

CREDIT LEGISLATION (AMENDMENT) BILL 1989

NEW SOUTH WALES



EXPLANATORY NOTE

(This Explanatory Note relates to this Bill as introduced into Parliament)

A credit union registered under the Credit Union Act 1969 is exempt from compliance with Parts 3–8 of the Credit Act 1984 and from the licensing requirements of the Credit (Administration) Act 1984. The object of this Bill is to ensure that similar bodies constituted elsewhere in Australia and carrying on business in New South Wales would always have been, and will continue to be, entitled to the same exemptions. It is also proposed to enable these bodies to apply for exemption from a prohibition against the use of the words “credit union” that would otherwise apply to them. The relevant bodies are those described in the proposed Schedule 3 to the Credit Union Act 1969.

Clause 1 specifies the short title of the proposed Act.

Clause 2 provides for the commencement of the proposed Act.

Clause 3 gives effect to the amendments set out in Schedule 1.

Schedule 1—

- (a) amends the Credit Act 1984 by exempting from the operation of Parts 3–8 of that Act a corporation or other body described in proposed Schedule 3 to the Credit Union Act 1969; and
- (b) amends the Credit (Administration) Act 1984 by exempting such a corporation or other body from the licensing requirements of that Act; and
- (c) amends the Credit Union Act 1969 by substituting section 28 (3) and by inserting proposed section 28 (5) and proposed Schedule 3.

Proposed section 28 (3) enables a corporation or other body described in proposed Schedule 3 to apply for exemption from the prohibition in section 28 (1) against the unauthorised use of the words “credit union”.

Proposed section 28 (5) enables proposed Schedule 3 be amended by regulation in order to deal quickly with changes to the legislation in force in the States and Territories listed in the Schedule.

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Proposed Schedule 3 describes the corporations entitled to apply under proposed section 28 (3) for an exemption. As a consequence of being described in that Schedule, the corporations are also entitled, without making any application, to the exemptions proposed in relation to the Credit Act 1984 and the Credit (Administration) Act 1984.
