

## **Simpler Regulatory System package gets the go-ahead**

The Federal Government's 'Simpler Regulatory System' legislative reforms for the corporate and financial services sector (comprising the Corporations Legislation Amendment (Simpler Regulatory System) Bill 2007, together with the Corporations (Fees) Amendment Bill 2007 and the Corporations (Review Fees) Amendment Bill 2007) have passed both Houses of Parliament and are awaiting Royal Assent.

### **Key elements of the package**

- The legislative provisions are substantially similar to those included in the November 2006 Proposals Paper.
- There are expanded auditor independence requirements.
- Two important exclusions are:
  - The proposal to separately regulate financial services advice from a 'financial product sales recommendations' has been omitted; and
  - A proposal to repeal a law exempting some private companies from lodging audited financial accounts will not proceed.
- There will no longer be legislative restrictions on registered managed investment schemes investing in unregistered schemes.
- Some reforms will reduce certain compliance costs (e.g. by reducing the volume of documentation required and by removing the need for some member approvals.)
- Streamlined regulatory requirements will be instituted:
  - ASIC will establish improved online reporting and electronic lodgment systems.
  - Accounting standards for executive and director remuneration will be incorporated into the *Corporations Act 2001* (Cth).

**However, some of the changes will mean new – and increased – compliance processes.**

Details of the government's package can be found via the following link:

<http://assistant.treasurer.gov.au/pcd/content/pressreleases/2007/072.asp>

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