

REPUBLIC OF NAURU

MOTOR TRAFFIC (AMENDMENT) NO. 3 BILL 2016

EXPLANATORY MEMORANDUM

The *Motor Traffic (Amendment) No. 3 Bill* is a Bill for the *Motor Traffic (Amendment) No. 3 Act 2016*.

EXPLANATION OF CLAUSES

Clause 1 provides that, once enacted, the short title of the Bill will be the *Motor Traffic (Amendment) No. 3 Act 2016*.

Clause 2 sets out when the Bill's provisions will commence.

Clause 3 is the enabling provisions for the amendment of the Motor Traffic Act 2014.

Clause 4 provides for the amendment of the definitional section Act by omitting '**approved insurance company**' and substituting with '**approved insurer**'. The basis of the proposed amendment is in light of vehicle registration and insurance being transferred to the Department of Transport. The Department is not and cannot operate as a company. The change from '**approved insurance company**' to '**approved insurer**' is suitable to enable the Department of Transport to provide compulsory third party insurance.

Clause 5 is a general amendment provision which ensures that any reference to '**approved insurance company**' is a reference to '**approved insurer**' where it is used throughout the various provisions of the Act. For instance, sections 92, 94, 96, 97, 103 and 113 of the Act all refer to '**approved insurance company**' as these provisions all relate to third party insurance. The general amendment will only change the term used but not the corresponding duties.