

# Attachment B: Draft legislative instrument



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## **Financial Accountability Regime Regulator Rules Amendment Instrument No. 1 of 2024**

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We, [name], a delegate of the Australian Prudential Regulation Authority, and [name], a delegate of the Australian Securities and Investments Commission, make this legislative instrument.

Date 2024

<signature>

<signature>

<insert name>

<insert name>

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## **Part 1—Preliminary**

### **1 Name of legislative instrument**

This is the Financial Accountability Regime Regulator Rules Amendment Instrument No. 1 of 2024.

### **2 Commencement**

This instrument commences on the day after it is registered on the Federal Register of Legislation.

Note: The register may be accessed at [www.legislation.gov.au](http://www.legislation.gov.au).

### **3 Authority**

This instrument is made under subsection 105(1) of the *Financial Accountability Regime Act 2023*.

### **4 Schedules**

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

## Schedule 1—Amendments

### *Financial Accountability Regime Act (Information for register) Regulator Rules 2024*

#### *1 Section 4*

Insert:

***Insurance Key Function*** means each of the following key functions only if the Insurance Key Function Requirements apply to a particular key function:

- (a) capital management;
- (b) collections and enforcement (default, debt collections and recovery);
- (c) conduct risk management;
- (d) data management;
- (e) financial and regulatory reporting;
- (f) hardship processes;
- (g) insurance risk management;
- (h) operational risk management;
- (i) product design and distribution obligations;
- (j) product origination;
- (k) recovery and exit planning and resolution planning;
- (l) reinsurance management;
- (m) scam management;
- (n) technology management;
- (o) training and monitoring of relevant representatives and staff;
- (p) underwriting; and
- (q) whistleblower policy and process.

***Insurance Key Function Requirements*** means the following requirements:

- (a) the key function is undertaken by an accountable entity which is a general insurer, an authorised NOHC of a general insurer, a life

company, a registered NOHC of a life company, or a private health insurer; and

- (b) an accountable person has actual or effective senior executive responsibility for management or control of the whole of, or a significant or substantial part or aspect of, the key function.

***RSE licensee Key Function*** means each of the following key functions only if the RSE licensee Key Function Requirements apply to a particular key function:

- (a) conduct risk management;
- (b) data management;
- (c) financial and regulatory reporting;
- (d) hardship processes;
- (e) investment management;
- (f) liquidity management;
- (g) marketing and advertising;
- (h) member outcomes;
- (i) operational risk management;
- (j) product design and distribution obligations;
- (k) product origination;
- (l) recovery and exit planning and resolution planning;
- (m) scam management;
- (n) technology management;
- (o) training and monitoring of relevant representatives and staff; and
- (p) whistleblower policy and process.

***RSE licensee Key Function Requirements*** means the following requirements:

- (a) the key function is undertaken by an accountability entity which is a RSE licensee; and
- (b) an accountable person has actual or effective senior executive responsibility for management or control of the whole of, or a significant or substantial part or aspect of, the key function.

*2 Section 4 (Note 1)*

Omit “(b) accountable person.” substitute “(b) accountable person;”.

*3 Section 4 (Note 1)*

After paragraph (b) of Note 1, insert:

- (c) ADI;
- (d) authorised NOHC;
- (e) general insurer;
- (f) life company;
- (g) private health insurer;
- (h) registered NOHC;
- (i) RSE licensee.

*4 Section 4 (Note 2)*

Repeal the note.

*5 Section 5*

After paragraph 5(1)(k), insert:

- (l) key functions—each Insurance Key Function (if any) of the accountable person;
- (m) the dates the accountable person assumed, and ceased to have, responsibility for an Insurance Key Function referred to in paragraph 5(1)(l) (if applicable);
- (n) key functions—each RSE licensee Key Function (if any) of the accountable person;
- (o) the dates the accountable person assumed, and ceased to have, responsibility for an RSE licensee Key Function referred to in paragraph 5(1)(n) (if applicable);

*6 Paragraph 5(1)(l)*

Re-number as paragraph 5(1)(p).

*7 Paragraph 5(1)(m)*

Re-number as paragraph 5(1)(q).

*8 Paragraph 5(1)(n)*

Re-number as paragraph 5(1)(r).