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General Manager, Policy  
Policy and Advice Division  
Australian Prudential Regulation Authority  
[PolicyDevelopment@apra.gov.au](mailto:PolicyDevelopment@apra.gov.au)

Dear Sir / Madam,

**RE: Consultation on formalising a three-tiered approach to proportionality**

This document sets out MUFG Bank, Ltd.'s (MUFG) response to APRA's consultation on formalising a three-tiered approach to proportionality in banking prudential framework published on the 5<sup>th</sup> December 2025.

Overall MUFG is supportive of APRA's proposal to add a third tier to its prudential framework for banking to embed additional proportionality and drive competition in the industry. Given MUFG is licensed as a foreign ADI and is currently classified as a non-Significant Financial Institution (SFI), we appreciate APRA's support to provide more time for non-SFIs to comply with new or revised requirements. Allowing this flexibility, such as through a staggered implementation ensures non-SFIs are able to appropriately transition to compliance and also learn from larger ADIs.


MUFG does not have a response to the specific questions posed within the consultation, however we do have the following comments:

- Under the current two-tier approach, APRA has noted that SFIs do not apply to foreign ADIs. Therefore, we would appreciate if APRA is able to confirm that whether under the three-tier approach, if foreign ADIs will also be excluded from the SFI threshold and most-SFI threshold.
- In order to support effective policy implementation, MUFG would be supportive of more tailored consultations for each of the specific tiers and even opportunities to opine through industry and regulator discussions or working groups.

Please let us know if you have any questions in regards to our response.

Kind Regards,

  
Managing Director  
Chief Compliance Officer & Head of Regulatory Relations (Oceania)  
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