



5 May 2011

## Update on the Supervision of Conglomerate Groups (Level 3 Framework)

APRA has been gathering feedback from industry on the proposed supervision of conglomerate groups (Level 3 framework) following the release of the discussion paper in March 2010 and a quantitative impact study (QIS) in November 2010.

The purpose of this letter is to advise the revised Level 3 project implementation schedule. A number of related prudential reforms and initiatives (both domestic and international) will affect the policy proposals and implementation schedule of the proposed Level 3 framework; in particular, the life and general insurance capital review (LAGIC) initiative and the Basel III capital reforms. APRA is cognisant of this and will continue to co-ordinate the sequence of implementation of these related initiatives and reforms with the implementation of the proposed Level 3 framework.

### *Revised project schedule*

The revised project schedule (provided below) for the proposed Level 3 framework takes into account the current timeframes of related prudential reforms and initiatives; the project schedule will be adjusted accordingly where there are revisions to these timeframes.

1 <sup>st</sup> Quarter 2012	Release of APRA's response to submissions and draft prudential standards
2 <sup>nd</sup> Quarter 2012	Consultation on draft prudential standards
3 <sup>rd</sup> Quarter 2012	Release of draft reporting standards and forms and instructions
4 <sup>th</sup> Quarter 2012	Consultation on draft reporting standards and forms and instructions
4 <sup>th</sup> Quarter 2012 to 1 <sup>st</sup> Quarter 2013	Finalise framework Release of final prudential standards, and reporting standards, forms and instructions
2 <sup>nd</sup> Quarter 2013	Implementation date

Please note that queries in relation to the Level 3 project should be directed to the [Level3Framework@apra.gov.au](mailto:Level3Framework@apra.gov.au) e-mail address.

Yours sincerely

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