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The Secretary
Senate Economics References Committee
Room SG.64
Parliament House
Canberra ACT 2600

Our ref AudInd03-CLERP7-L1403-MJC

14 March 2003



Dear Sir

Corporations Legislation Amendment Bill 2002

I refer to the letter dated 7 March 2003 from Dr Kathleen Dermody, Economics Committee Secretary, addressed to Mr Lindsay Maxsted as CEO of KPMG, asking the firm to make a submission in relation to the Corporations Legislation Amendment Bill 2002 (CLERP7).

KPMG will not be making a formal submission. However, we note that many of our clients have expressed the view that CLERP7 does not achieve the intention of simplifying ASIC lodgements and reducing the cost of ASIC compliance to business.

We understand it is intended that CLERP7 will remove the need for companies to lodge Annual Returns. However, CLERP7 introduces a raft of new forms to compensate for the removal of this one form. Further, the compliance work involved in the proposed Annual Review process and these new forms seems to far exceed the amount of work required to prepare an Annual Return. If so, this will lead to cost increases for our clients.

ASIC has indicated that CLERP7 will come into effect on 1 July 2003. Following the introduction of GST, the introduction of these changes at this time has the potential to add significantly to the workload of our firm and our clients at a time when many businesses are still grappling with the volume of additional work resulting from the introduction of the GST.

KPMG submits that the government should look closely at the application of CLERP7 to ensure that these fears do not eventuate.

Yours faithfully

Michael J Coleman
National Managing Partner Risk and Regulation



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