

Australian Capital Territory

Civil Law (Wrongs) CPA Australia Ltd Professional Standards (Accountants) Scheme 2019 (No 1)

Disallowable instrument DI2019–284

made under the

Civil Law (Wrongs) Act 2002, sch 4, s 4.10 (Schemes are subject to disallowance)

EXPLANATORY STATEMENT

Professional Standards Legislation (PSL) was developed on a national basis following the insurance crisis of 2002.

PSL, which has been passed by all States and Territories, involves a trade-off whereby professionals have their negligence liability for economic loss capped in return for a commitment to higher standards of service delivery, monitored by a professional standards council operating on a national basis.

In 2004, the ACT passed its own PSL, which was incorporated as schedule 4 of the *Civil Law (Wrongs) Act 2002* (the Act). Section 4.10, schedule 4 of the Act provides that if an interstate scheme has been approved by the appropriate professional standards council for the jurisdiction, the Minister must give notice of the approval.

This instrument gives notice of the Professional Standards Council of New South Wales' approval of the 'CPA Australia Ltd Professional Standards (Accounting) Scheme' (the Scheme). The Scheme commences in the ACT on 23 December 2019 and will remain in force for five years, unless the scheme is revoked, extended, or its operation ceases.

CPA Australia Ltd is a national occupational association. The terms of the Scheme limit a member's occupational liability for damages arising from a single cause of action to the extent to which the liability results in damages exceeding \$2 million.