



Authority to carry on banking business

Banking Act 1959

I, Mark Adams, a delegate of APRA, under subsection 9(3) of the *Banking Act 1959* (the Act), GRANT Lutheran Laypeople's League of Australia Limited ABN 25 044 678 441 (the ADI) authority to carry on banking business in Australia.

Under paragraph 9AA(1)(a) of the Act, I IMPOSE on this Authority the conditions specified in the attached Schedule.

This Authority commences on 1 February 2019.

Dated 16th November 2018

[Signed]

Mark Adams
Executive General Manager
Specialised Institutions Division

Interpretation

In this instrument

APRA means the Australian Prudential Regulation Authority.

ADI is short for authorised deposit-taking institution and has the meaning given in subsection 5(1) of the Act.

banking business has the meaning given in subsection 5(1) of the Act.

Note 1 Under subsection 9AA(1) of the Act, APRA may at any time, by notice in writing given to an ADI, impose conditions or additional conditions or vary or revoke conditions imposed on its Authority to carry on banking business. The conditions must relate to prudential matters.

Note 2 Under subsection 9AB(1) of the Act, an ADI is guilty of an offence if it does or fails to do an act and doing or failing to do that act results in a contravention of a condition of the ADI's Authority, and there is no determination in force under section 11 of the Act that subsection 9AB(1) does not apply to the ADI. The maximum penalty is 300 penalty units. Under subsection 9AB(2) of the Act, where an individual commits an offence against subsection 9AB(1) of the Act because of Part 2.4 of the *Criminal Code*, or commits an offence under Part 2.4 of the *Criminal Code* in relation to an offence against subsection 9AB(1) of the Act, the individual is punishable on conviction by a fine not exceeding 60 penalty units. Under subsection 9AB(3) of the Act, an offence against section 9AB is an offence of strict liability and section 6.1 of the Criminal code applies.

Note 3 Under subsection 9AA(6) of the Act, a decision to impose conditions or additional conditions on this Authority is a decision to which Part VI of the Act applies. If a person affected by the decision is dissatisfied with the decision, the person may seek reconsideration of the decision by APRA in accordance with subsection 51B(1) of the Act. The request for reconsideration must be in writing, must state the reasons for the request, and must be given to APRA within 21 days after the decision first comes to the person's notice or within such further period as APRA allows. If dissatisfied with APRA's reconsidered decision confirming or varying the first decision, the person may, subject to the *Administrative Appeals Act 1975*, apply to the Administrative Appeals Tribunal for review of the reconsidered decision.

The address where written notice may be given to APRA is Level 12, 1 Martin Place, Sydney NSW 2000.

Note 4 The circumstances in which APRA may revoke an ADI's authority are set out in section 9A of the Act.

Note 5 Under subsection 9(3) of the Act, notice of this Authority must be provided to the ADI. Under subsection 9(4) of the Act, APRA must publish notice of this Authority in the *Gazette* and may also cause notice of the Authority to be published in any other way it considers appropriate.

Schedule – the conditions imposed on the Authority

1. The ADI must inform APRA before the ADI makes any amendment to clause 4 of its Constitution, “Objects of the LLL”;
2. The ADI must consult with APRA before the ADI:
 - (a) introduces a new deposit or loan product; or
 - (b) changes the ADI’s current business model or strategy;
3. Unless otherwise approved in writing by APRA, the ADI must
 - (a) only accept deposits from persons who under the ADI’s constitution, are eligible to be depositors of the ADI;
 - (b) only provide loans to:
 - (i) the Lutheran Church of Australia Incorporated ABN 36 763 133 897 (**the Church**); and
 - (ii) Church Bodies whether incorporated or unincorporated, that are nominated by the Church from time to time for the purpose of obtaining a loan from the ADI (**Church Bodies**).
 - (c) not provide a loan to an individual; and
 - (d) not outsource a material business activity to a service provider that is related to the ADI.

Interpretation

In this Schedule:

material business activity is an activity that has the potential, if disrupted, to have a significant impact on the APRA-regulated institution’s or group’s business operations or its ability to manage risks effectively, having regard to such factors as:

- (a) the financial and operational impact and impact on reputation of a failure of the service provider to perform over a given period of time;
- (b) the cost of the outsourcing arrangement as a share of total costs;
- (c) the degree of difficulty, including the time taken, in finding an alternative service provider or bringing the business activity in-house;
- (d) the ability of the APRA-regulated institution or member of the group to meet regulatory requirements if there are problems with the service provider;

- (e) potential losses to the APRA-regulated institution's or group's customers and other affected parties in the event of a service provider failure; and
- (f) affiliation or other relationship between the APRA-regulated institution or group and the service provider.

outsourcing involves an APRA-regulated institution, or an institution within a group that is not an APRA-regulated institution, entering into an arrangement with another party (including a related body corporate) to perform, on a continuing basis, a business activity that currently is, or could be, undertaken by the institution itself.