

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS**

**REVIEW OF THE FOUR MAJOR BANKS (FOURTH REPORT)**

**Commonwealth Bank of Australia**

**CBA06QW:** Regarding Mr Cohens evidence to the Royal Commission to the effect of:

“CBA will also acknowledge it did not have adequate policies and systems in place to monitor the training and communications of its staff in order to prevent that conduct from occurring,”

Has CBA developed an action plan of corrective measures, inclusive of staff training, to facilitate changes? If so, what is the plan?

**Answer:** It does not appear that this statement was made during the proceedings of the Royal Commission, but rather by CBA in a media release about to the settlement with ASIC of the legal proceedings in relation to the Bank Bill Swap Rate (BBSW).

As part of the court-enforceable undertaking CBA provided to ASIC under this settlement, CBA undertook to engage an independent expert to assess changes it has made (and will make) to its policies, procedures, systems, controls, training, guidance and framework for the monitoring and supervision of employees and trading in Prime Bank Bills and CBA’s BBSW referenced product businesses.

We appointed Ernst & Young, as the independent expert, on 5 October 2018 and have committed to providing our BBSW Program of remediation work to ASIC and Ernst & Young by early 2019.