



3 August 2017

TO: ALL AUTHORISED DEPOSIT-TAKING INSTITUTIONS

RESPONSE TO SUBMISSIONS – PROPOSED MINOR AMENDMENTS TO APS 112

In September 2016, APRA released a consultation on proposed revisions to its counterparty credit risk framework for authorised deposit-taking institutions (ADIs). At the same time, APRA also proposed a number of minor amendments to *Prudential Standard APS 112 Capital Adequacy: Standardised Approach to Credit Risk* (APS 112). These changes were proposed to rectify minor deviations from the Basel Committee on Banking Supervision's framework identified during the 2014 Regulatory Consistency Assessment Programme assessment of Australia, ensure consistency with other areas of APRA's prudential framework, and redress other minor errors and omissions.

APRA received no submissions on the proposed minor amendments to APS 112. As the remaining changes to APS 112 relate to counterparty credit risk, APRA intends to finalise the revised APS 112 including the other minor amendments following the conclusion of its consultation on counterparty credit risk, which was also released today. APRA envisages the revised APS 112 will take effect from 1 January 2018.

As noted in the September 2016 consultation letter, APRA intends to make a minor amendment to APS 112 to reflect revised *Prudential Standard APS 120 Securitisation*, which commences 1 January 2018. This change has been incorporated in the draft of APS 112 released today.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Pat Brennan'.

Pat Brennan
Executive General Manager
Policy and Advice Division