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Legislation introduced to require proper purpose test for access to share registers and boost enforcement powers

CSA's longstanding efforts to introduce a proper purpose test for access to share registers have borne fruit. The Corporations Amendment (No 1) Bill 2010 proposes to amend the Corporations Act to enable companies to refuse to provide a copy of the register of members where that information is not being sought for a proper purpose.

It also includes reforms requiring persons seeking a copy of the register of members to have a 'proper purpose'. A non-exhaustive list of 'improper purposes' is set out in draft amendments to the Corporations Regulations and includes making an unsolicited offer to purchase financial products off-market, other than for a takeover.

The bill also increases the criminal penalties for breaching the insider trading and market manipulation provisions of the Corporations Act and provides ASIC with stronger detection powers and increased penalties for market manipulation and insider trading.

The amendments will:

- permit interception agencies (including the Australian Federal Police) to apply for telecommunications interception warrants
- enable the Australian Securities and Investments Commission to apply for a search warrant without having to first issue a notice to produce material
- increase the criminal penalties for insider trading and market manipulation
- align s 1041B of the *Corporations Act 2001* with the *Criminal Code*.