

REPUBLIC OF NAURU
CORPORATIONS (AMENDMENT) No. 3 BILL 2016

EXPLANATORY MEMORANDUM

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

EXPLANATION OF CLAUSES

Clause 1 provides that, once enacted, the short title of the Bill will be the *Corporations (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 *Corporations Act 1972*.

Clause 4 amends section 134 by inserting the words 'including underlying documentation such as invoices and contracts' after the word 'records' and before the word 'to'.

The Clause (with the amendment underlined) will read:

(1) Every corporation shall cause proper accounts and records including underlying documentation such as invoices and contracts to be kept with respect to:

Clause 5 amends section 241 of the Act by increasing the penalties as the original penalties set in the 1970's when the Act first came into force are no longer an effective deterrent. The previous penalties ranged from \$100, \$500 to \$1,000.

The section will now read:

(1) Any person, who fails to comply with the requirements of the Act is liable to a fine not exceeding one thousand dollars.

(2) Any person who commits an offence against sections 6, 42, 63, 95, 119, 134, 147, 148 and 214, is liable on conviction to a fine not exceeding five thousand dollars and to imprisonment for six months in respect of each offence.

(3) Any person who is guilty of an offence against sections 33, 40, 107, 215 and 216 is liable on conviction to a fine not exceeding ten thousand dollars and to imprisonment for twelve months in respect of each offence.

