

7 June 2018

General Manager, Policy Development
Policy and Advice Division
Australian Prudential Regulation Authority

By email to: PolicyDevelopment@apra.gov.au

RE: Prudential Standard CPS 234: Information Security - Response

Dear Sir/Madam,

Rural Bank Limited (RBL) appreciates the opportunity to provide APRA with comments on the Discussion Paper: *Information security management: A new cross-industry prudential standard* and the draft *Prudential Standard CPS 234: Information Security*.

As a wholly owned subsidiary of Bendigo and Adelaide Bank (BEN), RBL acknowledges the separate response you will receive from David Billing at BEN.

RBL seeks clarification and guidance on the reliance that related entities can place on the group or parent. Specifically to what extent RBL who operate under a separate ADI but are owned by the parent (BEN) are able to rely on BEN who manage information assets on behalf of RBL.

As noted in the BEN response, RBL understands and supports the intention that CPS 234 is designed to allow for a concept of proportionality and scalability of obligations, in accordance with the level of risk assessed. RBL considers that some of the obligations in draft CPS 234 are expressed in absolute terms (e.g. paragraphs 15, 21 and 27) and requests that the final CPS 234 make the intent explicit. We believe the requirements of these paragraphs should be excluded in the cases where the related party is also subject to CPS 234.

RBL welcomes APRA's prudential standard on information security and thanks APRA for the opportunity to comment on the draft.

Regards,

Stephen Brown
General Manager Risk
Rural Bank Limited