



# Corporations Amendment Regulation 2012 (No. )<sup>1</sup>

**Select Legislative Instrument 2012 No.**

---

I, QUENTIN BRYCE, Governor-General of the Commonwealth of Australia, acting with the advice of the Federal Executive Council, make the following regulation under the *Corporations Act 2001*.

Dated 2012

Governor-General

By Her Excellency's Command

**[DRAFT ONLY – NOT FOR SIGNATURE]**

Parliamentary Secretary to the Treasurer

---

**CONSULTATION DRAFT ONLY**

**1 Name of regulation**

This regulation is the *Corporations Amendment Regulation 2012 (No. )*.

**2 Commencement**

This regulation commences on the commencement of Schedule 1 to the *Corporations Legislation Amendment (Audit Enhancement) Act 2012*.

**3 Amendment of *Corporations Regulations 2001***

Schedule 1 amends the *Corporations Regulations 2001*.

**Schedule 1 Amendments**

(section 3)

**[1] After Part 2M.4**

*insert*

**Part 2M.4A Annual transparency reports for auditors**

**2M.4A.01 Application**

This Part applies in relation to annual transparency reports for:

- (a) the transparency reporting year in which Schedule 1 to the *Corporations Legislation Amendment (Audit Enhancement) Act 2012* commences; and
- (b) all later transparency reporting years.

*Note* For the definitions of *annual transparency report* and *transparency reporting year*, see section 9 of the Act.

---

**2M.4A.02 Content of annual transparency report  
(Act s 332B)**

- (1) For subsection 332B (1) of the Act, Schedule 7A sets out the information that an annual transparency report published in accordance with subsection 332A (2) of the Act must contain.
- (2) If the report is published by an audit firm or authorised audit company, see Part 2 of Schedule 7A.
- (3) If the report is published by an individual auditor, see Part 3 of Schedule 7A.

**[2] After Schedule 7**

*insert*

**Schedule 7A Content of annual  
transparency report**

(subregulation 2M.4A.02 (1))

**Part 1 Interpretation for Schedule 7A**

**7A101 Interpretation**

In this Schedule:

***management body***, for an authorised audit company, means the Board of Directors.

***relevant transparency reporting year*** means the transparency reporting year to which an annual transparency report relates.

*Note 1* Many terms and expressions used in this Schedule have the meaning given by the Act. For example:

- annual transparency report
- audit
- audit activity
- audit firm
- authorised audit company
- director
- engage in audit activity

- financial year
- individual auditor
- non-audit services provider
- professional accounting body
- professional member of an audit team
- remuneration
- transparency reporting auditor
- transparency reporting year.

*Note 2* See regulation 2M.4A.01 for an application provision that, read in combination with regulation 2M.4A.02, is relevant to Schedule 7A.

## **Part 2 Prescribed information for audit firm or authorised audit company**

<b>Item</b>	<b>Information</b>
7A201	A description of the transparency reporting auditor's: <ul style="list-style-type: none"> <li>(a) legal structure; and</li> <li>(b) ownership</li> </ul>
7A202	If the transparency reporting auditor belongs to a network, a description of: <ul style="list-style-type: none"> <li>(a) the network; and</li> <li>(b) the legal arrangements of the network; and</li> <li>(c) the structural arrangements of the network</li> </ul>
7A203	A description of the transparency reporting auditor's governance structure
7A204	A description of the transparency reporting auditor's internal quality control system
7A205	A statement by the transparency reporting auditor's administrative body or management body on the effectiveness of the functioning of the transparency reporting auditor's internal quality control system in the relevant transparency reporting year
7A206	The name of each body that is authorised to review the transparency reporting auditor (for example, ASIC or a professional accounting body) and the date of the most recent review of the transparency reporting auditor conducted by the body

---

Item	Information
7A207	The names of bodies of the kinds mentioned in subsection 332A (1) of the Act for which the transparency reporting auditor conducted an audit under Division 3 of Part 2M.3 of the Act in the relevant transparency reporting year
7A208	<p>A statement about the transparency reporting auditor's independence practices in the relevant transparency reporting year, including:</p> <ul style="list-style-type: none"> <li>(a) the date on which the transparency reporting auditor most recently conducted an internal review of its independence compliance; and</li> <li>(b) the outcome of the internal review</li> </ul>
7A209	A statement about the policy that the transparency reporting auditor follows regarding the minimum amount and nature of continuing or other professional education that professional members of an audit team must undertake during the relevant transparency reporting year
7A210	<p>Financial information for the transparency reporting auditor that relates to the relevant transparency reporting year, including:</p> <ul style="list-style-type: none"> <li>(a) total revenue; and</li> <li>(b) fees received during the relevant transparency reporting year for: <ul style="list-style-type: none"> <li>(i) audits of financial statements conducted by the transparency reporting auditor; and</li> <li>(ii) other services provided by the transparency reporting auditor</li> </ul> </li> </ul>
7A211	<p>Information concerning the basis for remuneration of:</p> <ul style="list-style-type: none"> <li>(a) the audit firm's partners; or</li> <li>(b) the authorised audit company's directors</li> </ul>

---

---

### **Part 3 Prescribed information for individual auditor**

<b>Item</b>	<b>Information</b>
7A301	If the transparency reporting auditor belongs to a network, a description of: <ul style="list-style-type: none"><li>(a) the network; and</li><li>(b) the legal arrangements of the network; and</li><li>(c) the structural arrangements of the network</li></ul>
7A302	A description of the transparency reporting auditor's internal quality control system
7A303	The name of each body that is authorised to review the transparency reporting auditor (for example, ASIC or a professional accounting body) and the date of the most recent review of the transparency reporting auditor conducted by the body
7A304	The names of bodies of the kinds mentioned in subsection 332A (1) of the Act for which the transparency reporting auditor conducted an audit under Division 3 of Part 2M.3 of the Act in the relevant transparency reporting year
7A305	A statement that sets out the transparency reporting auditor's independence practices in the relevant transparency reporting year
7A306	Financial information for the transparency reporting auditor that relates to the relevant transparency reporting year, including: <ul style="list-style-type: none"><li>(a) total revenue; and</li><li>(b) fees received during the relevant transparency reporting year for:<ul style="list-style-type: none"><li>(i) audits of financial statements conducted by the transparency reporting auditor; and</li><li>(ii) other services provided by the transparency reporting auditor</li></ul></li></ul>

---

#### **Note**

1. All legislative instruments and compilations are registered on the Federal Register of Legislative Instruments kept under the *Legislative Instruments Act 2003*. See [www.comlaw.gov.au](http://www.comlaw.gov.au).