

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

**SECOND READING SPEECH**

**Honourable David Adeang M.P.**

**5<sup>th</sup> September 2016**

Mr. Speaker Sir,

I have the pleasure of introducing to the House today a Bill for the amendment of the *Corporations Act 1972*.

In brief, the two areas addressed in the amendment are those provisions relating to:

Accounts to be kept - by expanding the document retention items which will strengthen this section to assist in the compliance of the Business Tax and fully comply with the Organisation for Economic and Cooperation Development (OECD) requirement.

The general penalty provisions are being amended to reflect the current levels of penalties in place as the original penalties set in the 1970s are no longer an effective deterrent.

Mr Speaker, this amendment will provide legislative authority for the Government to comply with OECD record keeping requirement and assist the Finance - Revenue Section in the audit, assessment and collection of the Business Tax.

Nauru has many Acts going back to the 1970s and a review of all penalty provisions is currently being undertaken by the Justice Department to ensure that they are relevant in today's terms. The increase in penalty rates in this amendment will reinforce Nauru's commitment to ensure there is compliance of the Act by imposing relevant deterrents for any violations. It is for this reason that Nauru is now embarking on this important initiative.

Mr. Speaker, this Bill, once passed, will serve to clearly demonstrate that Nauru is ready and willing to move forward in the strengthening of our compliance and transparency practices.

Mr Speaker, the explanatory memorandum describes in detail the provisions of the Bill.

I commend the Bill to the House.