

Submission to APRA - Streamlining the Administration of the Financial Accountability Regime (FAR)

2 October 2026

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Australian Prudential Regulation Authority (APRA)
Submitted via email: PolicyDevelopment@apra.gov.au

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Dear [redacted]

APRA Consultation on streamlining FAR administration

The Association of Superannuation Funds of Australia (ASFA) is pleased to provide this submission to APRA's consultation on streamlining of FAR administration.[1]

ASFA supports the proposals contained in the consultation on streamlining FAR administration, subject to our recommendations below.

About ASFA

ASFA has been operating since 1962 and is the peak policy, research and advocacy body for Australia's superannuation industry. ASFA represents the APRA regulated superannuation industry with over 100 organisations as members from corporate, industry, retail and public sector funds, and service providers.

We develop policy positions through collaboration with our diverse membership base and use our deep technical expertise and research capabilities to assist in advancing outcomes for Australians.

ASFA has a keen focus on matters that impact the outcomes achieved by individuals through the superannuation system, their experiences with the system, and issues that impede the industry's operational effectiveness.

[1] APRA, Streamlining FAR administration (2 September 2026).

Background:

ASFA welcomes these proposals to streamline FAR administration, noting that they can be seen as part of the Government's broader emphasis on removing unnecessary aspects of regulatory duplication, in accordance with the **Better Regulation Reforms** announced in the **2026-2027 Budget**.[2]

ASFA notes that APRA and ASIC indicated, when announcing their intention to reduce the administrative burden association with the FAR, that they believed they would deliver the following benefits:[3]

- Under proposed changes, APRA and ASIC will:
  a. remove key functions requirements from the FAR regulator rules; and
  b. raise the materiality threshold for notifying APRA and ASIC of changes in accountability; and
  c. no longer require information on accountable persons' direct reports in accountability maps.
- APRA and ASIC estimate that the changes will reduce reporting for all accountable entities and the 4500 impacted accountable people.
- The changes to accountability maps will at least halve the number of updates entities need to make.
- ASIC will streamline responsible manager Australian Financial Services Licensing (AFSL) requirements for FAR entities by reducing requirements to submit evidence of competence from October 2026. This change will benefit approximately 2000 current Australian financial services licensees.

Regarding these proposals, APRA Member, [redacted] said:[4]

> *[These changes] get the balance right, ensuring the benefits of clarified accountabilities are retained in a proportionate way while allowing entities to get on with running their businesses*

ASIC Commissioner, [redacted], said: [5]

> *Through our simplification work, we are focused on reducing regulatory burden while maintaining consumer protections, and that is what these reforms achieve*.

ASFA strongly supports these proposals. The key documents which are pertinent to the consultation are outlined below.

1. The joint APRA and ASIC media release from 2 September 2026 is available here.
2. The consultation letter is available here.
3. The consultation documents include:
   a. The draft FAR (information for register) Regulator Rules (here);
   b. The draft revised FAR information paper (here).

We note the summary of the proposals included in the consultation page includes the following:

Change 1 – Removal of key functions from prescribed information:[6]

Current Requirements:

- The ***Financial Accountability Regime (Information for register) Regulator Rules 2024*** (Regulator Rules) prescribe key functions as prescribed information for inclusion in the Register of accountable persons

Proposed Requirements:

- Key functions will no longer be prescribed information.
- This change is contained in the Draft Revised Regulator Rules (**here**).

Rationale:

- Key functions may assist contextual understanding but are not necessary to identify accountable persons or their areas of accountability.
- Removing these requirements will reduce reporting provided by accountable persons.

Change 2 – Reporting lines to accountable people no longer required in accountability maps:[7]

Current Requirements:

- There is a Regulators' expectation that reporting lines to an accountable person are included in accountability maps.

Proposed Requirements:

- APRA and ASIC will no longer expect that reporting lines to accountable persons will be included in accountability maps. This will reduce ongoing notification requirements for enhanced entities.
- This change is contained in the Revised FAR Information Paper (**here**).

Rationale:

- Reporting lines to accountable persons provide organisational context but are not essential to understanding FAR accountability.
- Reporting lines to an accountable person can change regularly. Removing this information from accountability maps should reduce the volume of notifications of material changes

[2] Treasury, Whole-of-Government Regulatory Reform Agenda (May 2026).
[3] APRA and ASIC announce FAR changes to reduce administrative burden (16 June 2026).
[4] APRA and ASIC announce FAR changes to reduce administrative burden (16 June 2026).
[5] APRA and ASIC announce FAR changes to reduce administrative burden (16 June 2026).
[6] APRA Letter, Consultation on streamlining FAR administration (31 August 2026).
[7] APRA Letter, Consultation on streamlining FAR administration (31 August 2026).

Key recommendations:

ASFA's key recommendations are outlined below:

Recommendation 1 – ASFA supports removing the requirement to report key functions in the FAR register and accountability statements

- We support the removal of the requirement to report key functions in the FAR Register and incorporate these into the accountability statements, on the basis that:
  - Key functions are unnecessary to identify accountable persons and do not materially assist them to identify or articulate their accountabilities.
  - In addition to the key functions, the Regulator has developed a list of **Primary Areas of Focus (PAFs)** for enhanced accountable entities and their **Statement of Regulatory Expectations (SRE)** to consider when developing accountability statements in its FAR Guidance on completing the accountability statement template.
  - Whilst there is some overlap between **key functions and PAFs** and the regulatory guidance provided in relation to them, they are **not** entirely aligned and multiple sources of regulatory guidance on the same or similar issues can be confusing and not always helpful.
  - Accountable persons and accountability statements already provide the information necessary to support accountability, and the key functions have now served their purpose.

Recommendation 2 – ASFA supports removing the need to include accountable person direct reporting lines in the accountability maps under FAR.

- We support removing requirements for accountable person direct reporting lines in accountability maps.
- We agree that these reporting lines frequently change and create ongoing update obligations without materially improving accountability or transparency.
- Whilst we recognise the benefit of maintaining a record of the direct reporting lines for the purposes of reconciliation against the accountable person's reasonable steps, regulated entities can achieve that benefit without the burden of notifying the Regulator of those changes.
- Regulated entities can always provide the Regulator with additional clarifying information on request.

Recommendation 3 – ASFA supports further streamlining of the ASIC responsible manager regime, as outlined by the Regulators.

- We encourage APRA and ASIC to streamline the ASIC responsible manager aspects mentioned in the media releases from APRA and ASIC **here** and **here** from **16 June 2026**.
- We would encourage the Regulators to review FAR and other prudential frameworks and harmonise the compliance requirements, where possible.
- Many of those requirements are 'same-same but different', with no obvious explanation for why they need to differ.

- ASFA encourages the regulators to reduce duplication, improve regulatory clarity, and streamline compliance processes between prudential frameworks.
- ASFA would be happy to continue to work with APRA on this point.

Concluding remarks

ASFA supports the proposed streamlining of FAR administration to lower administrative burdens. We welcome further engagement with APRA on supporting these proposals.

To discuss this submission, please contact ASFA Director of Policy, Government Relation and Legal Affairs, [redacted].

Yours sincerely

[redacted]

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