

1990

THE LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

CREDIT (AMENDMENT) BILL 1990

EXPLANATORY MEMORANDUM

(Circulated by authority of the
Attorney-General
Bernard Collaery, MLA)

EXPLANATORY MEMORANDUM

Credit (Amendment) Bill 1990

GENERAL OUTLINE

The purpose of the amendments is to regularise the status of interstate credit unions invalidly registered under the Credit Act 1985. The amendments achieve this by retrospectively exempting the relevant credit unions from Parts III to VIII of the Act, and validating their registration under the Act. The amendments will ensure that the credit unions' and their borrowers' rights and obligations are preserved for the period in which the credit unions were not validly registered.

FINANCIAL IMPACT

The Bill involves no cost to the Government.

NOTES ON CLAUSES

Clause 1 provides for the citation of the Bill as the Credit (Amendment) Act 1990.

Clause 2 provides that the Principal Act is the Credit Act 1985.

Subclause 2 of clause 3 provides that clauses 4 and 5 shall be taken to have commenced on 28 February 1985 when the Principal Act commenced.

Subclause 1 provides that the other provisions of the Bill commence on notification in the Gazette.

Clause 4 amends the Principal Act by omitting subsection (1)(b) of section 18 and substituting a paragraph referring to credit unions and similar bodies registered or incorporated interstate under laws corresponding to the Cooperative Societies Act 1939. This paragraph will have the effect of exempting such bodies from Parts III to VIII of the Principal Act, placing them into the same position as corresponding local bodies registered under the Principal Act.

Clause 5 is a provision consequential on the amendment effected by clause 4 providing that the interstate credit unions and similar bodies referred to in clause 4 are included in the list, contained in section 156 of the Principal Act, of bodies required to be registered, but not licensed, under the Principal Act.

Clause 6 ensures that the invalid registration of the credit unions and similar bodies is made valid and effectual as if Clause 5 had been in force at the time of their purported registration. The effect of the clause is to regularise the status of the relevant bodies without the need for re-applications for registration and refunding and re-payment of registration fees.