

EXPOSURE-DRAFT



EXPOSURE DRAFT (17/04/2013)

Corporations Amendment (Water Trading Exemptions) Regulation 2013

Select Legislative Instrument No. , 2013

(Portfolio)

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1 Name of regulation

This regulation is the *Corporations Amendment (Water Trading Exemptions) Regulation 2013*.

2 Commencement

This regulation commences on the day after it is registered.

3 Authority

This regulation is made under the *Corporations Act 2001*.

4 Schedule(s)

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

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Schedule 1 Amendments

Schedule 1—Amendments

Corporations Regulations 2001

1 Subregulation 7.1.04(8)

Repeal the subregulation, substitute:

- (8) For paragraph 761D(3)(d) of the Act, each of the following is declared not to be a derivative for Chapter 7 of the Act:
- (a) tradeable water rights;
 - (b) an arrangement in relation to which:
 - (i) a party has, or may have, an obligation to sell tradeable water rights on a future date; and
 - (ii) another party has, or may have, an obligation to buy the tradeable water rights, or a water access entitlement that is granted, issued or authorised as a result of transformation arrangements described in subsection 97(1) of the *Water Act 2007*, on a future date; and
 - (iii) the arrangement does not permit the seller's obligations to be wholly settled by cash, or by set-off between the parties, rather than by transfer of ownership of the tradeable water rights; and
 - (iv) neither usual market practice, nor the rules, allow the seller's obligations to be closed out by matching up the arrangement with another arrangement of the same kind under which the seller has offsetting obligations to buy the tradeable water rights.
- (9) Subregulations (4) to (8) apply whether or not a matter mentioned in those subregulations is described in subsection 761D(1) of the Act.
- (10) In subregulation (8):
- rules** means the rules of:
- (a) a licensed market; or
 - (b) a licensed CS facility.

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Amendments **Schedule 1**

tradeable water rights has the same meaning as in the *Water Act 2007*.

water access entitlement has the same meaning as the *Water Act 2007*