



28 March 2013

Mr Neil Grummitt
General Manager Policy Development
Policy Research and Statistics
Australian Prudential Regulation Authority
GPO Box 9836
SYDNEY NSW 2001

Email: datamgt@apra.gov.au

Dear Mr Grummitt

PPG 235: Managing Data Risk

The Australian Financial Markets Association (AFMA) welcomes the opportunity to comment on the Australian Prudential Regulation Authority's (APRA) prudential practice guide (Guide) designed to assist regulated institutions in managing data risk.

AFMA recognises that the Guide supports a principles-based approach where discretion is provided to institutions when adopting whichever industry standards and guidelines they see fit-for-purpose in specific control areas. Furthermore we note that the Guide does not seek to replace or endorse any existing industry standards or guidelines. This general approach is supported by AFMA.

I have consulted with members about the Guide and there is only one comment that arose, it being in relation to compliance responsibilities described in paragraph 24:

24 APRA expects that a regulated institution would implement processes that ensure compliance with regulatory and prudential requirements and data risk management requirements. This would typically include ongoing checks by the compliance function (or equivalent), supported by reporting mechanisms (e.g. metrics, exceptions) and management reviews.

The matters covered by this paragraph are ones which are necessarily implemented by regulated institutions in the various jurisdictions in which their data management responsibilities are maintained. This is especially the case where the service is provided in-house by a directly related entity either in Australia or in a foreign jurisdiction. In



such circumstances, APRA may wish to consider a form of annual attestation as being an acceptable means of satisfying APRA's review expectations.

Thank you for considering this comment. I would be happy to meet to discuss any related matter with you, or arrange a meeting between you and our ADI members. I can be contacted on [REDACTED] or at [REDACTED].

Yours sincerely

A handwritten signature in black ink, appearing to be 'Murray Regan', written in a cursive style.

Murray Regan
Director – Markets and Rates