

EXPOSURE DRAFT

EXPOSURE DRAFT EXPLANATORY STATEMENT

Issued by authority of the Minister for Housing and Assistant Treasurer

Australian Securities and Investments Commission Act 2001

Australian Securities and Investments Commission Amendment (First Home Loan Deposit Scheme Guarantees) Regulations 2019

The *Australian Securities and Investments Commission Act 2001* (the Act) complements the *Corporations Act 2001* and outlines additional obligations and regulations applicable to business entities in Australia.

Section 251 of the Act provides that the Governor-General may make regulations prescribing matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

The purpose of the *Australian Securities and Investments Commission Amendment (First Home Loan Deposit Scheme Guarantees) Regulations 2019* (the Amending Regulations) is to make amendments to the *Australian Securities and Investments Commission Regulations 2001* (the Regulations) in respect of definitions for financial products. The amendments exclude guarantees issued under the First Home Loan Deposit Scheme by the National Housing and Finance Investment Corporation as financial products.

Paragraph 12BAA(8)(p) of the Act provides that a facility, interest or other thing may be declared by the regulations not to be a financial product.

Item 1 of Schedule 1 to the Amending Regulations insert section 2BD into the Regulations to exclude guarantees issued under the First Home Loan Deposit Scheme by the National Housing and Finance Investment Corporation as financial products.

The Act specifies no conditions that need to be met before the power to make the Amending Regulations may be exercised.

Under the *Corporations Agreement 2002*, the State and Territory Governments referred their constitutional powers with respect to corporate regulation to the Commonwealth.

The Regulations are a legislative instrument for the purposes of the *Legislation Act 2003*.

The Regulations commence on the day after they were registered.