



# Corporations Amendment Regulations 2009 (No. 5)

## Select Legislative Instrument 2009 No. 103

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I, QUENTIN BRYCE, Governor-General of the Commonwealth of Australia, acting with the advice of the Federal Executive Council, make the following Regulations under the *Corporations Act 2001*.

Dated 4 June 2009

QUENTIN BRYCE  
Governor-General

By Her Excellency's Command

NICK SHERRY  
Minister for Superannuation and Corporate Law

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**1 Name of Regulations**

These Regulations are the *Corporations Amendment Regulations 2009 (No. 5)*.

**2 Commencement**

These Regulations commence on the day after they are registered.

**3 Amendment of *Corporations Regulations 2001***

Schedule 1 amends the *Corporations Regulations 2001*.

**Schedule 1 Amendment**

(regulation 3)

**[1] After regulation 7.9.97**

*insert*

**7.9.97A Information in offer document if payment is to be made in instalments**

- (1) For paragraph 1019I (2) (f) of the Act, the following information is specified for an offer document if payment for the financial products mentioned in the document is to be made in instalments:
- (a) the amount of each instalment;
  - (b) when each instalment will be paid;
  - (c) how many instalments will be paid;
  - (d) how each instalment will be paid;
  - (e) the following text, replacing X with the total present value of the instalments and Y with the total current value of the financial products:

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‘Money loses value over time. In this case, the value of the total instalment payments being offered to you is approximately the same as being paid a single amount of \$X today. \$X represents the ‘present day value’ of the instalment payments. Commonwealth legislation sets out a method for calculating the present value of the offer, using the rate of interest of 1.1% per month. You can assess this offer by comparing the present day value of the instalment payments (\$X) with the total market price of your shares or other financial products (\$Y).

‘In general, if the present day value of the instalment payments being offered is less than the market price of your shares or other financial products, then this offer may not be fair to you.’

- (2) For this regulation, the *total present value* of a series of instalment payments is the amount:

$$\sum_{p=1}^n \frac{R_p}{1.011^{t_p}}$$

where:

$n$  is the number of instalment payments to be made.

$R_p$  is the amount of instalment payment number  $p$ , where each instalment payment is assigned a number from 1 to  $n$ .

$t_p$  is the number of whole months between the date of offer and the date that the instalment number  $p$  is due.

- (3) For this regulation, the *total current value* of a financial product is the market value for the product on the date of offer as mentioned in paragraph 1019I (2) (b) of the Act or the fair estimate of the value of the product on the date of offer as mentioned in paragraph 1019I (2) (c) of the Act, as applicable.
- (4) For this regulation, all money amounts must be represented in Australian currency.
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