



The Parliamentary Secretary to the Treasurer's Simpler Regulatory System package (which includes the Corporations Legislation Amendment (Simpler Regulatory System) Bill and supporting Bills) will simplify and improve aspects of corporate and financial services regulation, and help to reduce the burden of red tape for the benefit of the Australian community.

The key objectives of the Simpler Regulatory System package are outlined below.

Improving Australians' access to financial advice

- Increasing access to affordable financial advice by reducing the costs associated with providing financial advice, particularly for relatively small-scale investments.
- Enabling financial service providers to communicate more effectively by reducing the volume of documentation that must be provided to some classes of investors, without compromising investor protection.

Enhancing investor participation

- Encouraging greater employee ownership of companies by removing restrictions that apply to unlisted companies wishing to establish an employee share scheme.
- Providing opportunities for suitable investors to engage in more sophisticated financial investments.

Greater business efficiency

- Improving the efficiency with which companies can operate by removing the requirement to seek member approvals for relatively small transactions between public companies and related parties, and removing compliance burdens that have little benefit to securities holders in takeover situations.
- Refining auditor independence requirements by reducing the compliance burden without weakening the robust framework established by the Corporate Law Economic Reform Program.
- Facilitating improved access to capital by reducing compliance costs associated with corporate fundraising activities.

Reducing compliance costs

- Reducing reporting costs for about 1,600 proprietary companies by raising the thresholds at which audited financial reports are required to be prepared.
- Reducing costs associated with the distribution of annual reports by better enabling companies to distribute them to shareholders through the Internet.
- Reducing transaction costs of ongoing lodgement of annual review fees by enabling companies to make a single up-front payment to cover the fees that would be incurred over 10 years. For example, instead of \$212 per year for 10 years (\$2,120), proprietary companies would only be required to pay a one-off fee of \$1,600.

Streamlining regulatory processes

- Introducing improved mechanisms for ASIC to perform its regulatory functions, including more effective notification processes and greater use of electronic registration facilities.
- Streamlining requirements by incorporating accounting standards relating to executive and director remuneration into the *Corporations Act 2001*.

For further information on this and other measures the Parliamentary Secretary to the Treasurer, the Hon Chris Pearce MP, has undertaken to reduce the regulatory burden, see www.parlsec.treasurer.gov.au.

For other measures in the Treasury portfolio to reduce the burden of regulation, see www.treasury.gov.au.