



27 October 2014

To all RSE licensees

Consultation on draft *Prudential Practice Guide SPG 223 Fraud Risk Management (SPG 223)*

Since 2011, APRA has been working to implement a new prudential framework for the superannuation industry in Australia as part of the Stronger Super reforms. This included the introduction of prudential standards for superannuation which were finalised in late 2012 and the release of new and updated prudential practice guides for superannuation (PPGs) in 2013.

In support of its risk-based supervisory approach, APRA is committed through the issue of PPGs to providing up-to-date and practical guidance on matters that an RSE licensee may consider relevant in meeting the requirements of the prudential standards. PPGs provide guidance on APRA's view of sound practice in particular areas, but do not create enforceable requirements.

In support of the prudential requirements set out in *Prudential Standard SPS 220 Risk Management (SPS 220)*, APRA proposes to update and expand upon its existing guidance on the management of superannuation fraud risk and is issuing draft SPG 223 for consultation.

The scope and content of draft SPG 223 focuses on current and emerging fraud risk factors impacting the superannuation industry, while taking into account broader risk management-related matters raised in SPS 220 and *Prudential Practice Guide SPG 220 Risk Management (SPG 220)*. SPG 223 is proposed to replace APRA's existing superannuation fraud risk guidance material.¹

Draft SPG 223 is available on the APRA website at:

<http://www.apra.gov.au/Super/Pages/Prudential-Practice-Guide-SPG-223-Fraud-Risk-Management.aspx>.

APRA welcomes feedback on draft SPG 223. Written submissions should be forwarded to superannuation.policy@apra.gov.au by Monday 19 January 2015 and addressed to:

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Yours sincerely

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Executive General Manager

¹ Refer to the following hyperlink for the existing superannuation fraud risk guidance material:
<http://www.apra.gov.au/Super/PrudentialFramework/Pages/superannuation-circulars-guidance-notes-and-other-guidance.aspx>

Important Disclosure Notice - Publication of Submissions

All information in submissions will be made available to the public on the APRA website unless a respondent expressly requests that all or part of the submission is to remain in confidence. Automatically generated confidentiality statements in emails do not suffice for this purpose. Respondents who would like part of their submission to remain in confidence should provide this information marked as confidential in a separate attachment.

Submissions may be the subject of a request for access made under *the Freedom of Information Act 1982* (FOIA). APRA will determine such requests, if any, in accordance with the provisions of the FOIA. Information in the submission about any APRA regulated entity which is not in the public domain and which is identified as confidential will be protected by section 56 of the *Australian Prudential Regulation Authority Act 1998* and therefore will ordinarily be exempt from production under the FOIA.