also serves other purposes.

Division 5 - Exemptions from enhanced disclosure provisions

Enhanced disclosure provisions

"1084H.(1) The enhanced disclosure provisions are the following:

- (a) Parts 3.6 and 3.7 as applying in relation to companies in relation to accounting periods at the end of which the companies are disclosing entities;
- (b) Parts 3.6 and 3.7 as applying because of section 323A;
- (c) Division 11 of Part 3.6;
- (d) covenants required by paragraph 1069(1)(ea);
- (e) covenants required by paragraph 1069(1)(f), as they apply in relation to financial years at the end of which some or all relevant prescribed interests are ED securities;
- (f) Division 2 of this Part .

"(2) A reference in subsection (1) to provisions of this Law includes a reference to regulations in force for the purposes of any of those provisions.

Exemption by regulations

"1084J.(1) The regulations may exempt specified persons from all or specified enhanced disclosure provisions:

- (a) either generally or as otherwise specified; and
- (b) either unconditionally or subject to specified conditions.

"(2) Without limiting subsection (1), an exemption under this section may relate to specified securities.

Exemption by the Commission

"1084K.(1) The Commission may by writing exempt specified persons from all or specified enhanced disclosure provisions:

- (a) either generally or as otherwise specified; and
- (b) either unconditionally or subject to specified conditions.

"(2) Without limiting subsection (1), an exemption under this section may relate to specified securities.

"(3) In exercising a power under this section, the Commission may have regard to any of the following:

- (a) the desirability of efficient and effective disclosure to investors in securities and to securities markets;

(b) the need to balance the benefits of disclosure against the costs of complying with disclosure requirements;

(c) the desirability of facilitating, subject to appropriate safeguards, dealings in Australia in securities of foreign companies.

"(4) Subsection (3) does not limit the matters to which the Commission may have regard.

"(5) The Commission must cause a copy of an exemption under this section to be published in the Gazette.

Enforcing conditions of exemptions

"1084L.(1) A person must not contravene a condition to which an exemption under this Division is subject.

"(2) If a person contravenes such a condition, the Court may, on the application of the Commission, order the person to comply.

Effect of Division

"1084M. Nothing in this Division limits, or is limited by, any other exemption power (for example, section 313 or 1084)."

Other orders

53. Section 1325 of the Corporations Law is amended by omitting from subsections (1), (2) and (3) "or 7.12" (wherever occurring) and substituting ", 7.12 or 7.12A".

Schedule 3

54. Schedule 3 to the Corporations Law is amended:

(a) by inserting before "Section 1018" the following: "Subsection 1017B(4):

Penalty: \$20,000 or imprisonment for 5 years, or both."

(b) by inserting before "Section 1112" the following:

"Section 1084E:

Penalty: \$20,000 or imprisonment for 5 years, or both.

Subsection 1084L(1):

Penalty: \$20,000 or imprisonment for 5 years, or both."

Consequential amendments changing references to financial years to references to accounting periods

55. The Corporations Law is further amended as set out in the Schedule.

PART 3 - INDEMNIFYING OR INSURING AN OFFICER OR AUDITOR OF A COMPANY

Voting by interested director of public company

56. Section 232A of the Corporations Law is amended by inserting after subsection (2) the following subsection:

"(2A) For the purposes of subsection (1), a director does not have an interest in a matter relating to an existing or proposed contract of insurance merely because the contract insures, or would insure, the director against a liability incurred by the director as an officer of the company or of a related body corporate. This subsection does not apply if the company is the insurer."

Company not to indemnify officer or auditor

57. Section 241 of the Corporations Law is amended:

(a) by omitting subsections (1), (2) and (3) and substituting the following subsections:

"241.(1) A company or a related body corporate must not:

(a) indemnify a person who is or has been an officer or auditor of the company against a liability incurred by the person as such an officer or auditor; or

(b) exempt such a person from such a liability.

"(1A) A memorandum, articles, or any other instrument, or an agreement or arrangement, is void in so far as it provides for a body corporate to do something that subsection (1) prohibits.

"(2) Subsection (1) does not prevent a person from being indemnified against a liability to another person (other than the company or a related body corporate) unless the liability arises out of conduct involving a lack of good faith.

"(3) Subsection (1) does not prevent a person from being indemnified against a liability for costs and expenses incurred by the person:

(a) in defending proceedings, whether civil or criminal, in which judgment is given in favour of the person or in which the person is acquitted; or

(b) in connection with an application, in relation to such proceedings, in which the Court grants relief to the person under this Law."

(b) by omitting from paragraph (a) of the definition of "officer" in subsection (4) " executive officer or employee" and substituting "or executive officer";

(c) by inserting in subsection (4) the following definition:

“'indemnify' includes indemnify indirectly through one or more interposed entities;”.

58. After section 241 of the Corporations Law the following section is inserted:

Company not to pay insurance premiums in respect of certain liabilities of officer or auditor

"241 A.(1) A company or a related body corporate must not pay, or agree to pay, a premium in respect of a contract insuring a person who is or has been an officer or auditor of the company against a liability:

(a) incurred by the person as such an officer or auditor; and (b) arising out of conduct involving:

(i) a wilful breach of duty in relation to the company; or

(ii) without limiting subparagraph (i), a contravention of subsection 232(5) or (6).

"(2) If subsection (1) is contravened, the contract is void in so far as it insures the person against such a liability.

"(3) Subsections (1) and (2) do not apply to a liability for costs and expenses incurred by a person in defending proceedings, whether civil or criminal and whatever their outcome.

"(4) In this section:

'officer' has the same meaning as in section 241;

'pay' includes pay indirectly through one or more interposed entities."

Remunerating officers

59. Section 243K of the Corporations Law is amended:

(a) by inserting after subsection (7) the following subsections:

"(7A) A financial benefit given by a body corporate to a person by way of indemnifying the person against a liability incurred by the person as an officer of the body is remuneration paid or provided by the body to the person in a capacity as such an officer.

"(7B) A premium paid by a body corporate in respect of a contract insuring a person against a liability incurred by the person as an officer of the body is remuneration provided by the body to the person in a capacity as such an officer.";

(b) by omitting from subsection (8) ", (5), (6) and (7)" (first occurring) and substituting "to (7B), inclusive,";

(c) by omitting from paragraph (8)(b) ", (5), (6) and (7)" and substituting "to (7B), inclusive".

60. After section 309 of the Corporations Law the following section is inserted:

Indemnifying officer or auditor

"309A.(1) If

(a) during or since the financial year, the company has indemnified against a liability a person who is or has been an officer or auditor of the company or of a related body corporate; and

(b) but for subsection 241(2) or (3), subsection 241(1) would have prohibited the company from indemnifying the person against that liability;

the report must set out:

(c) the person's name; and

(d) the nature of the liability; and

(e) how much the company paid, and what else the company did, by way of indemnifying the person against the liability.

"(2) If

(a) during or since the financial year, the company has made a relevant agreement (as defined in section 9) for indemnifying against a liability a person who is or has been an officer or auditor of the company or of a related body corporate; and

(b) but for subsection 241(2) or (3), subsection 241(1) would prohibit the company from indemnifying the person against that liability;

the report must set out particulars of the relevant agreement, including:

(c) the person's name; and

(d) the nature of the liability; and

(e) how much the relevant agreement provides for the company to pay, and what else it provides for the company to do, by way of indemnifying the person against the liability.

"(3) If:

(a) during or since the financial year, the company has paid, or agreed to pay, a premium in respect of a contract insuring against a liability a person who is or has been an officer or auditor of the company or of a related body corporate; and

(b) but for subsection 241A(3), subsection 241 A(1) would have followed prohibited the company from paying, or agreeing to pay, the premium;

the report must:

(c) name the person and state that the company has paid, or agreed to pay, a premium in respect of a contract insuring the person against a liability; and

(d) set out, except so far as prohibited by the contract itself, the nature of the liability and the amount of the premium.

"(4) Nothing in this section limits the generality of section 309.

"(5) In this section:

'officer' has the same meaning as in section 241."

PART 4 - MISCELLANEOUS

61. After section 1274A of the Corporations Law the following section is inserted:

Use, in court proceedings, of information from Commission's national database

" 1274B.(1) In this section:

'data processor' means a mechanical, electronic or other device for processing data;

'national database' means so much of the national companies database kept by the Commission as consists of:

- (a) some or all of a register kept by the Commission under this Law; or
- (b) information set out in a document lodged under this Law.

"(2) In a proceeding in a court, a writing that purports to have been prepared by the Commission is admissible as prima facie evidence of the matters stated in so much of the writing as sets out what purports to be information obtained by the Commission, by using a data processor, from the national database. In other words, the writing is proof of such a matter in the absence of evidence to the contrary.

"(3) A writing need not bear a certificate or signature in order to be taken to purport to have been prepared by the Commission.

"(4) Nothing in this section limits, or is limited by, section 1274 or 1274A."

PART 5 - APPLICATION OF CHANGES TO THE CORPORATIONS LAW RESULTING FROM THIS ACT

62. After Division S of Part 9.11 of the Corporations Law the following Division is inserted:

Division 6 - Changes resulting from the Corporate Law Reform Act (No. 2) 1992

Application of changes to section 241

"1390.(1) Section 241, as in force after the commencement of section 57 of the Corporate Law Reform Act (No. 2) 1992, applies in relation to a liability incurred at or after that commencement.

"(2) Section 241, as in force before that commencement, continues to apply in relation to a liability incurred before that commencement, but not in relation to a contract of insurance made at or after that commencement.

Application of section 241A

"1391. Section 241A applies:

- (a) in relation to a contract of insurance made at or after the commencement of section 57 of the Corporate Law Reform Act (No. 2) 1992; and
- (b) in relation to a liability, whether incurred before, at or after that commencement.

Application of changes to Parts 3.6 and 3.7

"1392.(1) Parts 3.6 and 3.7, as in force after the commencement of section 12 of the Corporate Law Reform Act (No. 2) 1992, apply in relation to an accounting enterprise in relation to:

- (a) the first half-year (if any) of the enterprise that begins on or after 31 December 1993; and
- (b) the first accounting period of the enterprise that is a financial year and begins on or after 31 December 1993; and
- (c) each later accounting period of the enterprise.

"(2) Without limiting subsection (1), section 317A also applies in relation to a company in relation to the first financial year of the company that ends on or after 31 December 1993.

"(3) Parts 3.6 and 3.7, as in force before 31 December 1993, continue to apply in relation to a company in relation to a financial year of the company that began before that day.

Application of changes to section 779

"1393.(1) Subsections 779(5) to (9), inclusive, apply to a publication, after the commencement of section 37 of the Corporate Law Reform Act (No. 2) 1992, of information given, a document prepared, given or produced, or a statement made, whether before, at or after that commencement.

"(2) The definition of 'delisting or suspension decision' in subsection 779(1) applies to a decision made before, at or after that commencement."

SCHEDULE (Section 55) - CONSEQUENTIAL AMENDMENTS CHANGING REFERENCES TO FINANCIAL YEARS TO REFERENCES TO ACCOUNTING PERIODS

PART 1 - CHANGING "A FINANCIAL YEAR" TO "AN ACCOUNTING PERIOD"

Section 9 (definitions of "consolidated accounts" and "financial statements"), sections 287, 292 and 293, subsections 294(1), 294A(3), 294B(3) and 295(1), sections 296, 297 and 298, subsections 299(1), 300(1), 300(2), 301(1) and 302(1), section 303, subsections 304(2) and 305(2), section 310, subsections 313(4) and 332(6), section 332A and subsections 408B(2), 409A(1), 409A(3) and 409A(4):

Omit "a financial year" (wherever occurring), substitute "an accounting period".

PART 2 - CHANGING "THAT FINANCIAL YEAR" TO "THAT ACCOUNTING PERIOD"

Section 9 (definitions of "consolidated accounts" and "financial statements"), sections 292 and 293, subsections 294A(3), 294B(3), 295(1) and 295(2), sections 295A and 295B and subsections 296(1), 302(3), 332(6), 409A(1), 409A(3) and 409A(4):

Omit "that financial year" (wherever occurring), substitute "that accounting period".

PART 3 - CHANGING "THE FINANCIAL YEAR" TO "THE ACCOUNTING PERIOD"

Subsections 294(4), 300(2), 301(2), 301(3), 301(7), 301(9), 301(11), 302(6) and 302(9), section 303, subsections 304(2) and 305(2), section 310 and subsections 312(1), 331C(1), 331C(3) and 331E(2):

Omit "the financial year" (wherever occurring), substitute "the accounting period".

PART 4 - CHANGING OTHER REFERENCES

Subsections 294A(1) and 294B(1):

Omit "financial years", substitute "accounting periods".

Section 29511:

Omit "year's" (wherever occurring), substitute "period's".

Subsections 312(1) and (2):

Omit "particular financial year", substitute "particular accounting period".

Subsection 409A(1):

Omit "corresponding financial year", substitute "corresponding accounting period".

NOTE

1. No. 109, 1989, as amended. For previous amendments, see No. 110, 1990; Nos. 110, 200 and 201, 1991; and Nos. 27 and 00, 1992.

NOTE ABOUT SECTION HEADING

1. On the commencement of section 34 of this Act, the heading to section 408B of the Corporations Law set out in section 82 of the Corporations Act 1989 is omitted and the following heading is substituted: "Application of Parts 3.6 and 3.7-companies that are prescribed corporations".