



2 May 2022

TO: ALL AUTHORISED DEPOSIT-TAKING INSTITUTIONS

OPERATIONAL PREPAREDNESS FOR ZERO AND NEGATIVE INTEREST RATES

On 28 October 2021, APRA released its expectations regarding ADIs' preparedness for zero and negative interest rates. Following this, in December 2021, a number of ADIs requested an extension beyond 31 July 2022 for meeting APRA's expectations, citing market conditions and resource pressures due to other priorities.

Having considered the request and ADIs' feedback that they are prepared, or could be prepared at short notice, for zero and negative interest rates on products that are more likely to experience such rates, the previously advised timeframe of 31 July 2022 is therefore no longer considered relevant. APRA is reviewing its broader strategic approach and will provide a further update on its expectations at the appropriate time.

Contact

ADIs requiring additional information should contact their responsible supervisor.

Yours sincerely,

Therese McCarthy Hockey
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Banking Division