



15 May 2019

## **TO: ALL AUTHORISED DEPOSIT-TAKING INSTITUTIONS**

### **THE BANKING EXECUTIVE ACCOUNTABILITY REGIME – RESPONSE TO SUBMISSIONS ON PROPOSED REGISTRATION FORM AND TIMELINE FOR REGISTRATION**

The Banking Executive Accountability Regime (BEAR) commenced on 1 July 2018 for large authorised deposit-taking institutions (ADIs) and is due to commence on 1 July 2019 for medium and small ADIs.<sup>1</sup> In its October 2018 information paper *Implementing the Banking Executive Accountability Regime*, APRA noted it had released its registration form used for large ADIs, and would consult on its registration form for medium and small ADIs.<sup>2</sup>

In December 2018, APRA released for consultation a draft Direct to APRA (D2A) form *ARF 550.0 Banking Executive Accountability Regime – Registration Form* (ARF 550.0) including a draft Instruction Guide. APRA proposed that an ADI will use ARF 550.0 to apply to register an accountable person for the purpose of Part IIAA of the *Banking Act 1959* (the Act).

ARF 550.0 was also proposed to be used when notifying APRA, as required under the notification obligations in section 37F of the Act, of:

- any change to an accountability statement of an accountable person;
- any change to an accountability map of the ADI; and
- an individual ceasing to be an accountable person.

This letter responds to submissions received on the proposed ARF 550.0.

#### **Submissions received**

APRA received six submissions from reporting entities and one from an industry body. Feedback in the submissions was primarily related to D2A functionality, recommendations for the upcoming Data Collection Solution which will replace D2A<sup>3</sup>, and the availability of ARF 550.0 in D2A.

#### **Requests for additional clarification in *ARF 550.0 Instruction Guide***

All of the submissions APRA received contained feedback, or requests for clarity, on specific parts of the draft Instruction Guide.

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<sup>1</sup> Size of an ADI for the purposes of the BEAR is defined by the *Banking Executive Accountability Regime (Size of an Authorised Deposit-taking Institution) Determination 2018*:  
<https://www.legislation.gov.au/Details/F2018L00651>.

<sup>2</sup> Refer to section 2.2 Registration of accountable persons in *Implementing the Banking Executive Accountability Regime* available at: <https://www.apra.gov.au/banking-executive-accountability-regime>.

<sup>3</sup> <https://www.apra.gov.au/apra-replacing-d2a>

APRA has amended the Instruction Guide to take account of the submission requests. An updated version of the Instruction Guide is available at <https://www.apra.gov.au/banking-executive-accountability-regime-consultations> with changes marked up.

## **D2A functionality**

Five submissions requested further guidance on various aspects of D2A functionality. APRA publishes information and user guides for D2A, which can be accessed at <https://www.apra.gov.au/direct-apra-d2a>.

## **Recommendations for Data Collection Solution**

Two submissions made recommendations for future functionality of the Data Collection Solution to assist completion of ARF 550.0. APRA has taken note of these recommendations for future enhancements to BEAR reporting and will take them into consideration for the new Data Collection Solution.

## **Timeline for registration**

ARF 550.0 will be available in D2A from 20 May 2019 and can be viewed in the Plain English Taxonomy at <https://sbr-pet.apra.gov.au/index.html>. To assist institutions with data administration, an Excel version of the form is also available on the APRA website at <https://www.apra.gov.au/banking-executive-accountability-regime-consultations>.

To permit ADIs to comply with their accountability obligations when BEAR applies to them on 1 July 2019, medium and small ADIs must submit a final version of ARF 550.0 by 14 June 2019 for accountable persons to be registered by 1 July 2019. ADIs are able to submit their BEAR applications for registrations from 20 May 2019 and are encouraged to submit as soon as they have finalised their applications. APRA will review the submitted information and, if necessary, seek additional information. . Note that while under the legislation individuals are deemed registered 14 days after APRA's receipt of a submitted application for registration or any additional information requested by APRA, any registration of a small or medium ADI will not be effective before 1 July 2019.<sup>4</sup>

For the registration of each accountable person, medium and small ADIs will also need to submit:

- an accountability statement for each nominated accountable person; and
- the accountability map for the ADI.

These additional documents should be provided via SecureDoc consistent with the approach taken for submissions of draft accountability documentation. Following 1 July 2019, APRA encourages institutions to engage early with their supervisors in advance of nominating any new accountable persons, or for temporary or unforeseen appointments.

Large ADIs are requested to submit ARF 550.0 by 14 June 2019 to assist APRA in transitioning large ADIs from the current interim process commenced in 2018. Large ADIs are not required to resubmit accountability statements or an accountability map unless there is an amendment to existing lodgements.

To assist ADIs with BEAR registrations, additional supporting material outlining key processes including functionality built in to the ARF 550.0 form that will reduce re-keying of information

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<sup>4</sup> APRA is relying upon s.4 of the *Acts Interpretation Act 1901* to permit it to have registrations in place for 1 July 2019.

for subsequent submissions can be found on the APRA website at <https://www.apra.gov.au/banking-executive-accountability-regime-consultations>.

Entities that require further instructions or guidance regarding the BEAR registration processes are encouraged to contact APRA by email at [DataAnalytics@apra.gov.au](mailto:DataAnalytics@apra.gov.au).

Yours sincerely,

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Risk and Data Analytics