2 October 2026

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

Via email: PolicyDevelopment@apra.gov.au

AFMA RESPONSE TO STREAMLINING FAR ADMINISTRATION

Dear General Manager,

The Australian Financial Markets Association (**AFMA**) appreciates the opportunity to provide feedback on the proposed streamlining of the administration of the Financial Accountability Regime (**FAR**), from the Australian Prudential Regulation Authority (**APRA**) and Australian Securities and Investments Commission (**ASIC**).

AFMA welcomes the proposal to no longer prescribe key functions and that reporting lines to Accountable Persons (**APs**) no longer be included in accountability maps. We encourage APRA and ASIC to explore further opportunities to reduce the regulatory burden on industry.

We look forward to contributing to the upcoming consultation on reforms to the FAR legislation, which we hope realises further reductions in regulatory burden.

Further detail, including responses to the specific consultation questions, is provided in the attached appendix.

For more information or if you have questions in relation to this letter, please do not hesitate to contact me at [redacted].

Regards,

[redacted]

[redacted]
Australian Financial Markets Association

About AFMA and its members

The Australian Financial Markets Association is the peak industry body for Australia's financial markets industry – including the capital, credit, derivatives, foreign exchange, and other specialist markets. AFMA represents more than 140 industry participants from Australian and international banks, superannuation funds, leading brokers, securities companies, and government treasury corporations to asset managers, energy firms, carbon market participants, and industry service providers.

AFMA promotes efficiency, integrity, and professionalism in Australia's financial markets enabling the markets to continue to support the Australian economy, high skilled job markets and the energy transition.

Appendix: Detailed response and additional consultation questions

Overall response

We strongly support removal of the requirements to assign prescribed key functions to APs and consequently, the removal of such records in the APRA Connect FAR register. We agree with the Regulators' assessment in the Consultation Letter that these requirements are "not necessary to identify accountable persons or their areas of accountability".

We also support the proposal that reporting lines *to* APs no longer be included in accountability maps. Removing this requirement would not diminish the responsibilities or accountability of APs. It would, however, reduce reporting requirements for regulated entities.

Response to additional consultation questions

Will the proposed changes materially reduce the time and costs of FAR reporting obligations and ongoing compliance? Please provide a quantitative estimate of time and cost impact where possible.

We anticipate the proposals would reduce regulatory burden for regulated entities, but not materially.

The proposed removal of Key Functions is relevant for local and foreign ADIs, and would reduce the administrative effort associated with registering and maintaining APs' Key Functions in the APRA portal. It would also lessen the risk of technical or inadvertent FAR notification breaches resulting from delays in updating these details.

The proposed removal of reporting line information would assist local ADIs but is unlikely to have a significant impact on foreign ADIs, given that foreign ADIs' accountability maps are not required to be lodged.

Foreign bank members have estimated a saving of approximately 10 hours per annum of aggregate staff time across APs and other staff. This includes time spent reviewing allocations of Key Functions across APs, documenting any changes in accountability documents, and submitting regulatory notifications for the FAR register in the event of changes.

Savings for 'enhanced entities' are more complicated to calculate as they are also required to complete accountability maps. We anticipate savings for these entities to significantly exceed those of the foreign ADIs.

Will the proposed changes weaken or otherwise affect accountability? If so, how?

The proposals do not weaken or otherwise negatively affect accountability of regulated entities. Rather, they would remove duplication or contextual information without impacting the core objectives of the FAR.

While the concept of Key Functions can be a useful guide when considering how allocation of responsibilities maintains full coverage across APs for the oversight of Australian operations, the requirement to formally allocate and register Key Functions is administratively burdensome and does not materially enhance accountability outcomes. Core principles of the FAR continue to be preserved through existing mechanisms such as comprehensive accountability statements, prescribed

responsibilities allocation, and accountability obligations under the FAR Act which apply to accountable entities and their APs.

Are there any unintended consequences of the proposed changes?

We do not foresee any unintended consequences from the proposals.

Are there any other areas APRA and ASIC could provide further clarity on or reduce regulatory burden?

We support consideration of further opportunities to streamline FAR notification requirements. A number of these obligations are administrative in nature (for example, updates to personal details or title changes arising from organisational restructures), yet a failure to meet notification timeframes for these updates may constitute a FAR breach. For certain administrative information, an annual update to the FAR register may represent a more proportionate approach while still ensuring records remain accurate and up-to-date.

We also support further rationalisation of similar oversight frameworks. For example, there is substantial overlap between in the populations of FAR APs and CPS 520 Fit and Proper Responsible Persons (**RPs**). Greater alignment in these populations and further streamlining of requirements under these regimes would reduce unnecessary administrative burden. For example, as a proportionate and balanced approach, foreign ADIs could maintain APs (including the SOOA) and the role of the Audit partner while removing the RP construct.

While not directly related to the FAR but impacting some individuals covered by the FAR, APRA and ASIC could further reduce regulatory burden on directors by excluding registered financial companies with all directors based offshore from the Director Identification Number (**DIN**) registration regime. We understand one of the purposes of the DIN regime was to prevent 'phoenixing' activities (where a local company is intentionally wound up to avoid debt by a director who returns and sets up a new company) by issuing unique ID numbers to directors at the local boards. ASIC's fit and proper people register (which includes directors of overseas boards for foreign companies) for AFSL licensees creates similar safeguards in that respect. For companies such as Foreign ADIs, these requirements add regulatory burden which appears to outweigh the benefit.