

[Act 1998 No 37]



New South Wales

Trustee Companies Amendment (Reserve Liabilities) Bill 1998

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.*

Overview of Bill

The object of this Bill is to allow for the removal of the statutory requirement that certain trustee companies maintain specified reserves to meet their liabilities and for the imposition, instead, of a requirement that the companies concerned either:

- (a) maintain a policy of indemnity insurance approved by the Attorney General, or
- (b) lodge a bank guarantee approved by the Attorney General with the Attorney General.

* Amended in committee—see table at end of volume.

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on the date of assent.

Clause 3 is a formal provision giving effect to the amendments to the *Trustee Companies Act 1964* set out in Schedule 1.

Schedule 1 Amendments

Section 36A (Indemnities) requires the trustee companies named in that section either to maintain policies of indemnity insurance approved by the Attorney General or to lodge with the Attorney General a bank guarantee approved by the Attorney General. **Schedule 1 [1]** amends that section so as to extend its application to such other trustee companies named in the Second Schedule as are declared by a proclamation made under section 36AA to be trustee companies to which the section applies.

Schedule 1 [2] inserts proposed section 36AA, which empowers the making of the proclamation referred to above. The proposed section also allows the proclamation to amend the Second Schedule in relation to the trustee company concerned by omitting from that Schedule the requirements that the insurance policy or bank guarantee are intended to replace.