



## ADI Key Functions descriptions

This document provides descriptions of each ADI Key Function referred to in the *Financial Accountability Regime Act (Information for register) Regulator Rules 2024* and the *Financial Accountability Regime (Consequential Amendments) Transitional Rules 2024* (the Rules).

As set out in the Rules, information regarding each ADI Key Function is only required to be provided and will only be included in the register of accountable persons where:

- (a) an ADI or an authorised non-operating holding company of an ADI undertakes that particular ADI Key Function; and
- (b) a person who is determined to be an accountable person in accordance with the *Financial Accountability Regime Act 2023* has actual or effective senior executive responsibility for management or control of the whole of, or a significant or substantial part or aspect of, that particular ADI Key Function.

The Rules do not require a relevant accountable entity to undertake each ADI Key Function or to assign each ADI Key Function to an accountable person.

APRA and ASIC only intend to make information collected via the register of accountable persons publicly available in circumstances where they disqualify an accountable person under the *Financial Accountability Regime Act 2023*.

Column 1 ADI Key Function	Column 2 An accountable person has responsibility for the ADI Key Function in Column 1 if they have actual or effective senior executive responsibility for management or control of the whole of, or a significant or substantial part or aspect of, the applicable key function as described in this Column 2
1. <b>Capital management</b>	Capital management function, including the Internal Capital Adequacy Assessment Process, stress testing, capital buffers and capital instruments.
2. <b>Collections and enforcement (default, debt collections and recovery)</b>	Collections and enforcement policies, procedures and practices for the monitoring, collection and enforcement of debt relating to a financial product or service, credit contract or consumer lease.
3. <b>Conduct risk management</b>	Conduct risk management, including the identification and monitoring of the risk of inappropriate, unethical or unlawful behaviour on the part of the accountable entity's management or employees.

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<b>4. Credit risk management</b>	Credit risk management function, including: <ul style="list-style-type: none"> <li>○ evaluation of credit risk profile against board risk appetite and credit risk management strategy;</li> <li>○ coverage of a broad range of aspects, such as:               <ul style="list-style-type: none"> <li>▪ credit risk policies and processes;</li> <li>▪ credit origination, assessment and approval;</li> <li>▪ credit administration, measurement and monitoring; and</li> <li>▪ counterparty credit risk; and</li> </ul> </li> <li>○ coverage of all business lines, including retail banking and business banking.</li> </ul>
<b>5. Data management</b>	Data management, including data strategy, data architecture, data management framework and governance, data quality and issue management, and data risk management, including the state of data controls and data privacy.
<b>6. Financial and regulatory reporting</b>	Financial and regulatory reporting function, including the preparation of statutory financial reporting, financial market disclosures (where relevant), and regulatory data collections, to relevant regulators including APRA and ASIC.
<b>7. Hardship processes</b>	Hardship policies, procedures and practices for responding to and managing consumers experiencing financial difficulty (not limited to any specific remediation activity).
<b>8. Liquidity and funding management</b>	Liquidity and funding operations, including evaluation of liquidity and funding risk profile against board risk appetite, liquidity management strategy, funding strategy, liquidity reporting, funding plan and contingency funding plan.
<b>9. Market risk management</b>	Market risk management function, including evaluation of market risk profile against board risk appetite and market risk management strategy for the areas of: <ul style="list-style-type: none"> <li>○ traded and non-traded market risk; and</li> <li>○ ensuring prudent valuations are reflected in pricing and capital.</li> </ul>

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<b>10. Operational risk management</b>	Operational risk management function, including: <ul style="list-style-type: none"> <li>○ maintaining the operational risk management framework and operational risk management strategy;</li> <li>○ identifying, assessing and managing operational risk and compliance;</li> <li>○ state of operational risk controls;</li> <li>○ evaluation of operational risk profile against board risk appetite;</li> <li>○ business continuity; and</li> <li>○ service provider risk management.</li> </ul>
<b>11. Product design and distribution obligations</b>	The various activities involved in complying with the product design and distribution obligations.  Note: The product design and distribution obligations and the product origination key functions are related but may be distinguished as follows—The product design and distribution obligations involve ongoing monitoring of products and product governance arrangements, throughout the lifecycle of the product; the product origination obligations are concerned with specific obligations at the time the consumer acquires the product.
<b>12. Product origination</b>	Product origination obligations that relate to financial products or credit contracts/consumer leases—including obligations relating to disclosure, contract formation, representations and responsible lending.
<b>13. Recovery and exit planning and resolution planning</b>	Recovery and exit planning function, including governance arrangements, trigger frameworks, recovery and exit options, scenario analysis, assessment of recovery capacity, and communication strategy.  Resolution planning function, including assisting APRA in identifying any critical functions, assessing the feasibility of resolution options, and removing barriers to the execution of a resolution plan.
<b>14. Scam management</b>	The entity’s policies, procedures and practices designed to prevent and mitigate consumer loss from scams, and to respond to scams and consumers who have been the subject of scams.
<b>15. Technology management</b>	Technology management, including technology strategy, lifecycle management of technology used, state of technology controls, information security, disaster recovery, technology operations and infrastructure (including management and maintenance of business and technology applications).

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<b>16. Training and monitoring of relevant representatives and staff</b>	Training and monitoring of staff and representatives providing financial products or financial services or engaging in credit activities on behalf of a licensee. This includes training on mandatory continuous education on a product, service or activity.
<b>17. Whistleblower policy and process</b>	Implementation and monitoring of the entity's whistleblower policy and processes.