

2010-2011-2012

The Parliament of the
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

EXPOSURE DRAFT

Consumer Credit and Corporations Legislation Amendment (Enhancements) Bill 2011

(Government)

- (1) Clause 2, page 2 (table item 3), omit the table item, substitute:
3. Schedule 4 1 July 2013. 1 July 2013

[commencement]
- (2) Schedule 4, item 12, page 56 (line 14), omit “10% of”, substitute “20% of”.

[small amount credit contract]
- (3) Schedule 4, item 12, page 56 (line 19), omit “2% of”, substitute “4% of”.

[small amount credit contract]
- (4) Schedule 4, item 12, page 56 (after line 19), at the end of section 31A, add:

Review

(4) The Minister must cause an independent review of the operation of this section to be undertaken as soon as practicable after the end of the period of 2 years after the commencement of this section.

[small amount credit contract]
- (5) Schedule 4, item 13, page 56 (line 25), at the end of the heading to subsection 32A(1), add “etc.”.

[annual cost rate]
- (6) Schedule 4, item 13, page 56 (after line 28), after subsection 32A(1), insert:

EXPOSURE-DRAFT

(1A) A person must not be a credit provider under a credit contract if the annual cost rate of the contract exceeds 48% at any time.

Criminal penalty: 50 penalty units.

[annual cost rate]

(7) Schedule 4, item 13, page 59 (lines 1 to 22), omit subsections 32B(3) and (4), substitute:

Credit cost amount

(3) The **credit cost amount** for the credit contract is the amount calculated in accordance with the regulations.

[annual cost rate]

(8) Schedule 4, item 13, page 59 (line 33), omit “under sections 180 to 182”, substitute “prescribed by the regulations”.

[annual cost rate]

(9) Schedule 4, item 13, page 60 (lines 1 to 17), omit subsection 32B(8).

[annual cost rate]

(10) Schedule 4, item 15, page 61 (lines 20 and 21), omit “an amount that is twice the adjusted credit amount in relation to the contract”, substitute “the amount prescribed by the regulations”.

[small amount credit contract]

(11) Schedule 4, item 16, page 61 (line 30), omit “subsection 32A(1).”, substitute “subsection 32A(1);”.

[annual cost rate]

(12) Schedule 4, item 16, page 61 (after line 30), after paragraph 111(1)(j), insert:
(k) subsection 32A(1A).

[annual cost rate]

(13) Schedule 4, item 17, page 61 (after line 33), after paragraph 111(2)(fa), insert:
(fb) subsection 32A(1A);

[annual cost rate]

(14) Schedule 6, page 101 (after line 4), at the end of Part 5, add:

21A Subsection 32A(1A) and paragraphs 111(1)(k) and (2)(fb) of the new Credit Code

Subsection 32A(1A) and paragraphs 111(1)(k) and (2)(fb) of the new Credit Code, as inserted by Schedule 4 to the amending Act, apply in relation to credit contracts entered into on or after the commencement of that Schedule.

[annual cost rate]