

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY ANNUAL REPORT 2016

13QW: Banking Executive Accountability Regime (BEAR)

Submitted subsequent to hearing.

Mr THISTLETHWAITE: The proposed limitations mean that a range of scandals would not be picked up. For instance some of the headline scandals such as – CommInsures mishandling of Insurance claims, poor financial advice at NAB and ANZ improperly collecting fees from over 390,000 accounts.

Can you name any specific examples that might require a response under the new BEARS scheme?

Answer:

As the BEAR legislation is not yet finalised, APRA is not in a position to speculate on examples that might warrant a response (disqualification or civil penalties). However, Treasury's consultation on the BEAR framework highlighted the importance of clarifying accountability for the activities of an ADI and significant subsidiaries in order to safeguard the prudential safety of the overall group.