



JOINT ADMINISTRATION AGREEMENT

BETWEEN

THE AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY

AND

THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

PURPOSE

1. The Financial Accountability Regime (the FAR) requires APRA and ASIC (the Regulators) to jointly administer the FAR. This Agreement sets out the arrangements for this joint administration.

OBJECTIVES OF JOINT ADMINISTRATION

2. A key objective of the FAR is to improve the operating culture, transparency and accountability of the banking, insurance and superannuation industries. The Regulators will collaborate to reinforce these intended outcomes.
3. The Regulators commit to follow these principles for effective collaboration:
 - support and harness each Regulator's mandate and strengths for effective joint administration of the FAR;
 - leverage supervision and surveillance frameworks already established by the Regulators;
 - focus on risks that impede strong and clear accountability; and
 - be accountable and transparent in the joint administration of the FAR.

ROLE OF THE REGULATORS

4. The role each Regulator plays under the FAR is consistent with their broader purpose under the twin peaks model for financial regulation in Australia. In administering the FAR, ASIC's role is to focus on impacts to market integrity and consumer protection in the financial system and payments system; APRA's role is to focus on impacts to the prudential soundness of regulated entities as well as the financial stability of the overall system.
5. The Memorandum of Understanding between APRA and ASIC (the MoU) sets out an engagement framework to foster a proactive, open and collaborative relationship between the Regulators. The arrangements in this Agreement build upon the MoU.

OVERSIGHT OF ARRANGEMENTS AND CO-ADMINISTRATION

6. APRA and ASIC will maintain structures to oversee co-administration of the FAR, including establishing clear accountability across the Regulators, timely coordination and escalation of matters and review of this agreement. This will involve leveraging governance mechanisms already in place under the MoU.

7. To understand whether the objectives of the FAR are being met, the Regulators will periodically assess core elements of joint administration with reference to the following:
 - collaboration, which may be appraised through indicators of how the Regulators are interacting in relation to the FAR;
 - efficiency, for instance evidenced by the manner in which investigative and enforcement actions are taken under the FAR; and
 - consistency of regulatory approach.
8. The Regulators will ensure they maintain:
 - clearly defined roles and responsibilities, supported by agreed processes and procedures;
 - appropriately resourced administration teams for ongoing coordination and interaction;
 - training and support to supervisors of both Regulators to ensure consistent regulatory approaches; and
 - a single point-of-contact for entity queries and issues.
9. The arrangements set out in this Agreement do not create legally enforceable rights or obligations between the Regulators. The Regulators may review the ongoing suitability of, and where appropriate vary, the arrangements in this Agreement from time to time.

MONITORING AND SUPERVISION UNDER THE FAR

10. The Regulators agree to take a risk-based and outcomes-focused approach to monitoring and supervision of accountable entities and accountable persons under the FAR - including surveillance, engagements, reviews and resolving technical queries.
11. The Regulators will collaborate and coordinate on these regulatory activities when there is joint interest on a FAR-related risk area. It may be appropriate for one Regulator to lead certain regulatory activities, or for the Regulators to take an independent but coordinated approach.
12. As accountability issues are identified, the Regulators commit to keeping each other informed and when resolving these issues with entities, will work together as appropriate.

FAR REPORTING

13. A single reporting portal alleviates the need for accountable entities to report to each Regulator separately. Accountable entities will use APRA Connect to report to the Regulators about:
 - registration of accountable persons;
 - lodgment of accountability maps and statements; and
 - other notifications including FAR breach reporting.
14. Through APRA Connect, APRA and ASIC will maintain a register of all accountable persons, as required under the FAR. Relevant information submitted about accountable persons may also be shared between the Regulators, in particular to support the process to register accountable persons.

15. A single point-of-contact will be established to enable accountable entities to contact the Regulators about reporting obligations or other matters.

EXERCISING POWERS

16. The Regulators are required to agree with each other before exercising certain powers under the FAR. This takes into consideration that ASIC may in general only exercise FAR powers in respect of entities that hold an Australian financial services licence or an Australian credit licence. However, where appropriate, one Regulator may choose to delegate its power to commence proceedings under the FAR, to the other Regulator.
17. When a Regulator is exercising FAR powers and no agreement is required, APRA and ASIC commit to:
 - consult each other where exercising a power that may affect the responsibilities of the other Regulator; and
 - notify each other about exercising a power that may be relevant to the responsibilities of the other Regulator, such as decisions about registration applications.

INVESTIGATIONS AND ENFORCEMENT OF THE FAR

18. The Regulators agree to work together on investigations and enforcement of the FAR, and focus on:
 - proactive engagement and cooperation;
 - early and regular consultation with one another;
 - open and timely sharing of information and expertise; and
 - coordinated and timely use of powers.
19. Prior to the commencement of an investigation, the Regulators will identify the objectives of the investigation and establish the role of each Regulator, including the appropriate lead.
20. Throughout an investigation, including for the exercise of enforcement powers, the Regulators will continue to seek opportunities, as appropriate, for the coordinated use of investigation powers as well as the sharing of information and expertise.
21. The above approach extends to the exercise of enforcement powers under the FAR and the *Regulatory Powers (Standard Provisions) Act 2014*.

INDUSTRY COMMUNICATION

22. The Regulators will issue clear and constructive communication to industry. Communication will cover implementation of the FAR and ongoing compliance expectations of accountable entities and accountable persons. Where appropriate, communication will be tailored to address industry issues or practices.
23. To support entities with implementation, the Regulators will, where appropriate, issue guidance to regulated entities to assist them with understanding and fulfilling the FAR obligations. This will cover both existing and newly licensed entities, as well as entities that shift from core to enhanced notification obligations.

24. For ongoing compliance with the FAR, the Regulators will inform industry about:
- minimum expectations for compliance, such as for registration, accountability statements and maps and notification thresholds;
 - better practice examples and thematic review findings to strengthen accountability frameworks and draw industry's attention to areas that require further focus; and
 - enforcement activity, including details of disqualifications under the FAR.
25. Industry communication may be released jointly or individually by the Regulators.

INFORMATION SHARING AND MANAGEMENT

26. Under the FAR, the Regulators will obtain information about accountable entities, significant related entities and accountable persons through the registration process, notification obligations and requests for information. The FAR mandates certain information be exchanged between the Regulators, and also permits the Regulators to share information voluntarily with each other.
27. Information and documents that must be shared under the FAR include accountability statements and maps, information accompanying a registration application, notices under the FAR and information prescribed by the Minister rules. The Regulators will establish sharing mechanisms, including a dedicated and single portal, to support timely exchange of this information.
28. The FAR permits the Regulators to share information voluntarily obtained through administering the FAR, for the purpose of the receiving Regulator performing its functions or exercising its powers. In doing so the Regulators:
- commit to sharing information that is relevant to the other Regulator's responsibilities or mandate;
 - may voluntarily share other information received, for example through monitoring or supervision of an entity's accountability framework; and
 - will adopt an approach to information sharing that seeks to avoid duplicative requests for information from entities.
29. Information and documents shared between the Regulators under the *Financial Accountability Regime Act 2023*, either mandatorily or voluntarily, will be subject to certain secrecy and confidentiality provisions. The Regulators are not required to notify any person prior to sharing information or documents with each other under the FAR.
30. Broader information sharing provisions under the *Australian Prudential Regulation Authority Act 1998* and the *Australian Securities and Investments Commission Act 2001* may permit the Regulators to exchange information, which has been collected under other legislation but will be used by the receiving Regulator for FAR-related purposes. Examples of information that may be shared include information obtained or produced in the course of routine or thematic supervision, surveillance or reviews.
31. The FAR permits the Regulators to make information from the FAR register publicly available. The Regulators will disclose accountable person disqualifications made under the FAR, to facilitate industry governance of accountable persons. No further information from the FAR register is intended to be published at this time.