

# EXPOSURE DRAFT

EXPOSURE DRAFT
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Inserts for

## **Treasury Laws Amendment Bill 2024: Enhanced disclosure of ownership of listed entities**

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**Commencement information**

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**Column 1**

**Column 2**

**Column 3**

**Provisions**

**Commencement**

**Date/Details**

2. Schedule 1

The day after the end of the period of  
6 months beginning on the day this Act  
receives the Royal Assent.

# EXPOSURE DRAFT

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## Schedule 1—Disclosure of information about ownership of listed entities

### Part 1—Derivative-based interests in securities

#### *Corporations Act 2001*

##### **1 Section 9 (note 1 to the definition of *substantial holding*)**

Repeal the note.

##### **2 Section 9 (note 2 to the definition of *substantial holding*)**

Omit “2”.

##### **3 Paragraphs 608(8)(a) and (c)**

After “securities”, insert “under this section”.

##### **4 Subsection 608(9)**

After “This section”, insert “and sections 608A and 608B”.

##### **5 After section 608**

Insert:

#### **608A Deemed physically settleable derivative-based interests in securities**

- (1) If at a particular time all of the following conditions are satisfied:
- (a) a person:
    - (i) has entered or enters into an agreement with another person; or
    - (ii) has given or gives another person an enforceable right, or has been or is given an enforceable right by another person, (whether the right is enforceable presently or in the future and whether or not on the fulfilment of a condition); or
    - (iii) has granted or grants an option to, or has been or is granted an option by, another person;
  - (b) the agreement is a derivative, the enforceable right is given by a derivative or the option is a derivative;
  - (c) under the derivative the person must, or may be required to, provide at some future time consideration of a particular kind

# EXPOSURE DRAFT

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- 1 or kinds to someone that, if provided, would result in the  
2 other person mentioned in paragraph (a) having a relevant  
3 interest in a number of securities of a particular class in a  
4 body, registered scheme or listed notified foreign passport  
5 fund under section 608;  
6 the other person is taken to already have a relevant interest in that  
7 number of issued securities of that class in the body, scheme or  
8 fund.
- 9 (2) For the purposes of this section, disregard the number of securities  
10 that the consideration would result in the other person having a  
11 relevant interest in, to the extent that:
- 12 (a) the other person already has a relevant interest in the  
13 securities under subsection 608(8); or  
14 (b) the securities would be issued as, or as part of, the  
15 consideration.

## 16 **608B Deemed non-physically settleable derivative-based interests in** 17 **securities**

- 18 (1) If at a particular time all of the following conditions are satisfied:
- 19 (a) a person has entered or enters into an arrangement with  
20 another person;
- 21 (b) the arrangement is a derivative;
- 22 (c) the consideration that the person must, or may be required to,  
23 provide at some future time under the derivative to someone,  
24 or the value of the derivative:
- 25 (i) is ultimately determined by; or  
26 (ii) is ultimately derived from; or  
27 (iii) varies by reference to;  
28 the value of issued securities of a particular class in a body,  
29 registered scheme or listed notified foreign passport fund  
30 (wholly or in part);
- 31 (d) either or both of the following subparagraphs apply:
- 32 (i) the derivative gives the other person mentioned in  
33 paragraph (a), in economic substance, the financial  
34 benefits of holding issued securities in the class for a  
35 period determined under the derivative;
- 36 (ii) under the derivative, the other person might benefit if  
37 the value of issued securities in the class increases  
38 (rather than decreases);

# EXPOSURE DRAFT

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- 1 the other person is taken to have a relevant interest in the number  
2 of issued securities of that class in the body, scheme or fund  
3 determined under subsection (3).
- 4 (2) Subsection (1) does not apply to the extent that, because of the  
5 arrangement, the other person already has a relevant interest in the  
6 securities under subsection 608(8) or 608A(1) (or would have apart  
7 from paragraph 608A(2)(b)).
- 8 (3) For the purposes of subsection (1) of this section, and subject to  
9 subsection (2), ASIC may, by legislative instrument, determine the  
10 number, or a method of working out the number, of issued  
11 securities in which the other person is taken to have a relevant  
12 interest.
- 13 (4) Without limiting subsection (3), a method determined under that  
14 subsection may:
- 15 (a) provide for the other person to choose between different  
16 specified methods, or between methods that meet specified  
17 requirements; or
- 18 (b) require the number of issued securities to be recalculated:
- 19 (i) in specified circumstances; or  
20 (ii) at a specified time.
- 21 *Change in voting power*
- 22 (5) Subsection (6) applies if:
- 23 (a) the other person is taken to have a relevant interest in a  
24 number of issued securities of a particular class in the body,  
25 scheme or fund because of the arrangement; and
- 26 (b) because of a recalculation required as mentioned in  
27 paragraph (4)(b), the number of issued securities that the  
28 other person is taken to have increases.
- 29 (6) For the purposes of section 606, the increase is taken to be an  
30 acquisition that occurs through a transaction in relation to the  
31 securities entered into by the other person.

## 6 Subsection 661A(2)

- 32 Repeal the subsection, substitute:
- 33
- 34 (2) For the purposes of subsection (1), disregard any relevant interests  
35 that the bidder has merely because of the operation of:
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# EXPOSURE DRAFT

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- (a) subsection 608(3) (relevant interest by 20% interest in body corporate); or
  - (b) section 608A or 608B (derivative-based interests).

# EXPOSURE DRAFT

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## 1 Part 2—Information about ownership

### 2 Division 1—Foreign listed bodies

#### 3 *Corporations Act 2001*

#### 4 7 Section 9

5 Insert:

6 *Chapter 6C body* has the meaning given by subsection 671A(1).

7 *disclosable security* in a Chapter 6C body has the meaning given  
8 by subsection 671A(1).

9 *key person* for a Chapter 6C body has the meaning given by  
10 subsection 671A(1).

11 *voting share/interest* in a Chapter 6C body has the meaning given  
12 by subsection 671A(1).

#### 13 8 Subsection 168(1) (note 1A)

14 Omit “listed company, listed registered scheme or listed notified foreign  
15 passport fund”, substitute “Chapter 6C bodies”.

#### 16 9 Chapter 6C (heading)

17 Omit “listed companies, listed registered schemes and listed notified  
18 foreign passport funds”, substitute “certain listed entities”.

#### 19 10 Before section 671A

20 Insert:

## 21 Part 6C.1A—Preliminary

#### 23 11 Section 671A

24 Repeal the section, substitute:

#### 25 671A Chapter 6C bodies

26 (1) If column 1 of an item of the following table applies to an entity:

27 (a) the entity is a *Chapter 6C body*; and

# EXPOSURE DRAFT

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- (b) the person mentioned in column 2 of the item is the *key person* for the Chapter 6C body; and
  - (c) a security mentioned in column 3 of the item is a *voting share/interest* in the Chapter 6C body; and
  - (d) a security mentioned in column 4 of the item is a *disclosable security* in the Chapter 6C body.
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## Chapter 6C bodies

Item	Column 1 Chapter 6C body	Column 2 Key person	Column 3 Voting share/interest	Column 4 Disclosable security
1	a listed company	the company	a voting share in the company	a share in the company
2	a listed registered scheme	the responsible entity of the scheme	an interest in the scheme	an interest in the scheme
3	a listed notified foreign passport fund	the operator of the fund	an interest in the fund	an interest in the fund
4	a listed body (other than a company, registered scheme or notified foreign passport fund) incorporated or formed in Australia	the body	a voting share in the body	a share in the body
5	a listed body (other than a company, registered scheme or notified foreign passport fund) that is not incorporated or formed in Australia	the body	a voting share in the body	a share in the body

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### *Listed foreign bodies*

- (2) Subsections (3) and (4) apply if:
    - (a) apart from subsection (3), Part 6C.1 would require (the *Australian requirement*) a person (the *discloser*) to give or disclose to another person information in relation to a particular matter relating to a listed body to which item 5 of the table in subsection (1) applies; and
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# EXPOSURE DRAFT

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- 1 (b) requirements (the *foreign requirements*) that are declared  
2 under subsection (5) apply in relation to the listed body; and  
3 (c) under the foreign requirements, information in relation to that  
4 matter must be given to a person.
- 5 (3) The Australian requirement does not apply if the requirement to  
6 give information referred to in paragraph (2)(c) is complied with.
- 7 (4) If, because of subsection (3), the Australian requirement does not  
8 apply, the listed body must, immediately after information is given  
9 in relation to the matter as mentioned in paragraph (2)(c), give the  
10 information to the operator of each declared financial market:  
11 (a) that is operated in this jurisdiction; and  
12 (b) the official list of which includes the listed body.
- 13 Note: Failure to comply with this subsection is an offence: see  
14 subsection 1311(1).
- 15 (5) For the purposes of paragraph (2)(b), ASIC may, by legislative  
16 instrument, declare requirements if:  
17 (a) the requirements are requirements of:  
18 (i) a law of a jurisdiction other than this one; or  
19 (ii) a financial market that is operated in a jurisdiction other  
20 than this one; and  
21 (b) ASIC is satisfied that the requirements are equivalent to the  
22 requirements of Part 6C.1.

## 23 **12 Section 672C**

24 Omit “shares in a company, interests in a listed registered scheme or  
25 interests in a listed notified foreign passport fund”, substitute  
26 “disclosable securities in a Chapter 6C body”.

## 27 **13 Paragraph 672C(a)**

28 Omit “company, the responsible entity for the scheme or the operator of  
29 the fund”, substitute “key person for the Chapter 6C body”.

## 30 **14 Subsection 672D(1)**

31 Omit “listed companies, responsible entities of listed registered schemes  
32 and operators of listed notified foreign passport funds”, substitute “key  
33 persons for Chapter 6C bodies”.

# EXPOSURE DRAFT

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## 15 Subsection 672D(2)

Omit “company, responsible entity or operator”, substitute “key person”.

## 16 Section 672DA (heading)

Omit “listed company, listed registered scheme or listed notified foreign passport fund”, substitute “Chapter 6C bodies”.

## 17 Subsection 672DA(1)

Omit “A listed company, the responsible entity for a listed registered scheme or the operator of a listed notified foreign passport fund”, substitute “The key person for a Chapter 6C body”.

## 18 Subsection 672DA(1)

Omit “company, the responsible entity or the operator”, substitute “key person”.

## 19 Paragraphs 672DA(1)(a) to (d)

Omit “shares in the company, interests in the scheme or interests in the fund” (wherever occurring), substitute “disclosable securities in the Chapter 6C body”.

## 20 Subsections 672DA(2) to (3A)

Repeal the subsections, substitute:

- (2) A register kept under this section by the key person for a Chapter 6C body must be kept at:
- (a) the key person’s registered office; or
  - (b) the key person’s principal place of business in this jurisdiction; or
  - (c) a place in this jurisdiction (whether or not an office of the key person) where the work involved in maintaining the register is done; or
  - (d) another place in this jurisdiction approved by ASIC.

## 21 Subsection 672DA(4)

Omit “company, responsible entity or operator” (first occurring), substitute “key person for the Chapter 6C body”.

# EXPOSURE DRAFT

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- 1     **22 Subparagraphs 672DA(4)(a)(i) and (ii)**  
2             Omit “company, responsible entity or operator”, substitute “key  
3             person”.
- 4     **23 Subsection 672DA(4) (note)**  
5             Omit “company, responsible entity or operator”, substitute “key  
6             person”.
- 7     **24 Subsection 672DA(5)**  
8             Omit “, (3), (3A)”.
- 9     **25 Paragraph 672DA(7)(a)**  
10            Omit “company, scheme or fund”, substitute “Chapter 6C body”.
- 11    **26 Subparagraphs 672DA(7)(b)(i) and (ii)**  
12            Omit “company, responsible entity or operator”, substitute “key person  
13            for the Chapter 6C body”.
- 14    **27 Subsection 672DA(7)**  
15            Omit “company, responsible entity or operator” (last occurring),  
16            substitute “key person”.
- 17    **28 Subsection 672DA(8)**  
18            Omit “company, responsible entity or operator” (first occurring),  
19            substitute “key person for the Chapter 6C body”.
- 20    **29 Subsection 672DA(8)**  
21            Omit “company, responsible entity or operator” (second occurring),  
22            substitute “key person”.
- 23    **30 Paragraphs 672DA(8)(a) and (b)**  
24            Omit “company, responsible entity or operator” (wherever occurring),  
25            substitute “key person”.
- 26    **31 Subsection 672DA(8)**  
27            Omit “required by the company, responsible entity or operator”,  
28            substitute “required by the key person”.
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# EXPOSURE DRAFT

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- 1 **32 Subsection 672DA(8) (note)**  
2 Omit “company, responsible entity or operator”, substitute “key  
3 person”.
- 4 **33 Subsection 672DA(9)**  
5 Omit “company, responsible entity or operator” (first occurring),  
6 substitute “key person for the Chapter 6C body”.
- 7 **34 Subsection 672DA(9)**  
8 Omit “company, responsible entity or operator” (second occurring),  
9 substitute “key person”.
- 10 **35 Subsection 672DA(9) (note)**  
11 Omit “company, responsible entity or operator”, substitute “key  
12 person”.
- 13 **36 Section 672E**  
14 Omit “company, responsible entity or operator”, substitute “key person  
15 for a Chapter 6C body”.
- 16 **37 Section 672E**  
17 Omit “share in the company, an interest in the listed registered scheme  
18 or an interest in the listed notified foreign passport fund”, substitute  
19 “disclosable security in the Chapter 6C body”.
- 20 **38 Schedule 3 (after table item dealing with subsections**  
21 **670C(1), (2) and (3))**  
22 Insert:  
23
- |                    |                   |
|--------------------|-------------------|
| Subsection 671A(4) | 600 penalty units |
|--------------------|-------------------|
- 24 **39 Schedule 3 (table item dealing with subsections 672DA(2),**  
25 **(3), (3A) and (4), column headed “Provision”)**  
26 Omit “, (3), (3A)”.

# EXPOSURE DRAFT

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1 **Division 2—Substantial holding information (including**  
2 **disclosure of derivative-based holdings)**

3 *Corporations Act 2001*

4 **40 Section 9**

5 Insert:

6 *deemed non-physically settleable derivative-based holding*  
7 *percentage* has the meaning given by subsection 671BD(1).

8 *deemed physically settleable derivative-based holding percentage*  
9 has the meaning given by subsection 671BD(1).

10 *derivative-based holding percentage* has the meaning given by  
11 subsection 671BD(3).

12 *disclosable movement* has the meaning given by section 671BC.

13 *holding percentage* has the meaning given by  
14 subsection 671BD(1).

15 *relatable derivative-based holding percentage* has the meaning  
16 given by subsection 671BD(1).

17 **41 Section 671B**

18 Repeal the section, substitute:

19 **671B Information about substantial holdings in Chapter 6C bodies**  
20 **must be given to key persons and market operators**

21 *Situations that trigger requirement to give information*

22 (1) This section applies if any of the following situations arise:

23 (a) a person begins to have, or ceases to have, a substantial  
24 holding in a Chapter 6C body;

25 (b) a person has a substantial holding in a Chapter 6C body when  
26 the Chapter 6C body begins to be a Chapter 6C body;

27 (c) a person has a substantial holding in a Chapter 6C body and  
28 there is a disclosable movement in the person's holding;

29 (d) a person makes a takeover bid for securities in a Chapter 6C  
30 body.

# EXPOSURE DRAFT

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1 (2) Paragraph (1)(d) does not apply if the Chapter 6C body is a listed  
2 notified foreign passport fund.

3 *Requirement to give information*

4 (3) The person must, in accordance with this section and  
5 sections 671BA and 671BB, give the information referred to in  
6 subsection 671BA(1) to:

7 (a) the key person for the Chapter 6C body; and

8 (b) each relevant market operator.

9 Note: The information must be given even if the situation changes by the  
10 time the information is to be given.

11 *Fault-based offence*

12 (4) A person commits an offence if the person contravenes  
13 subsection (3) of this section.

14 *Strict liability offence*

15 (5) A person commits an offence of strict liability if the person  
16 contravenes subsection (3) of this section.

17 Note: For *strict liability*, see section 6.1 of the *Criminal Code*.

## 18 **671BA Information that must be given**

19 (1) For the purposes of subsection 671B(3), the information that a  
20 person must give because of a situation that arises in relation to a  
21 Chapter 6C body is:

22 (a) the person's name and address; and

23 (b) details of the person's relevant interest in voting  
24 shares/interests in the Chapter 6C body, including:

25 (i) the person's holding percentage in the Chapter 6C body;  
26 and

27 (ii) the person's derivative-based holding percentage,  
28 relatable derivative-based holding percentage, deemed  
29 physically settleable derivative-based holding  
30 percentage and deemed non-physically settleable  
31 derivative-based holding percentage in the Chapter 6C  
32 body; and

33 (c) details of any relevant agreement through which the person  
34 would have a relevant interest in voting shares/interests in the  
35 Chapter 6C body; and

# EXPOSURE DRAFT

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- 1 (d) the name of each associate of the person, in relation to the  
2 Chapter 6C body, who has a relevant interest in voting  
3 shares/interests in the Chapter 6C body, together with details  
4 of:  
5 (i) the nature of the person's association with the associate;  
6 and  
7 (ii) the relevant interest of the associate; and  
8 (iii) any relevant agreement through which the associate has  
9 the relevant interest; and  
10 (e) if the situation is a disclosable movement:  
11 (i) the size and date of the disclosable movement; and  
12 (ii) details of each transaction that resulted in the  
13 disclosable movement; and  
14 (f) if the information is being given because a person has ceased  
15 to be an associate of the person in relation to the Chapter 6C  
16 body—the name of the person who ceased to be an associate;  
17 and  
18 (g) any other particulars determined under subsection (2) of this  
19 section for the purposes of this paragraph in relation to the  
20 Chapter 6C body.

21 Note: Section 671D expands the normal concept of relevant interest to take  
22 account of conditional agreements and escrow.

- 23 (2) For the purposes of paragraph (1)(g), ASIC may, by legislative  
24 instrument, determine particulars in relation to the Chapter 6C  
25 body.

26 *Information to be given in approved manner and form and*  
27 *accompanied by certain documents*

- 28 (3) The information must be given to the key person or market  
29 operator:  
30 (a) in the manner (if any) approved by ASIC; and  
31 (b) in the form (including a machine-readable form) (if any)  
32 approved by ASIC.
- 33 (4) The information must be accompanied by:  
34 (a) a copy of any document setting out the terms of any relevant  
35 agreement that:  
36 (i) contributed to the situation giving rise to the person  
37 needing to provide the information; and  
38 (ii) is in writing and readily available to the person; and

# EXPOSURE DRAFT

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- 1 (b) a statement by the person giving full and accurate details of  
2 any contract, scheme or arrangement that:  
3 (i) contributed to the situation giving rise to the person  
4 needing to provide the information; and  
5 (ii) is not both in writing and readily available to the person.  
6 If the person is required to give a copy of a contract, scheme or  
7 arrangement, the copy must be endorsed with a statement that the  
8 copy is a true copy.
- 9 (5) The information does not need to be accompanied by the  
10 documents referred to in subsection (4) if the transaction that gives  
11 rise to the person needing to provide the information takes place on  
12 a declared financial market.

## 13 **671BB Deadline for giving information**

- 14 (1) A person who must give information under subsection 671B(3)  
15 because of a situation that arises in relation to a Chapter 6C body  
16 must give the information:  
17 (a) if paragraph (b) of this subsection does not apply—within  
18 2 business days after the person becomes aware of the  
19 situation; or  
20 (b) by 9.30 am on the next trading day of the relevant financial  
21 market after the person becomes aware of the situation, if:  
22 (i) a takeover bid is made for voting shares/interests in the  
23 Chapter 6C body; and  
24 (ii) the person becomes aware of the situation during the bid  
25 period.
- 26 (2) For the purposes of subsection (1), a person who ought reasonably  
27 to be aware of a situation is taken to be aware of the situation.
- 28 (3) Paragraph (1)(b) does not apply if the Chapter 6C body is a listed  
29 notified foreign passport fund.
- 30 (4) A reference in subparagraph (1)(b)(i) to voting shares/interests in  
31 the Chapter 6C body is taken to be a reference to voting interests in  
32 the Chapter 6C body, if the Chapter 6C body is a registered  
33 scheme.

## 34 **671BC Meaning of *disclosable movement* in a substantial holding**

- 35 (1) There is a *disclosable movement* in a person's substantial holding  
36 in a Chapter 6C body if:
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# EXPOSURE DRAFT

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- 1 (a) both:
- 2 (i) the person has previously disclosed, or been required to
- 3 disclose, under this Part the person's holding percentage
- 4 or derivative-based holding percentage in the
- 5 Chapter 6C body; and
- 6 (ii) that percentage increases or decreases by 1 or more
- 7 percentage points from the percentage the person last
- 8 disclosed; or
- 9 (b) both:
- 10 (i) the person has previously disclosed, or been required to
- 11 disclose, under this Part any 2 or more of the person's
- 12 relatable derivative-based holding percentage, deemed
- 13 physically settleable derivative-based holding
- 14 percentage and deemed non-physically settleable
- 15 derivative-based holding percentage in the Chapter 6C
- 16 body; and
- 17 (ii) any of those percentages increases or decreases by 1 or
- 18 more percentage points from the percentage the person
- 19 last disclosed, and there is a corresponding change in
- 20 the other percentage, or either or both of the other
- 21 percentages, that the person previously disclosed.
- 22 (2) For the purposes of subsection (1), if the person:
- 23 (a) was required to disclose a percentage under this Part; but
- 24 (b) did not disclose that percentage by the time required;
- 25 the person is taken to have disclosed, in accordance with this Part,
- 26 the percentage immediately after the situation giving rise to the
- 27 requirement to disclose that percentage arose.

## 28 **671BD Holding percentages**

- 29 (1) A person's percentage, in a Chapter 6C body, specified in
- 30 column 1 of an item of the following table is the percentage
- 31 worked out using the formula in subsection (2) if:
- 32 (a) the person, or an associate of the person in relation to the
- 33 Chapter 6C body, has a relevant interest in voting
- 34 shares/interests in the Chapter 6C body; and
- 35 (b) the relevant interest is of the kind specified in column 2 of
- 36 the item.
- 37 Otherwise, the percentage is 0%.
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# EXPOSURE DRAFT

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## Holding percentages

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Item	Column 1 Holding percentage	Column 2 Relevant interest
1	the person's <i>holding percentage</i> in the Chapter 6C body	any relevant interest
2	the person's <i>relatable derivative-based holding percentage</i> in the Chapter 6C body	a relevant interest the person or associate has under section 608 because of a derivative
3	the person's <i>deemed physically settleable derivative-based holding percentage</i> in the Chapter 6C body	a relevant interest the person or associate has under section 608A
4	the person's <i>deemed non-physically settleable derivative-based holding percentage</i> in the Chapter 6C body	a relevant interest the person or associate has under section 608B

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1 Note: Section 671D expands the normal concept of relevant interest to take  
2 account of conditional agreements and escrow.

3 (2) For the purposes of subsection (1), the formula is:

4 
$$\frac{\text{Person's and associates' votes}}{\text{Total votes}} \times 100\%$$

5 where:

6 *person's and associates' votes* means the total number of votes  
7 attached to all the voting shares/interests in the Chapter 6C body in  
8 which:

- 9 (a) the person; or  
10 (b) an associate of the person in relation to the Chapter 6C body;  
11 has an interest of the kind specified in column 2 of the item of the  
12 table in subsection (1).

13 *total votes* means the total number of votes attached to all voting  
14 shares/interests in the Chapter 6C body.

15 (3) A person's *derivative-based holding percentage* in a Chapter 6C  
16 body is the total of:

- 17 (a) the person's relatable derivative-based holding percentage in  
18 the Chapter 6C body; and  
19 (b) the person's deemed physically settleable derivative-based  
20 holding percentage in the Chapter 6C body; and  
21 (c) the person's deemed non-physically settleable  
22 derivative-based holding percentage in the Chapter 6C body.
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# EXPOSURE DRAFT

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1 **42 Subsection 671C(2)**

2 Omit “that they contravened that section”.

3 **43 Paragraphs 671C(2)(a) and (b)**

4 Repeal the paragraphs, substitute:

5 (a) that:

6 (i) the person contravened that section because of  
7 inadvertence or mistake; and

8 (ii) the inadvertence or mistake was reasonable in all the  
9 circumstances; or

10 (b) that the person contravened that section because the person  
11 was not aware of a relevant fact or occurrence (other than a  
12 fact or occurrence of which the person ought reasonably to  
13 have been aware).

14 **44 At the end of Part 6C.1**

15 Add:

16 **671D Relevant interests not excluded**

17 For the purposes of this Part, a person has a relevant interest in  
18 securities if the person would have a relevant interest in the  
19 securities but for the enactment of the following:

20 (a) subsection 609(7) (conditional agreements);

21 (b) subsection 609(9B) (securities escrowed under listing rules);

22 (c) section 609B (securities subject to escrow agreement in  
23 connection with initial public offer etc.).

24 **45 Schedule 3 (table item dealing with subsection 671B(8),  
25 column headed “Provision”)**

26 Omit “Subsection 671B(8)”, substitute “Subsection 671B(4)”.

27 **46 Schedule 3 (table item dealing with subsection 671B(9),  
28 column headed “Provision”)**

29 Omit “Subsection 671B(9)”, substitute “Subsection 671B(5)”.

# EXPOSURE DRAFT

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## 1 Division 3—Tracing beneficial ownership

### 2 *Corporations Act 2001*

#### 3 47 Before section 672A

4 Insert:

### 5 Division 1—Disclosure notices

#### 6 48 Sections 672A and 672B

7 Repeal the sections, substitute:

#### 8 672A Disclosure notices

9 *Directions by ASIC*

10 (1) ASIC may direct:

- 11 (a) a member of a Chapter 6C body; or
- 12 (b) a person named in a previous disclosure under section 672B
- 13 as having a relevant interest in, or having given instructions
- 14 about, voting shares/interests in a Chapter 6C body; or
- 15 (c) a person whom ASIC suspects, on reasonable grounds:
- 16 (i) has a relevant interest in voting shares/interests in a
- 17 Chapter 6C body; or
- 18 (ii) has given instructions about the acquisition or disposal
- 19 of voting shares/interests in a Chapter 6C body, the
- 20 exercise of any voting or other rights attached to voting
- 21 shares/interests in a Chapter 6C body, or any other
- 22 matter relating to voting shares/interests in a Chapter 6C
- 23 body; or
- 24 (iii) is an associate, in relation to a Chapter 6C body, of a
- 25 person to whom subparagraph (i) or (ii) applies in
- 26 relation to the Chapter 6C body;

27 to make the disclosure required by section 672B in relation to the

28 Chapter 6C body.

29 (2) Without limiting the circumstances in which ASIC may exercise its

30 powers under subsection (1), ASIC must exercise its powers under

31 subsection (1) in relation to a Chapter 6C body if:

- 32 (a) a member of the Chapter 6C body requests ASIC to do so;
- 33 and

# EXPOSURE DRAFT

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1 (b) ASIC does not consider that it would be unreasonable to do  
2 so.

3 *Directions by key persons*

- 4 (3) The key person for a Chapter 6C body may direct:  
5 (a) a member of the Chapter 6C body; or  
6 (b) a person named in a previous disclosure under section 672B  
7 as having a relevant interest in, or having given instructions  
8 about, voting shares/interests in the Chapter 6C body; or  
9 (c) a person whom the key person suspects, on reasonable  
10 grounds:  
11 (i) has a relevant interest in voting shares/interests in the  
12 Chapter 6C body; or  
13 (ii) has given instructions about the acquisition or disposal  
14 of voting shares/interests in the Chapter 6C body, the  
15 exercise of any voting or other rights attached to voting  
16 shares/interests in the Chapter 6C body, or any other  
17 matter relating to voting shares/interests in the  
18 Chapter 6C body;  
19 to make the disclosure required by section 672B in relation to the  
20 Chapter 6C body.
- 21 (4) For the purposes of paragraph (3)(c), the suspicion must be formed  
22 wholly or partly on the basis of information given under this  
23 Chapter.

## 24 **672AA Service of disclosure notices**

- 25 (1) Without limiting subsection 672A(1), ASIC may give a direction  
26 under that subsection by:  
27 (a) sending the direction by:  
28 (i) pre-paid post; or  
29 (ii) pre-paid courier service;  
30 to an address that it is reasonable for ASIC to send the  
31 direction to; or  
32 (b) emailing the direction to an email address that it is reasonable  
33 for ASIC to email the direction to.
- 34 (2) If:  
35 (a) ASIC gives a direction to a person in the way described in  
36 paragraph (1)(a) of this section; and

# EXPOSURE DRAFT

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- 1 (b) the direction specifies a way for the person to notify ASIC  
2 that the person has received the direction; and  
3 (c) ASIC does not, during the 21 days starting on the day ASIC  
4 posts the direction or gives it to the courier, receive a  
5 notification from the person, in that specified way, that the  
6 person has received the direction;  
7 the person is taken to receive the direction on the last of those  
8 21 days, unless it is proved that the person received the direction  
9 earlier.

- 10 (3) If:  
11 (a) ASIC emails a direction to a person in the way described in  
12 paragraph (1)(b); and  
13 (b) the direction specifies a way for the person to notify ASIC  
14 that the person has received the direction; and  
15 (c) ASIC does not, during the 7 days starting when ASIC emails  
16 the direction, receive a notification from the person, in that  
17 specified way, that the person has received the direction;  
18 the person is taken to receive the direction on the last of those  
19 7 days, unless it is proved that the person received the direction  
20 earlier.

## 21 **672B Compliance with direction**

22 (1) This section applies if a person (the *discloser*) is directed under  
23 subsection 672A(1) or (3) to make the disclosure required by this  
24 section in relation to a Chapter 6C body.

25 (2) The discloser must, in accordance with this section and  
26 sections 672BA and 672BB, disclose to the person who gives the  
27 direction the information required by subsection 672BA(1).

28 Note: Failure to comply with this subsection is an offence: see  
29 subsection 1311(1).

30 (3) An offence based on subsection (2) is an offence of strict liability.

31 Note: For *strict liability*, see section 6.1 of the *Criminal Code*.

32 (4) The discloser does not have to comply with the direction if:

- 33 (a) the direction is given under subsection 672A(3); and  
34 (b) the discloser proves that the giving of the direction is  
35 vexatious.

36 Note: A defendant bears a legal burden in relation to the matter in  
37 paragraph (b): see section 13.4 of the *Criminal Code*.

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# EXPOSURE DRAFT

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## 1 672BA Information and documents required to be disclosed

- 2 (1) For the purposes of subsection 672B(2), a person (the *discloser*)  
3 who is directed under subsection 672A(1) or (3) to make a  
4 disclosure in relation to a Chapter 6C body must disclose:
- 5 (a) full details of:
    - 6 (i) the discloser's own relevant interest in voting  
7 shares/interests in the Chapter 6C body; and
    - 8 (ii) the circumstances that give rise to that relevant interest;  
9 and
    - 10 (iii) if the direction is given by ASIC (other than in response  
11 to a request made under subsection 672A(2))—without  
12 limiting subparagraphs (i) and (ii) of this paragraph,  
13 details of any relevant agreement through which the  
14 discloser would have a relevant interest in voting  
15 shares/interests in the Chapter 6C body; and
  - 16 (b) if the direction is given by ASIC (other than in response to a  
17 request made under subsection 672A(2))—the name of each  
18 associate of the discloser in relation to the Chapter 6C body,  
19 together with details of the nature of the discloser's  
20 association with the associate; and
  - 21 (c) if the direction specifies disclosable securities in the  
22 Chapter 6C body for the purposes of this paragraph (see  
23 subsection (3) of this section)—the name and address of each  
24 other person who has a relevant interest in any of the  
25 specified disclosable securities, together with full details of:
    - 26 (i) the nature and extent of the other person's relevant  
27 interest; and
    - 28 (ii) the circumstances that give rise to the other person's  
29 relevant interest; and
  - 30 (d) the name and address of each person who has given the  
31 discloser instructions about:
    - 32 (i) the acquisition or disposal of voting shares/interests in  
33 the Chapter 6C body; or
    - 34 (ii) the exercise of any voting or other rights attached to  
35 voting shares/interests in the Chapter 6C body; or
    - 36 (iii) any other matter relating to voting shares/interests in the  
37 Chapter 6C body;together with full details of those instructions (including the  
38 date or dates on which they were given); and
  - 39 (e) any other particulars that are prescribed by the regulations for  
40 the purposes of this paragraph.  
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# EXPOSURE DRAFT

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(2) However:

- (a) a matter referred to in paragraph (1)(c) or (d) need only be disclosed to the extent to which it is known to the discloser; and
- (b) if the direction specifies that the discloser is directed to disclose specified information only (being information covered by subsection (1))—the discloser is required to disclose only the specified information.

Note: A defendant bears an evidential burden in relation to the matter in paragraph (a): see subsection 13.3(3) of the *Criminal Code*.

(3) For the purposes of paragraph (1)(c):

- (a) the direction may specify disclosable securities in the Chapter 6C body; and
- (b) if the direction is given under paragraph 672A(1)(b) or (3)(b)—the specified disclosable securities must be voting shares/interests the discloser was named as having a relevant interest in as mentioned in that paragraph; and
- (c) if the direction is given under paragraph 672A(1)(c) or (3)(c)—the specified disclosable securities must be voting shares/interests the discloser, or the associate mentioned in subparagraph 672A(1)(c)(iii) (if applicable), is suspected of having a relevant interest in or having given directions about as mentioned in that paragraph.

(4) If the direction is given by ASIC (other than in response to a request made under subsection 672A(2)), the disclosure must be accompanied by:

- (a) a copy of any document setting out the terms of any relevant agreement that:
    - (i) contributed to the circumstances giving rise to a relevant interest mentioned in paragraph (1)(a) or (c) of this section; and
    - (ii) is in writing and readily available to the discloser; and
  - (b) a statement by the discloser giving full and accurate details of any contract, scheme or arrangement that:
    - (i) contributed to the circumstances giving rise to a relevant interest mentioned in paragraph (1)(a) or (c); and
    - (ii) is not both in writing and readily available to the discloser.
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# EXPOSURE DRAFT

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1 If the discloser is required to give a copy of a contract, scheme or  
2 arrangement, the copy must be endorsed with a statement that the  
3 copy is a true copy.

4 (5) Subsection (4) does not apply to the extent (if any) specified in the  
5 direction.

## 6 **672BB Deadline for disclosure**

7 For the purposes of subsection 672B(2), a person (the *discloser*)  
8 who is directed under subsection 672A(1) or (3) to make a  
9 disclosure in relation to a Chapter 6C body must make the  
10 disclosure within 2 business days after:

11 (a) the discloser is given the direction; or

12 (b) if:

13 (i) the discloser applies for an exemption under section 673  
14 from the obligation to make the disclosure; and

15 (ii) ASIC refuses to grant the exemption;

16 ASIC notifies the discloser of its decision on the application;  
17 or

18 (c) if the direction is given under subsection 672A(3) by the key  
19 person for the Chapter 6C body—the key person pays any fee  
20 payable under the regulations made for the purposes of  
21 section 672D.

## 22 **49 Before section 672E**

23 Insert:

## 24 **Division 3—Other provisions**

### 25 **50 Schedule 3 (table item dealing with subsection 672B(1),** 26 **column headed “Provision”)**

27 Omit “Subsection 672B(1)”, substitute “Subsection 672B(2)”.

## 28 **Division 4—Registers**

### 29 ***Corporations Act 2001***

### 30 **51 Section 9**

31 Insert:

# EXPOSURE DRAFT

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1            *academic* means a person who is working in a professional  
2            capacity as a member of the academic staff or teaching staff of a  
3            tertiary education institution.

4            *journalist* means a person who is working in a professional  
5            capacity as a journalist for any of the following:  
6            (a) a newspaper or magazine;  
7            (b) a radio or television broadcasting service;  
8            (c) an electronic service (including a service provided through  
9            the internet) that:  
10            (i) is operated on a commercial basis, or operated by a  
11            body that provides a national broadcasting service  
12            (within the meaning of the *Broadcasting Services Act*  
13            1992); and  
14            (ii) is similar to a newspaper, magazine or radio or  
15            television broadcast.

## 16            **52 Before section 672DA**

17            Insert:

## 18            **Division 2—Registers**

## 19            **53 Subsection 672DA(6)**

20            Repeal the subsection, substitute:

- 21            (6) The register must:
- 22            (a) be kept in the form (if any) approved in writing by ASIC for
  - 23            the purposes of this paragraph; and
  - 24            (b) contain, in relation to each item of information entered in the
  - 25            register, the date on which the item was entered in the
  - 26            register.

## 27            **54 After paragraph 672DA(7)(a)**

28            Insert:

- 29            (aa) by an academic or journalist—without charge; and

## 30            **55 Subsection 1317AAD(3)**

31            Repeal the subsection.

# EXPOSURE DRAFT

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1 **Division 5—Freezing orders**

2 *Corporations Act 2001*

3 **56 Before section 673**

4 Insert:

5 **Division 1—ASIC’s power to exempt and modify**

6 **57 At the end of Part 6C.3**

7 Add:

8 **Division 2—Freezing orders**

9 **673A Orders in relation to disclosable securities in Chapter 6C**  
10 **bodies**

- 11 (1) If, in ASIC’s opinion, a person has failed to comply with a  
12 requirement of Part 6C.1 or 6C.2 in relation to a Chapter 6C body,  
13 ASIC may make one or more of the following:
- 14 (a) an order restraining a specified person from disposing of any  
15 interest in specified disclosable securities in the Chapter 6C  
16 body;
  - 17 (b) an order restraining a specified person from acquiring any  
18 interest in specified disclosable securities in the Chapter 6C  
19 body;
  - 20 (c) an order restraining the exercise of voting or other rights  
21 attached to specified disclosable securities in the Chapter 6C  
22 body;
  - 23 (d) an order directing the holder of disclosable securities in  
24 respect of which an order under this section is in force to give  
25 written notice of that order to any person whom the holder  
26 knows to be entitled to exercise a right to vote attached to the  
27 disclosable securities;
  - 28 (e) an order directing the Chapter 6C body not to pay, except in  
29 the course of winding up, a sum due from the Chapter 6C  
30 body in respect of specified disclosable securities in the  
31 Chapter 6C body;
  - 32 (f) an order directing the body not to register the transfer or  
33 transmission of specified disclosable securities in the  
34 Chapter 6C body;

# EXPOSURE DRAFT

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- 1 (g) an order directing the Chapter 6C body not to issue to a  
2 person who holds disclosable securities in the Chapter 6C  
3 body disclosable securities the Chapter 6C body proposed to  
4 issue to the person:
- 5 (i) because the person holds disclosable securities in the  
6 Chapter 6C body; or
- 7 (ii) pursuant to an offer or invitation made or issued to the  
8 person because the person holds disclosable securities in  
9 the Chapter 6C body;
- 10 (h) an order requiring a specified person to dispose of specified  
11 derivatives, or to dispose of specified derivatives in a  
12 specified manner.
- 13 (2) An order made under subsection (1) does not prejudice or affect a  
14 right of an operator of a financial market or clearing and settlement  
15 facility:
- 16 (a) to cause or enter into a transaction that causes a derivative to  
17 be closed out; or
- 18 (b) to cause to be registered in a person's name, or to register in  
19 a person's name, a derivative that was previously registered  
20 in another person's name.

## 21 **673B Revoking and varying orders**

- 22 (1) ASIC may make an order varying or revoking an order in force  
23 under this Division.
- 24 (2) To avoid doubt, if:
- 25 (a) ASIC makes an order under this Division because a person  
26 fails to comply with a requirement to give information; and
- 27 (b) after the order is made, the person gives the information;
- 28 ASIC is not required to revoke the order if ASIC believes that the  
29 information that is given is different from the information the  
30 person would have given if the person had given the information  
31 by the time required.

## 32 **673C Manner of making orders under this Division**

- 33 (1) An order under this Division must be made by notifiable  
34 instrument.
- 35 (2) If ASIC makes an order (the *principal order*) under section 673A,  
36 ASIC must give a copy of the principal order, and any order made

# EXPOSURE DRAFT

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1 under section 673B varying or revoking the principal order, to the  
2 person to whom the principal order is directed.

## 3 **673D Orders must be complied with**

4 (1) A person must comply with an order in force under this Division.

5 Note: Failure to comply with this subsection is an offence: see  
6 subsection 1311(1).

7 (2) An offence based on subsection (1) is an offence of strict liability.

8 Note: For *strict liability*, see section 6.1 of the *Criminal Code*.

## 9 **58 Schedule 3 (after table item dealing with** 10 **subsections 672DA(6), (7), (8) and (9))**

11 Insert:

12

Subsection 673D(1) 60 penalty units

## 13 **Division 6—Increase in penalties**

### 14 *Corporations Act 2001*

#### 15 **59 Schedule 3 (table item dealing with subsection 671B(8),** 16 **column headed “Penalty”)**

17 Omit “2 years imprisonment”, substitute “4 years imprisonment”.

#### 18 **60 Schedule 3 (table item dealing with subsection 671B(9),** 19 **column headed “Penalty”)**

20 Omit “60 penalty units”, substitute “120 penalty units”.

#### 21 **61 Schedule 3 (table item dealing with subsection 672B(1),** 22 **column headed “Penalty”)**

23 Omit “60 penalty units”, substitute “120 penalty units”.

#### 24 **62 Schedule 3 (table item dealing with subsection 672DA(1),** 25 **column headed “Penalty”)**

26 Omit “30 penalty units”, substitute “60 penalty units”.

# EXPOSURE DRAFT

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- 1 **63 Schedule 3 (table item dealing with subsections 672DA(2),**  
2 **(3), (3A) and (4), column headed “Penalty”)**  
3 Omit “20 penalty units”, substitute “40 penalty units”.
- 4 **64 Schedule 3 (table item dealing with subsections 672DA(6),**  
5 **(7), (8) and (9), column headed “Penalty”)**  
6 Omit “30 penalty units”, substitute “60 penalty units”.

# EXPOSURE DRAFT

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1 **Part 3—Market traded options and derivatives**

2 *Corporations Act 2001*

3 **65 Section 9 (subparagraph (a)(ii) of the definition of**  
4 ***substantial holding*)**

5 Omit “609(6) (market traded options and derivatives).”.

6 **66 Subsection 608(8) (note)**

7 Omit “Subsections 609(6) and (7) deal with specific situations”,  
8 substitute “Subsection 609(7) deals with a specific situation”.

9 **67 Subsection 609(6)**

10 Repeal the subsection.

# EXPOSURE DRAFT

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1 **Part 4—Application of amendments**

2 *Corporations Act 2001*

3 **68 In the appropriate position in Chapter 10**

4 Insert:

5 **Part 10.80—Application provisions relating to**  
6 **Schedule 1 to the Treasury Laws**  
7 **Amendment Bill 2024**

8 **Division 1—Application provisions relating to Part 1**

9 **1710 Derivative-based interests in securities**

- 10 (1) This section applies if, on the commencement of this section, a  
11 person is taken to have a relevant interest in a number of issued  
12 securities under section 608A or 608B because of a derivative  
13 entered into before that commencement.
- 14 (2) Section 606 does not apply to the person acquiring the relevant  
15 interest under section 608A or 608B.
- 16 (3) For the purposes of Chapter 6C:
- 17 (a) to avoid doubt, the person is taken to begin to have the  
18 relevant interest on that commencement; and
- 19 (b) if, on that commencement, the person is aware, or ought  
20 reasonably to be aware, of the situation that results in the  
21 person being taken to have that interest under section 608A  
22 or 608B—the person is taken to become aware of that  
23 situation on that commencement.

24 **Division 2—Application provisions relating to Part 2**

25 **1710A Definitions**

26 In this Division:

27 *amending Part* means Part 2 of Schedule 1 to the *Treasury Laws*  
28 *Amendment Bill 2024*.

# EXPOSURE DRAFT

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## 1 1710B Foreign listed bodies

- 2 (1) Subsection (2) applies if, on the commencement of this section, a  
3 person has a substantial holding in a listed body to which item 5 of  
4 the table in subsection 671A(1) applies.
- 5 (2) For the purposes of Part 6C.1, the person:  
6 (a) is taken to begin to have that substantial holding on that  
7 commencement; and  
8 (b) if, on that commencement, the person is aware, or ought  
9 reasonably to be aware, that the person has that substantial  
10 holding—is taken to become aware of that situation on that  
11 commencement.
- 12 (3) Subsection (4) of this section applies if:  
13 (a) before the commencement of this section, a person made a  
14 takeover bid for securities in a listed body to which item 5 of  
15 the table in subsection 671A(1) (as amended by Division 1 of  
16 the amending Part) applies; and  
17 (b) the bid period:  
18 (i) started, but did not end, before that commencement; or  
19 (ii) starts on or after that commencement.
- 20 (4) For the purposes of Part 6C.1:  
21 (a) the person is taken to make the takeover bid on that  
22 commencement; and  
23 (b) if, on that commencement, the person is aware, or ought  
24 reasonably to be aware, that the person has made the takeover  
25 bid—is taken to become aware of that situation on that  
26 commencement.

## 27 1710C Registers—approvals of places

- 28 An approval of a place by ASIC:  
29 (a) made for the purposes of paragraph 672DA(2)(d), (3)(d) or  
30 (3A)(d); and  
31 (b) in force immediately before the commencement of this  
32 section;  
33 has effect, from that commencement, as if it had been made for the  
34 purposes of paragraph 672DA(2)(d), as amended by Division 1 of  
35 the amending Part.

# EXPOSURE DRAFT

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## 1 1710D Substantial holding information

- 2 (1) Subject to subsection (4), the amendments made by Division 2 of  
3 the amending Part apply in relation to a situation referred to in  
4 subsection 671B(1) (as amended by that Division) that arises on or  
5 after the commencement of this section.
- 6 (2) For the purposes of section 671BB, if:  
7 (a) before the commencement of this section, a situation referred  
8 to in paragraph 671B(1)(a), (b) or (c) (as in force  
9 immediately before that commencement) arose; and  
10 (b) on that commencement, a person:  
11 (i) is not aware of that situation; but  
12 (ii) ought reasonably to be aware of that situation;  
13 the person is taken to become aware of that situation on that  
14 commencement.
- 15 (3) In working out whether a disclosable movement occurs on or after  
16 the commencement of this section:  
17 (a) it does not matter whether the last disclosure referred to in  
18 subparagraph 671BC(1)(a)(i) or (b)(i) occurred, or was  
19 required to occur, before, on or after that commencement;  
20 and  
21 (b) it does not matter whether part of the increase or decrease  
22 referred to in subparagraph 671BC(1)(a)(ii) or (b)(ii)  
23 occurred before, on or after that commencement.
- 24 (4) The amendments of subsection 671C(2) made by Division 2 of the  
25 amending Part apply in relation to a contravention of section 671B  
26 that occurs on or after the commencement of this section.

## 27 1710E Substantial holding information—disclosure of derivative- 28 based holding percentages

- 29 (1) For the purposes of subsection 671BC(1), if:  
30 (a) before the commencement of this section, a person disclosed,  
31 or was required to disclose, under Part 6C.1 the person's  
32 holding percentage in a Chapter 6C body; and  
33 (b) the person is not, on the commencement of this section,  
34 required to disclose under that Part the person's derivative-  
35 based holding percentage in the Chapter 6C body;  
36 the person is taken to disclose the person's derivative-based  
37 holding percentage under this Part on that commencement.

# EXPOSURE DRAFT

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- 1 (2) For the purposes of subsection 671BC(1), if:  
2 (a) before the commencement of this section, a person disclosed,  
3 or was required to disclose, under Part 6C.1 the person's  
4 holding percentage in a Chapter 6C body; and  
5 (b) the person is not, on the commencement of this section,  
6 required to disclose under that Part the person's relatable  
7 derivative-based holding percentage in the Chapter 6C body;  
8 the person is taken to disclose the person's relatable derivative-  
9 based holding percentage under this Part on that commencement.
- 10 (3) For the purposes of subsection 671BC(1), if:  
11 (a) before the commencement of this section, a person disclosed,  
12 or was required to disclose, under Part 6C.1 the person's  
13 holding percentage in a Chapter 6C body; and  
14 (b) the person is not, on the commencement of this section,  
15 required to disclose under that Part the person's deemed  
16 physically settleable derivative-based holding percentage in  
17 the Chapter 6C body;  
18 the person is taken to disclose the person's deemed physically  
19 settleable derivative-based holding percentage under this Part on  
20 that commencement.
- 21 (4) For the purposes of subsection 671BC(1), if:  
22 (a) before the commencement of this section, a person disclosed,  
23 or was required to disclose, under Part 6C.1 the person's  
24 holding percentage in a Chapter 6C body; and  
25 (b) the person is not, on the commencement of this section,  
26 required to disclose under that Part the person's deemed non-  
27 physically settleable derivative-based holding percentage in  
28 the Chapter 6C body;  
29 the person is taken to disclose the person's deemed non-physically  
30 settleable derivative-based holding percentage under this Part on  
31 that commencement.
- 32 Note: The percentages mentioned in this section can be nil.

## 33 **1710F Tracing beneficial ownership**

- 34 (1) The amendments made by Division 3 of the amending Part apply  
35 in relation to a direction given under section 672A on or after the  
36 commencement of this section.
- 37 (2) To avoid doubt:
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# EXPOSURE DRAFT

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- 1 (a) a reference in paragraph 672A(1)(b) or (3)(b), as amended by  
2 Division 3 of the amending Part, to a disclosure under  
3 section 672B includes a reference to a disclosure under that  
4 section that occurred before the commencement of this  
5 section; and  
6 (b) a reference in subsection 672A(2), as amended by Division 3  
7 of the amending Part, to a request includes a reference to a  
8 request made before the commencement of this section if,  
9 immediately before that commencement, ASIC:  
10 (i) had not exercised its power in response to the request;  
11 and  
12 (ii) did not consider that it would be unreasonable to  
13 exercise its power in response to the request; and  
14 (c) a reference in subsection 672A(4), as amended by Division 3  
15 of the amending Part, to information given under Chapter 6C  
16 includes a reference to information given under that Chapter  
17 before the commencement of this section.

## 18 **Division 3—Application provisions relating to Part 3**

### 19 **1710G Definitions**

20 In this Division:

21 *amending Part* means Part 3 of Schedule 1 to the *Treasury Laws*  
22 *Amendment Bill 2024*.

### 23 **1710H Application of amendments**

- 24 (1) The amendments made by the amending Part do not apply in  
25 relation to:  
26 (a) a market traded option that was granted before the  
27 commencement of this section; or  
28 (b) a right to acquire securities given by a derivative that was  
29 entered into before the commencement of this section.  
30 (2) Paragraph (1)(b) ceases to apply if and when the derivative is  
31 varied on or after that commencement.

32 *Directors' notices*

- 33 (3) To avoid doubt, for the purposes of subsection 205G(4), if:

# EXPOSURE DRAFT

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- 1 (a) on the commencement of this section, a director has relevant  
2 interests (within the meaning of this Act, as amended by the  
3 amending Part) in securities of a company or a related body  
4 corporate; and  
5 (b) immediately before that commencement:  
6 (i) the director did not have relevant interests (within the  
7 meaning of this Act as in force immediately before that  
8 commencement) in the company or related body  
9 corporate; or  
10 (ii) the director had such interests, but they were different  
11 from the interests referred to in paragraph (a) of this  
12 subsection;  
13 there is taken to be a change in the director's interests on that  
14 commencement.