



Notice of variation of conditions on Authority to carry on banking business

Banking Act 1959

SINCE

- A. Commonwealth Development Bank of Australia Limited ACN 074 707 458 (the ADI) holds an authority to carry on banking business in Australia (the Authority) under section 9 of the *Banking Act 1959* (the Act); and
 - B. the Authority is subject to conditions imposed under paragraph 9(4)(a) of the Act;
- I, Wayne Stephen Byres, a delegate of APRA,
- (i) under paragraph 9(4)(b) of the Act, VARY the conditions imposed on the Authority in the manner specified in the attached Schedule; and
 - (ii) under paragraph 9(4)(a) of the Act, IMPOSE on the Authority those additional conditions specified in the attached Schedule.

Dated 15 September 2006

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Wayne Stephen Byres
Executive General Manager
Diversified Institutions Division

Interpretation

In this Notice

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 9(4) of the Act, APRA may at any time, by notice in writing served on an ADI, impose conditions or additional conditions or vary or revoke conditions imposed on its Authority to conduct banking business. The conditions must relate to prudential matters.

Note 2 Under subsection 9(6) 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 its Authority, and there is no order in force under section 11 of the Act determining that subsection 9(6) does not apply to the ADI. The maximum penalty is 200 penalty units or, by virtue of subsection 4B(3) of the *Crimes Act 1914*, in the case of a body corporate, a penalty not exceeding 1,000 penalty units. By virtue of subsection 9(6A) of the Act, an offence against subsection 9(6) is an indictable offence. Under subsection 9(6B) of the Act, if an ADI commits an offence against subsection 9(6), the ADI is guilty of an offence against that subsection in respect of the first day on which the offence is committed and each subsequent day (if any) on which the circumstances that gave rise to the ADI committing the offence continue (including the day of conviction for any such offence or any later day).

Note 3 The circumstances in which APRA may revoke an ADI's Authority are set out in section 9A of the Act.

Note 4 Under subsection 9(7) of the Act, APRA must publish a copy of this Notice in the *Gazette* and may cause notice of the action taken to vary the conditions imposed on the Authority to be published in any other way it considers appropriate.

Schedule - the conditions to be varied

The conditions which are to be varied:

- condition (i)
- condition (ii)

The manner in which the conditions are to be varied:

Omit any references to the “Reserve Bank of Australia” and the “Reserve Bank” in conditions (i) and (ii) and substitute the “Australian Prudential Regulation Authority” and “APRA” respectively.

Schedule - additional conditions imposed

- (iii) the body corporate must not commence any new banking business and subject to compliance with this condition:

Paragraph 28 of APS 510 shall not apply to impose the requirements for a minimum two independent directors and an independent chairperson;

Paragraph 33 of APS 510 shall not apply to impose the requirement for a Board Audit Committee.

- (iv) Condition (iii) has effect despite anything in the prudential standards and the body corporate will not be required under APS 510 to have any independent directors, an independent chairperson or a Board Audit Committee.