MEMORANDUM OF UNDERSTANDING

BETWEEN

THE AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY

AND

THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Purpose

1. Support the ability of each agency, the Australian Prudential Regulation Authority (APRA) and the Australian Securities and Investments Commission (ASIC), to deliver against their discrete mandates, which when taken together, enable a financial system which is safe, fair, competitive and efficient.

2. This Memorandum of Understanding (MoU) sets out a framework for engagement, including coordination, cooperation and information sharing, between APRA and ASIC (the agencies). The arrangements in this MoU will be implemented in accordance with relevant requirements under each agency's governing legislation.

3. This MoU reflects the agencies' intention to maintain a proactive, open and collaborative relationship.

4. The agencies may, by mutual agreement, establish supplementary protocols and guidelines to operate under this MoU.

Key objectives

5. The agencies commit to engage proactively on matters that are relevant to each other's responsibilities so as to:

    - facilitate cooperation and collaboration between the agencies;
    - strengthen the effectiveness and contribute to the efficiency of regulatory outcomes across the financial sector; and
    - promote a whole-of-system perspective in meeting each agency's responsibilities.

6. Close engagement between the agencies will minimise duplication of effort, facilitate early detection of prudential and conduct issues and promote timely supervisory or enforcement responses.

Responsibilities

Twin peaks model

7. APRA and ASIC have distinctive and independent mandates, reflecting the 'twin peaks' model for financial regulation in Australia. Broadly, APRA focuses on financial and non-financial risks to the soundness of regulated entities and on the financial stability of the overall system, while ASIC focuses on preserving market integrity, conduct and investor protection.

8. More specifically:

- APRA is responsible for the licensing and regulatory oversight of financial entities to protect the interests of depositors, insurance policyholders and superannuation fund members. It is also required to balance the objectives of financial safety and efficiency, competition, contestability and competitive neutrality and, in balancing these objectives, is to promote financial system stability.
- ASIC regulates the conduct of Australian companies, financial markets, financial services organisations, and professionals who operate in those sectors. It is also responsible for licensing and authorisations to operate in industries it regulates.

9. There can be matters that are of common interest to the responsibilities of the two agencies and the activities of one agency can inform or assist the work of the other. It is therefore important that APRA and ASIC maintain close engagement and proactively exchange information of interest to each other to achieve the key objectives specified in this MoU.

10. This is of particular importance where interests align:

- prudential matters identified by APRA may affect an entity's ability to meet its obligations to consumers;
- conduct, investor protection or market integrity issues identified by ASIC could have a prudential impact on entities regulated by APRA, based on their size or complexity;
- a course of conduct or systemic practices, taken together, may indicate prudential risk; and
- policy or regulatory changes may have an impact on both APRA and ASIC's responsibilities.

11. The need for engagement is most likely to arise:

- in respect of entities or industries regulated by both agencies;
- on subject matters where both agencies have an interest, including the governance, risk management, systems and controls of entities that they each regulate; and
- where mandates are closely aligned or where agencies jointly administer legislation.

Commitment to engage

12. Each agency commits to developing and maintaining effective arrangements for engagement and in accordance with legislative obligations and agreed protocols, having regard to each other's mandate and broader regulatory objectives. Under the arrangements, each agency will agree to:

- proactively provide appropriate information and documents that are relevant to the other agency and responding promptly to information and document requests;
- seek input from, or collaboration with, the other agency to achieve or improve regulatory outcomes, particularly in policy development, enforcement actions, consultation with industry and statistical collections; and
- seek to improve efficiencies for the agencies and industry participants.

13. The type of engagement employed to support the objectives specified in this MoU will vary but will typically be to:

- inform – where one agency is aware of information that is relevant to the other agency's responsibilities;
- consult – where one agency is considering or undertaking an activity that has an impact on the other agency's responsibilities;

- collaborate – where there are opportunities to maximise outcomes for both prudential and conduct regulation; and
- in limited circumstances, consent – where one agency's action may have a material impact on the other agency's responsibilities.

Engagement structure

14. To further support the objectives of this MoU, the agencies have established a formal engagement structure overseen by APRA Members and ASIC Commissioners (the APRA-ASIC Committee or AAC) and supported by standing committees. These arrangements are established in Terms of Reference approved by APRA Members and ASIC Commissioners; the AAC Terms of Reference will be published.

15. These formal arrangements will be supported by working groups and by routine informal and ad hoc meetings and information sharing between APRA and ASIC officers.

Key areas for engagement

Policy

16. Each agency agrees to consult the other when developing regulatory policy, standards and guidance that are materially relevant to, or have material impact on, the other's responsibilities.

17. The agencies agree to consider whether the development of regulatory policy, standards or guidance should be coordinated or done collaboratively to reinforce prudential and conduct outcomes or maximise efficiency.

Monitoring and supervision

18. Each agency agrees to inform the other where it identifies matters that are materially relevant to, or have material impact on, the other's responsibilities.

19. The agencies agree to engage on the monitoring and supervision of regulated entities where relevant, especially for the largest or higher risk entities or where there is a significant increase in the risk profile of an entity or industry regulated by both agencies. This may be through, for example, meetings between APRA and ASIC staff, APRA and ASIC participation in supervisory colleges or joint thematic reviews.

20. The agencies agree to engage on industry data collection and seek to minimise duplication in statistical reporting by industry. Each agency agrees to share insights that are relevant to the other agency's responsibilities.

Investigations and enforcement

21. The agencies agree to engage on investigations or enforcement actions and share appropriate, relevant information wherever possible.

22. Each agency agrees to inform the other agency of breaches, and suspected or potential breaches of regulatory requirements that are relevant to the other's responsibilities.

23. Each agency agrees to engage with the other when considering or conducting an investigation and/or enforcement action against entities regulated by both agencies that may affect the responsibilities of the other agency. This includes consulting where an investigation involves suspected breaches of laws administered by both agencies or by the other agency. This may involve determining the objectives of the investigation, the proposed scope of each agency's investigation and any remedial actions or penalties sought.

24. The agencies acknowledge that where notification of a breach has been received or an initial assessment has been made by one agency, it may be that the matter more appropriately falls within the jurisdiction of the other agency. Before referring a matter, the agencies agree to consult on whether referral is appropriate and to identify any supporting information that may be required.

25. The agencies recognise that, in some circumstances, an investigation or an enforcement action may be strengthened by delegation of statutory functions or powers. This may be, for example, where enforcement action relates to legislation primarily administered by the other agency. The agencies agree to consult and collaborate on potential delegations.

Confidentiality

26. Each agency agrees to protect the confidentiality and sensitivity of information received from the other agency in accordance with the governing legislation under which it was provided.

27. The agency providing information has the right to specify the level of confidentiality attached to the information it provides to the other, consistent with secrecy and confidentiality provisions in each agency's legislation.

28. The agencies agree not to disclose any confidential information obtained under this MoU to a third party unless prior consent has been obtained from the originating agency, or disclosure is required, authorised or permitted by law.

Reporting and review

29. The agencies will publicly report on their engagement activities annually and may review the effectiveness of this MoU.

Ms Sarah Court
Chair
Australian Securities and Investments Commission

Mr John Lonsdale
Chair
Australian Prudential Regulation Authority

23 October 2026

This MoU comes into effect on this date and replaces the previous MoU signed 28 November 2019.