

**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

**FINANCIAL INSTITUTIONS DUTY (AMENDMENT)
BILL 1998**

**SUPPLEMENTARY EXPLANATORY
MEMORANDUM**

Amendments to be moved on behalf of the Government

Circulated by the Authority of the Chief Minister and Treasurer

Kate Carnell, MLA

FINANCIAL INSTITUTIONS DUTY (AMENDMENT) BILL 1998

SUPPLEMENTARY EXPLANATORY MEMORANDUM

Finance/cost Implications - page 2.

Omit "This measure is revenue neutral" and replace it with "This measure is expected to be revenue positive".

Clause 2 - paragraph (4)(d) - page 3.

After "13A" insert "13AA"

To provide for the commencement of new s. 13AA at the same time as 13AA, 13B etc.

Clause 5 - paragraph 5(c) - page 3.

The addition of the words "but does not include a registered financial institution" will ensure that financial institutions that are registered in the Territory are not included in the definition of 'interstate financial institution'.

Clause 7 - new paragraph 5(1)(aa) - page 4.

This provides for a new class of dutiable receipts being a receipt of money outside the Territory by a financial institution registered in the Territory, to the credit of an account held by an ACT resident. This will address the loss of revenue due to the practice of certain financial institutions in the Territory centralising their accounts in another jurisdiction.

Clause 7 - paragraph 5(1)(b) - page 4.

This is to ensure that receipts under new paragraph 5(1)(aa) are also not included under 5(1)(b).

Clause 7 - subsection 5(1A) - page 4.

This will ensure that the 'no double duty' provisions do not extend to situations where the receipt is exempt from duty in another jurisdiction.

Clause 8 - new paragraph 6(c) - page 4.

Adds a new class of non-dutiable receipts prescribed by regulation to address instances where receipts received by registered financial institutions (humanitarian relief appeals or new treasury products) which are not intended to be dutiable.

Clause 8A - new clause - page 4.

Adoption of the NSW definition of short term dealing is to ensure consistency in the formula and application of calculating short term liabilities.

Clause 14 - new section 13AA - page 5.

This will allow for registered financial institutions to be deemed as registered agents for interstate financial institutions. Thus when acting as an agent for an interstate financial institution, they will not be required to apply for registration as agents.

Clause 24 - new paragraphs 25 (1)(ba) and (bb) - page 8.

This is to ensure that a receipt of money from short term dealing is not brought to duty under the large aggregate receipts provision if that receipt is already included in the short term dealer's closing daily balance of short term liabilities. This is to avoid 'double duty'.