

## GOVERNMENT NOTICES (Continued)

### AUSTRALIAN CAPITAL TERRITORY

#### DUTIES ACT 1999

#### EXPLANATORY STATEMENT

The Duties Act imposes duty on a range of transactions. The *Financial Relations Agreement Consequential Amendments Act 2000* (FRACA Act) amends the Duties Act in line with the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations (IGA). One amendment is for the cessation of duty on transactions relating to quoted marketable securities under the Duties Act. In accordance with the IGA, this applies to transfers that occur on or after 1 July 2001.

From 1 July 2001, the FRACA Act amends the Dictionary of the *Duties Act 1999*, (Duties Act) to contain the following definition, which gives the Minister the power to recognise a stock exchange:

stock exchange means –

- (a) the Australian Stock Exchange Limited; or
- (b) a stock exchange that is a member of the Federation Internationale des Bourses de Valeurs; or
- (c) a stock exchange that is declared to be a recognised stock exchange by the Minister by notice in the Gazette.

The Stock Exchange of Newcastle Limited (NSX) and the Bendigo Stock Exchange Limited (BSX) have both applied to all jurisdictions to become recognised stock exchanges to enable transfers of marketable securities quoted on their exchanges to be exempt from duty from 1 July 2001.

Both the NSX and BSX operate in the same investment market as the Australian Stock Exchange Limited (ASX) and must comply with similar regulatory and reporting rules. They are approved under the Corporations Law as stock exchanges and are under the scrutiny and supervision of the Australian Securities and Investments Commission. It is appropriate to apply the same duty regime to similar markets. Both the NSX and BSX have been recognised by NSW and Victoria.

The reason for this declaration is to declare the Stock Exchange of Newcastle Limited and the Bendigo Stock Exchange Limited recognised stock exchanges for the purposes of the Duties Act.

Under section 5 of the *Subordinate Laws Act 1989*, this declaration can be made before the Act concerned commences, as if it had commenced. The instrument takes effect on the day on which the Act concerned commences, which, in this case, is 1 July 2001.

Authorised by the Treasurer.