



WAYNE BYRES

Chair

23 September 2020

Mr Tim Wilson MP

Chair

House of Representatives Standing Committee on Economics

By email: tim.wilson.mp@aph.gov.au

Dear Mr Wilson,

I am writing to provide an update to information APRA gave to the House of Representatives Standing Committee on Economics.

As you may recall that, at the hearing on 5 August, we briefly outlined our response to matters referred from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (the Royal Commission). At the time, we were not in a position to discuss the outcome of some particular cases.

I wanted to draw your attention to our subsequent announcement regarding NULIS Nominees (Australia) Limited (NULIS).

Following a formal investigation, APRA identified inadequacies in NULIS's internal processes for demonstrating how members' best interests were considered and prioritised, leading to its [decision](#) to issue directions and impose additional licence conditions. These require NULIS to:

- record how it considers members' best interests and priority covenants when making decisions that materially affect their interests. This measure will improve NULIS's practices and ensure APRA is better able to assess whether members' best interests are being sufficiently considered and prioritised by NULIS in future; and
- address prudential concerns APRA identified in its supervision of NULIS, corroborated in an independent report undertaken by Deloitte. NULIS will be required to undertake timely remediation by implementing improvements in its governance and control environment and appointing an independent expert to report on compliance with its licence conditions.

I hope you and the Committee find this update of use.

Yours sincerely,

cc: House of Representatives Standing Committee on Economics