

18 April 2013

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### **Corporations and Financial Sector Legislation Amendment Bill 2013**

We refer to the request by the Parliamentary Joint Committee on Corporations and Financial Services for submissions on the Corporations and Financial Sector Legislation Amendment Bill 2013 ("**Bill**"). We appreciate the opportunity to make this submission. We have limited our submission to those aspects of the Bill that relate directly to the *Payment Systems and Netting Act 1998* (Cth) ("**Netting Act**").

We support the proposed amendments to the Netting Act to be made by the Bill. The use of financial market infrastructure, such as central clearing facilities, is increasing globally not the least because of the implementation of the commitments on over-the-counter derivatives made at the Group of Twenty (G-20) Pittsburgh summit in 2009. For the financial market infrastructure to be effective there needs to be legal certainty around fundamental matters in connection with portability and collateral, as described in the Explanatory Memorandum to the Bill. The amendments to the Netting Act are needed to provide this certainty under Australian law and we understand that this protection is already provided by the laws of other jurisdictions such as those of the United States and England.

Thank you for your consideration.

Yours faithfully