

FACT SHEET

TRUSTEE COMPANIES AMENDMENT BILL 2010

The *Trustee Companies Act 1953* defines and control trustee companies. It allows trustee companies to administer estates, sets out the duties of a trustee company, provides for the Court to make orders regarding audits and accounts, and outlines the power of trustee companies to distribute assets and estates.

In late 2008, the Council of Australian Government agreed that the Commonwealth would assume responsibility for the regulation of trustee companies. Amendments to the *Commonwealth Corporations Act 2001* have been made to put this agreement into effect.

Under the Commonwealth system, there will be a single licensing regime administered by one single, well resourced regulator—Australian Securities and Investments Commission. These changes will lead to a national market for trustee company services and significant efficiencies and savings in terms of start-up costs.

To ensure that there is no conflict with the Commonwealth Act, the Tasmanian Act needs to be amended to support the Commonwealth regime which essentially provides overarching controls over trustee companies in the same way that other financial services companies are already regulated (including trustee companies in respect of some existing aspects of their operations).

The amendments will remove matters such as the shareholding limits and certain financial reporting requirements but will ensure the retention of the controls over the companies in their capacity as trustees and ensure that the Supreme Court can deal with them in a similar manner to its controls over other trustees.