



Law Council
OF AUSTRALIA

Business Law Section

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The Treasury
Langton Crescent
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Via email: Corporations.Amendments@treasury.gov.au

16 May 2014

Dear Ms Calder,

**Corporations Legislation Amendment (Deregulatory and Other Measures) Bill 2014:
submission by Law Council of Australia on Exposure Draft**

1. These submissions are made by the Companies Committee of the Business Law Section of the Law Council of Australia (the Committee).

Key points

2. The key points the Committee wishes to bring to the attention of Treasury are as follows:
 - (a) the Committee supports the proposed removal of the 100 Member Rule from s 249D and submits that the Rule should also be removed from s 252B in respect of managed investment schemes;
 - (b) the Committee supports the proposal to introduce a pure solvency test for dividends, and to eliminate the requirement to calculate assets and liabilities by reference to accounting standards that do not apply to all companies, but it submits that the proposed s 254TA would introduce unnecessary regulation and introduce further anomalies, contrary to the Government's objective, and should be abandoned;
 - (c) the Committee does not support the proposed amendments to the Annual Directors' Report relating to dividends, because they are unnecessary and unclear;
 - (d) the Committee supports the Bill's proposals for limited reforms of the disclosure requirements for Remuneration Reports relating to the remuneration governance framework and options, and the proposed amendment to confine s 300A to listed disclosing entities, while suggesting that further work is needed in relation to this area of regulation, to reduce unnecessary regulation and enhance effective disclosure;

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- (e) the Committee supports the proposed amendments to provide further relief for companies limited by guarantee with respect to the appointment and replacement of an auditor; and
 - (f) the Committee supports the amendment to the ASIC Act which proposes to permit members of the Takeovers Panel to perform Panel functions whilst abroad.
3. The members of the working group of the Committee who prepared these submissions would welcome the opportunity to meet with Treasury officials, particularly to discuss dividend law reform. The objective would be to reach consensus on a difficult legal subject upon which various attempts at statutory law reform have not been completely successful. A proposed meeting has already been discussed by our respective representatives. To assist in further understanding the Committee's position on dividend reform, also attached are papers presented and discussed at the Committee's annual workshop in 2012.

Submissions

4. *Removal of the 100 members rule: proposed amendment to s 249D*

It is proposed that the statutory right of at least 100 members to require the directors of a company to convene a general meeting will be repealed by amendment to s 249D. The consequential statutory right of members holding 50% of the votes of the requisitionists, enabling them personally to convene a general meeting if the directors do not do so (s 249E), will be likewise modified. A consequential amendment is that the regulation-making power with respect to the number of members (s 249D(1A)) will be repealed.

The statutory rights of members with at least 5% of the votes that may be cast at a general meeting of a company, to require the directors to convene a general meeting (s 249D) or themselves to convene a general meeting (s 249F), will not be affected. Nor will the proposed amendment affect the statutory right of members with at least 5% of the votes that may be cast on a resolution, or at least 100 members who are entitled to vote at a general meeting, to give notice of a resolution for a general meeting that has been effectively convened (s 249N).

The Committee supports the proposed amendment, on the ground that shareholder rights are adequately protected by the remaining provisions summarised above. Specifically, in the case of a company limited by guarantee with many members, while it will be harder to accumulate the 5% that will be necessary to compel the calling of the meeting, the members will be adequately protected by the ability of 100 members to place an item on the agenda for an AGM or other properly convened meeting.

The Committee submits that the same reasoning should apply to meetings of members of registered managed investment schemes, and accordingly a corresponding amendment should be made to s 252B(1). Consequently s 252B(1A) should be repealed.

5. Proposed sections 254T and 254TA, and para 9.1 of the Small Business Guide (Dividends)

5.1 *General observations*

These proposed sections would replace the existing net assets test with a pure solvency test, with additional requirements where declaration or payment of a dividend would reduce the company's share capital. It will be made clear that a dividend paid in accordance with the new provisions is authorised by law and is therefore not subject to the reduction of capital requirements of Part 2J.1. The present requirement that assets and liabilities are to be calculated for dividend purposes in accordance with accounting standards will be removed, concurrently with removal of the net assets test.

In the Committee's view, the proposals to move from the existing net assets test to a pure solvency test, and to abandon reliance on accounting standards for entities not subject to them, are to be welcomed as a matter of reform of corporations law. However, the Committee submits that the proposed drafting set out in the Exposure Draft will create further problems and uncertainties, which should be addressed.

Overall, the Committee submits that some amendments should be made to the proposed s 254T, and the proposed s 254TA should be abandoned as it is unnecessary as well as problematic. The two principal policy considerations underlying the law of maintenance of share capital, relating to creditor and shareholder protections, would be adequately addressed by a pure solvency test (addressing creditor concerns) and a requirement (addressing fairness to shareholders) that the dividend be declared or determined consistently with the company's constitution (if any) and any relevant special resolution of shareholders.

The Committee further suggests that the Explanatory Memorandum for the Bill should explicitly state that:

- (a) these amendments will remove any requirement that dividends be declared or paid from profits and will abolish the maintenance of capital principle as it applies to dividends;
- (b) section 254W(1) prevents a public company from declaring or paying a dividend which treats shareholders in a class of shareholders differentially (unless the company's constitution or a special resolution of the company permits it to do so), but a differential distribution may be achieved by selective reduction of capital under Part 2J.1; and
- (c) when resolving to declare or pay a dividend, companies will need to take into account the taxation consequences of their decision, which are not addressed by these amendments.

For completeness, the Committee notes that the proposed sections, and our suggested amendments, adequately cater for Dividend Reinvestment Plans.

Our detailed comments on proposed ss 254T and 254TA are set out below.

5.2 *The dividend law should be cast in positive, not negative terms*

The proposed ss 254T(1) and (2) are expressed in negative language, appropriate for adding additional requirements for the payment of dividends, rather for the establishment of a new regime that overrides the existing law. The Committee submits that a provision cast in the form of a positive authority to declare or pay dividends would be far preferable. In particular, this would allow s 254TA to be abandoned, which the Committee considers would be desirable for the reasons set out in 5.5 to 5.8 below. See the Committee's suggested re-drafting of s 254T(1) and (2), at 5.9 below.

5.3 *Section 254T(2) should relate to the determination to pay a dividend, rather than the payment*

The proposed s 254T(2) would enable dividends to be paid without being declared, and would require the directors' reasonable belief in solvency to apply immediately before the dividend is paid. In a large company there is inevitably a gap between the date of the decision to pay a dividend and the date of payment.

The legal requirement for a lawful dividend should operate primarily at the time of the decision rather than the time of payment. The proposed s 254T(2) should be re-drafted in positive terms, using the language of the replaceable rule in s 254U,, to provide that the solvency test is to be satisfied immediately before the company's determination to pay the dividend. See the Committee's suggested re-drafting of s 254T(1) and (2), at 5.9 below.

The Committee's proposed formulation will require the directors to consider, immediately before making their determination, whether the company will be solvent immediately after the dividend is paid. They will have to take into account prospective changes to the company's financial position between the time of their decision and the time when the dividends are paid. The directors will normally fix a time for payment and under s 254V(1) a debt for payment of dividends will arise at that time. It will be in the interests of not only the company, but also the directors, to have the shortest practicable gap between the determination and the time fixed for payment, because the directors' statutory and general law duties of good faith and care, as well as potential insolvent trading liability (see below), will require them to oversee the monitoring of the company's financial health during that period.

5.4 *The solvency test in the proposed s 254T should be aligned to s 588H(2)*

Under the proposed s 254T, a dividend will be validly declared or paid only if the directors reasonably believe that the company will be solvent. The proposed notes to s 254T(1) and (2) draw attention to a director's duty to prevent insolvent trading on payment of dividends, under s 588G.

The Committee submits that it would be helpful if the solvency test in s 254T were aligned with the corresponding test in s 588H(2). Otherwise directors will have potential liability under two differently expressed criteria: namely, under ss 256D(3) and (4) for involvement in a contravention by their company of the proposed new dividend provision, and also under s 588G (subject to the defences in s 588H).

Thus, the proposed s 254T(1) would authorise a company to declare a dividend if, but only if, immediately before the dividend is declared, the directors have reasonable grounds to expect, and do expect, that the company will be solvent immediately after the dividend is declared.

Corresponding amendments should be made to the proposed s 254T(2). Sections 588G and 588H will have the effect that, to avoid insolvent trading liability, the directors' expectation of solvency will have to exist at the time fixed the payment (if any) and (under s 588G(1A)) the time of payment, as well as (under the proposed s 254T) immediately before their determination to pay the dividend.

See the Committee's suggested re-drafting of s 254T(1) and (2), at 5.9 below.

5.5 The proposed s 254TA is neither necessary nor appropriate and should be abandoned

If the proposed s 254T is re-cast in positive terms along the lines proposed in para 5.2, the proposed s 254TA will no longer be necessary and should be abandoned.

The Committee believes the abandonment of the proposed s 254TA is desirable for several reasons:

- (a) As proposed, the provision is not appropriate and simply will not work for many companies (including those with multiple classes of shares with different dividend rights) - see paras 5.6 and 5.7.
- (b) To the extent that there is a need to ensure dividends are fair and reasonable to a company's shareholders as a whole, this can better be achieved by requiring dividends to be consistent with the company's constitution or any relevant special resolution of the company - see para 5.8.
- (c) By imposing additional restrictions on dividends that involve reduction of share capital, proposed s 254TA would preserve the vagaries surrounding the legal concept of profit in the dividend context. The Committee believes it would be far preferable to have a stand-alone authority for dividends paid in accordance with the new solvency test (and consistency with the company's constitution and any relevant special resolution) that avoids the uncertainty and confusion to which the profits test gives rise.

5.6 The "equal reduction" requirement does not work, if the company has more than one class of shares with differential dividend rights

The proposed s 254TA(1) will permit a company to reduce its share capital by declaring or paying a dividend only if the dividend is declared or paid in accordance with proposed s 254T, *and* the reduction in share capital is an equal reduction. A reduction is an equal reduction if, inter alia, it relates only to ordinary shares.

"Ordinary shares" are not defined, but in the Part 2J.1 context commentators have suggested that shares are ordinary shares if the shareholder has the right to participate in dividends after any preferential dividend has been paid, the right to vote, the non-preferential right to a return of capital on winding up, the right to

participate in the ultimate surplus assets on winding up, and the right to participate in any corporate reconstruction - in each case proportionally to the number of shares held subject to any prior rights of other classes of shareholders¹.

Hence, where a proposed dividend reduces the company's share capital (for example, when there are no available profits for distribution), the only permitted dividend will be a dividend declared or paid in favour of ordinary shareholders. Holders of other classes of shares (such as preference shares) will be precluded from receiving such a dividend under this section. And yet the terms of issue or constitutional provisions relating to another class of shares may well give the shareholders in that class legal rights for preferential distribution. The overall effect may be that a company, seeking to avoid exposure to legal liability but wishing to pay a dividend otherwise than out of profits, will simply be precluded from doing so.

Moreover, where the company has some profits but not enough to support the dividends that the directors want to pay to preference shareholders and ordinary shareholders, there may be a question as to whether the drafting of the proposed ss 254T and 254TA would permit the use of the profits to pay the preference dividend and then payment of the ordinary shareholders' dividend out of capital.

The drafters may have intended to permit dividends to be paid other than to ordinary shareholders if the company follows the procedure for a selective reduction of capital (Explanatory Memorandum, para 7). But it is questionable whether such a drafting intention is achieved, and moreover, the imposition of a selective capital reduction regime for payment of dividends on, say, preference shares would be very onerous and unacceptable.

This is not a problem "on the margin". Of the top 20 listed companies, five (ANZ, CBA, NAB, Westpac and Suncorp) have preference shares on issue. At the other end of the economic spectrum, many proprietary companies have several classes of shares with differential rights.

5.7 *The "equal reduction" requirement is inappropriate in the dividend context*

As used in Part 2J.1 concerning authorised reductions of capital, the concept of an equal reduction is employed primarily to distinguish cases where shareholder approval by ordinary resolution will suffice, from cases where fairness requires approval by special resolution with voting restrictions. The equal reduction requirement is not a general "fairness to shareholders" requirement, that consideration being separately addressed in s 256B(1)(a).

Therefore by employing the equal reduction concept in the dividend context, the proposed s 254TA is adapting that concept to new and different circumstances. In the dividend context there is no issue about shareholder voting unless (unusually) the constitution empowers the shareholders rather than the directors to make the dividend decision. The Committee submits that this re-deployment of the equal reduction concept is inappropriate.

¹ See *Ford's Principles of Corporations Law* (looseleaf) [24.560]; *Austin & Black's Annotations to the Corporations Act* (looseleaf) [2J.256B].

The inappropriateness of using the equal reduction concept in the dividend context produces several unfortunate consequences. First, as noted at 5.6 above, the concept does not work where there is more than one class of shares and there are differential dividend rights.

Second, as to the definition of "equal reduction" in proposed s 254TA(2):

- (a) there may be a question as to whether proposed s 254TA(2)(c), which requires that the terms of the reduction be the same for each holder "disregarding differences" that are set out, is intended to:
 - (i) allow differential distributions where the difference is produced by one of the listed matters (e.g., to permit a distribution to be an equal reduction even though some but not all shareholders receive an amount which includes extra accrued dividend entitlements); or
 - (ii) require that the distribution be the same to every shareholder, disregarding the listed matters (e.g., preventing a shareholder to receive an extra amount of dividend to reflect accrued entitlements); and
- (b) the concept underlying proposed s 254TA(2)(c)(iii) ("disregarding differences that are introduced solely to ensure that each shareholder is left with a whole number of shares") is not clear - in a reduction of capital this provision is needed where shares are to be cancelled, but it is hard to envisage circumstances in which the concept would apply to a dividend out of capital, whether in cash or in specie.

5.8 *The "equal reduction" requirement is unnecessary in the dividend context, and constitutional protection is to be preferred*

The proposed s 254T, by introducing a pure solvency test, will do away with the additional requirements in the present s 254T regarding avoiding material prejudice to the company's ability to pay creditors, and ensuring that the payment of the dividend is fair and reasonable to the company's shareholders as a whole.

Removing the "material prejudice to creditors" test is justified because the dividend test will be a solvency test, and nothing more is needed. The purpose of employing the equal reduction concept in the dividend context seems to be to address the concern that a dividend that reduces share capital will not be fair and reasonable to shareholders as a whole unless it is paid to ordinary shareholders proportionately to their holdings.

However, that requirement is adequately addressed by other parts of corporations law. First, s 254W separately addresses the position of public companies, proprietary and no liability companies. In particular, s 254W(1) requires that each share in a class of shares in a public company must have the same dividend rights unless the company has a constitution that provides otherwise or differential rights are provided for by special resolution. Importantly, and in contrast with proposed s 254TA, s 254W(1) addresses the issue of fairness on a class-by-class basis, so as

to allow for the position of classes of shares with differential dividend rights (such as preference shares), and it addresses the shareholder fairness problem by requiring compliance with constitutional provisions or a special resolution (presumably on the basis that minority shareholders who are outvoted have access to the oppression remedy).

Second, the rights of shareholders in each class of issued shares can be addressed by the corporate constitution, if the company has a constitution, any relevant special resolution of the company, and the terms of issue of the shares. Shareholders whose rights are affected by constitutional provisions, a special resolution or the terms of issue of shares have the range of protections that company law allows, including adoption or amendment of constitutional provisions prevailing over any future special resolution or future terms of issue, and the general shareholder rights with respect to oppression, derivative actions and winding up.

It is open to a company to adopt constitutional provisions not only addressing distribution entitlements, but also imposing additional requirements, or restrictions, with respect to dividend distributions, where shareholders may wish to have additional protections. Additionally, the company may adopt a special resolution stating the rights attached to a class of shares (for example, see s 254A(2) with respect to preference shares).

In order to ensure that such constitutional provisions and special resolutions are effective, the Committee submits that the proposed s 254T should be amended to require that a dividend be declared or paid in a manner that is consistent with the company's constitution, if it has one, or any special resolution relating to dividend rights. See the Committee's suggested re-drafting of s 254T(1) and (2), at 5.9 below.

The effect of this change would be to allow the shareholders to prescribe additional requirements for lawful dividends, such as a requirement that the dividend be paid only to a particular class of shareholders, or at differential rates for different classes of shareholders, or even at differential rates within a single class of shareholders. Shareholders could, in a particular case, require the dividends to be paid only out of profits, or out of some identified account. The above drafting would apply to constitutional provisions and special resolutions in place at the time of commencement of the new provision, as well as new provisions subsequently adopted.

The Committee submits that no further shareholder protection would be required in the dividend context, as s 254W and the general shareholder protections are sufficient. Accordingly proposed s 254TA should be abandoned.

The abandonment of the proposed s 254TA would mean that some distributions that currently must be made by reduction of capital under Part 2J.1, with shareholder approval by ordinary resolution or special resolution (as the case may be) will come to be permissible by way of declaration or determination to pay a dividend if the constitution does not provide otherwise. Under the usual constitutional provisions, such a dividend decision will be made by the directors without shareholder approval. The Committee submits that, if the solvency test

and consistency with the corporate constitution is stipulated in the dividend law, this would be a positive consequence of dividend law reform.

Such a reform would give Australian companies enhanced capital flexibility. It would be an important step in the implementation of the present Government's policy to remove unnecessary regulation. It would at last achieve the policy goals enunciated, but not successfully implemented, in the Explanatory Memorandum for the 2010 amendments.

Part 2J.1 would remain available to be used in circumstances other than a solvent distribution in accordance with s 254W and constitutional requirements: for example, where the directors judge it to be advisable to put their proposed distribution to shareholders; , or where a differential distribution amongst members of a class of shares is proposed; or in cases where a capital reduction does not involve a distribution of cash or other assets, but, rather, the cancellation of liabilities; or where the proposal includes cancellation of shares (see s 254Y).

5.9 *Proposed re-drafting of s 254T*

In order to clarify our submissions in 5.2-5.8 above, the Committee offers the following reformulation of s 254T:

(1) A company may declare a dividend if (but only if):

- (a) immediately before the dividend is declared, the directors have reasonable grounds to expect, and do expect, that the company will be solvent immediately after the dividend is declared; and*
- (b) the declaration of the dividend is consistent with the company's constitution (if the company has a constitution), or any special resolution of the company relating to dividend rights.*

Note 1: For a director's duty to prevent insolvent trading on declaration of dividends, see sections 588G and 588H.

Note 2: A dividend declared in accordance with this subsection is authorised by law, including for the purposes of section 256B.

(2) A company may determine to pay a dividend if (but only if):

- (a) immediately before the determination is made, the directors have reasonable grounds to expect, and do expect, that the company will be solvent immediately after the dividend is paid; and*
- (b) the payment of the dividend is consistent with the company's constitution (if the company has a constitution), or any special resolution of the company relating to dividend rights.*

Note 1: For a director's duty to prevent insolvent trading on payment of dividends, see sections 588G and 588H.

Note 2: A dividend paid in accordance with this subsection is authorised by law, including for the purposes of section 256B.

(3) Subsection (2) does not apply to a dividend that is declared.

Re-wording the proposed s 254T in this way would abolish the legal distinction (though not the commercial distinction) between interim and final dividends. As a matter of law, a dividend would be permissible if and only if the solvency and constitutional tests were satisfied at the time of the dividend decision, regardless of whether for commercial purposes the directors' decision is intended to be an interim or final dividend decision for the relevant financial year. It would not be permissible, under this wording, for directors to resolve to pay an interim dividend on the ground that they anticipated that the company would become solvent by the end of the financial year, though it was not reasonably expected to be solvent at the time of payment. The Committee believes that is a good outcome.

6. *Proposed ss 300(1)(a) and (ba): disclosure of details of the source of dividends paid otherwise than out of profits*

Section 300 prescribes specific information to be included in the Annual Directors' Report of a company that is required to have such a report. Currently subparagraph (1)(a) requires the report for a financial year to include details of dividends or distributions paid to members during the year. An amendment is proposed to add the words: "including details of the source of any dividends paid otherwise than out of profits".

Additionally, it is proposed that a new subparagraph 300(1)(ba) be introduced, requiring that if dividends were paid to members during the year, and the dividends were paid otherwise than out of profits, that the board policy for determining the amount and source of dividends be disclosed.

The Explanatory Memorandum to the Exposure Draft, para 9, describes the additional reporting obligations as "an important integrity measure" that will "ensure that shareholders have the information they need about a company's dividend policy to make informed investment decisions". However, the Committee submits that the amendments are unnecessary and will not achieve any such objective, for the following reasons.

The words "details of the source of any dividends" in proposed s 300(1)(a) and "the amount and source of dividends" in proposed s 300(1)(ba) are unclear. Identifying the way in which a dividend is accounted for may not be informative, and the source of payment may be equally uninformative (e.g., the source might simply be cash).

Additionally, the Committee is concerned that these requirements preserve the distinction between dividends paid out of profits and other dividends, a difficult and ambiguous distinction which the 2010 amendments were intended to overcome (see 5.5 above).

Further, if the basic requirements for a valid dividend are solvency and constitutional authority, as the Committee submits should be the case, requiring additional information regarding the source of the dividend does not seem justified.

The Committee therefore submits that the additional requirements will be undesirable and of no utility, and therefore that the proposed ss 300(1)(a) and (ba) be abandoned.

It is likely to be helpful for shareholders to be told about the board's dividend policy, without specifying the source of dividends. But the Committee submits that such information is amply conveyed by the financial report without legislative amendment.

7. *Proposed changes to s 300A(1): disclosure requirements in remuneration reports of disclosing entities*

The Committee supports all of the proposed changes to s 300A, for the reasons given below, and encourages the Government to proceed with them. However, the Committee submits that, given the present Government's policy to remove unnecessary regulation and red tape, it would be appropriate to revisit the whole of the remuneration reporting requirements in the next round of corporate law revision. The current requirements of s 300A and the Corporations Regulations are highly prescriptive and in many respects, difficult to interpret, and ultimately unhelpful in assisting retail shareholders to understand remuneration policies adopted by reporting entities. The Committee encourages the Government to revisit the report by the Corporations and Markets Advisory Committee on *Executive Remuneration* (April 2011).

The proposed s 300A(1)(aa) will require the Annual Directors' Report of a disclosing entity for a financial year to include, in a separate and clearly defined section of the report or in the financial report, a description of the company's process (the **remuneration governance framework**) for determining remuneration of key management personnel. This proposal is in accordance with current good practice and is supported.

Section 300A(1)(e)(iv) currently requires disclosure of the value of options granted to a member of the key management personnel as part of their remuneration which have lapsed during the financial year because a vesting condition was not satisfied. It is proposed that this be replaced by a provision requiring disclosure of the number of options that have lapsed, and the year in which those options were granted. The information produced by the current requirement lacks utility, and the proposed disclosure will be more straightforward.

Section 300A(1)(e)(vi) requires disclosure of the percentage of the value of the remuneration of each member of the key management personnel that consists of options. It is proposed that this provision be repealed. The Committee agrees that this information is unnecessary, given the disclosure required in reg 2M.3.03.

Section 300A currently applies to any disclosing entity that is a company: s 300A(2). It is proposed that the application of the section be confined, by amendment to s 300A(2), to listed disclosing entities. The Committee agrees that the level of disclosure required by s 300A is less relevant for unlisted disclosing entities because they are not required to hold an annual general meeting and place the remuneration report before shareholders for a non-binding resolution.

8. Determining a company's financial year: proposed note to s 323D(2A)

The Committee supports the proposed note to s 323D(2A).

9. Appointment of auditors of a company limited by guarantee: proposed ss 327A(1A), 327B(1A) and note to s 327C(1)

The amendments proposed to ss 327A and 327B, and the proposed note to s 327C(1), are intended to relieve a small company limited by guarantee, and a company limited by guarantee with revenue falling within s 301(3) which elects to have its accounts reviewed rather than audited, from the obligation to appoint and replace an auditor. In the Committee's view, the proposals reflect the drafter's objective.

10. Transitional provisions

The Committee has no submission to make in respect of the transitional provisions in proposed Part 10.24, except with respect to proposed s 1550.

The proposed s 1550 states that proposed s 254TA will apply in relation to dividends declared or paid in accordance with s 254T as repealed and substituted by the amending Act. It is not clear whether that provision is intended to have a retrospective application, as regards dividends declared and dividends paid before the commencement of the amending Act. In principle, retrospective application should be expressly avoided by stating that proposed s 254TA will apply in relation to dividends declared or paid *after the commencement of the amending Act* in accordance with the repealed s 254T.

The Committee's preferred position is that proposed s 254TA be abandoned, for the reasons explained above.

11. Amendments to the ASIC Act

The Committee supports the proposed amendment to s 174 of the ASIC Act, which will authorise the Panel to exercise functions and powers outside Australia. This will avoid any technical objection to Panel members participating in the Panel's work (e.g., Panel teleconferences) whilst overseas, typically travelling to fulfil other professional obligations.

Otherwise the Committee has no submissions to make on the proposals to amend the ASIC Act, relating to the role of the Remuneration Tribunal.

12. Consequential amendments to the Financial Sector (Business Transfer and Group Restructure) Act 1999

The Committee has no submissions to make on this proposal, which is merely a note drawing attention to proposed s 254T.

Conclusion and further contact

13. The Committee would be pleased to discuss any aspect of this submission. As mentioned above, the working group of the Committee would appreciate the opportunity to meet with Treasury officials.
14. Please contact the chair of the Committee, Bruce Cowley on (07) 3119 6213 if you would like to do so.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Keeves', with a long horizontal flourish extending to the right.

John Keeves
Chairman, Business Law Section