2 October 2026

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

Via email: PolicyDevelopment@apra.gov.au

Dear [redacted]

Streamlining Financial Accountability Regime administration

COBA welcomes the opportunity to provide feedback to APRA and ASIC (the regulators) on its proposed streamlining of the Financial Accountability Regime (FAR) administration.

COBA supports the changes proposed by the regulators to streamline the obligations in the FAR Rules. While these changes are welcome, we assess their impact as only providing moderate regulatory relief. COBA, however, recognises the limitations that the regulators have in reducing the FAR regulatory burden through the Rules without more substantive changes by Parliament. We understand there will be a Treasury-led process examining the broader FAR obligations which we look forward to engaging with in due course.

In this submission, we will first provide some comments on the proposed changes as framed by the questions in the regulator's consultation material. This is then followed with suggestions on further areas for regulatory relief to be considered.

Proposed changes to the FAR Rules

Impact of changes

COBA assesses the impact of the proposed changes to be moderate for those customer-owned banks subject to the enhanced notification regime and for those subject to the core obligations-only.

For customer-owned banks subject to the enhanced notification regime, these changes are not expected to have a significant impact in reducing the compliance burden. For these institutions, the primary drivers for FAR compliance will be unchanged. For example, maintaining Accountability Statements and Maps, governance controls, materiality assessments and meeting notification obligations. These issues are covered in more detail in the opportunities for further regulatory burden reduction section later in this submission.

For COBA members subject to only the core obligations, we expect there to be only moderate time and costs savings. For example, a smaller COBA member currently has five Accountable Persons and the 14 ADI Key Functions shared across these people. The accountabilities rarely change and the inclusion of the Key Functions in Accountability Statements, Maps and registration do not have a significant time impact.

However, while these changes are unlikely to have a significant impact, we note that smaller core obligation-only customer-owned banks can find the 14 Key Functions to be a helpful in assigning appropriate ownership and accountabilities within the institution. This suggests that there could be

value in retaining the Key Functions in Guidance outside of the Rules to assist those banks with managing this issue.

Impact on accountability

COBA does not believe that these proposed changes will weaken the accountability for customer-owned banks subject to the enhanced notification regime or to only the core obligations.

For enhanced notification regime banks, the Key Functions provide supplementary information but are not the primary mechanism on which accountability is allocated or documented. Accountability will continue to arise from statutory obligations and responsibilities assigned to Accountable Persons, which are documented through registrations, the Accountability Statements and Maps, and other prescribed responsibilities. Similarly, the removal of expectations that the Maps include reporting lines to Accountable Persons does not alter who is accountable for an area or function. It simply removes detail that may provide additional context but is not necessary to understand accountability.
The proposed changes remove duplicative reporting requirements while maintaining the core accountability framework.

For larger core obligation-only banks, the impact is expected to be similar to those subject to the enhanced notification regime. These banks tend to have larger executive management teams and as such tend to map functions to a single Accountable Person under the prescribed accountabilities. For smaller core obligation-only banks, we also expect there to be minimal impact as accountability is highly concentrated into small leadership teams and the Board, which these changes will not impact.

Unintended consequences

COBA does not anticipate there being unintended consequences from these changes. We assess that there may be some initial burden on customer-owned banks to incorporate the changes where the bank has embedded the Key Functions into its internal governance and accountability frameworks. This is likely to impact our smaller members the most, however, it is unlikely that the effect of this change will be material.

Opportunities for further reductions in regulatory burden

COBA believes that there are opportunities for further reductions in regulatory burden and has identified the following further changes to FAR that could provide relief:

- *A more proportionate framework*: this would align FAR with APRA's changes to tiering, including the introduction of an equivalent to the Most Significant Financial Institution classification with a threshold at $300 billion and the lifting of the existing threshold for the enhanced notification regime threshold from $20 billion to $30 billion in assets to align with the change to the Significant Financial Institution threshold. Subject to further engagement with stakeholders, this alignment could see greater proportionality adopted in how differently sized entities are treated under FAR.
- *Registration requirements*: an Accountable Person is unable to hold the position unless they are registered with the regulators and, outside of the grace period provided for Board directors appointed at an AGM and when filling temporary/unforeseen vacancies, this registration is not deemed to have occurred until 21 days after the application. This period should be reduced, for example, to 14 or 7 days.
- *Reasonable steps to meet accountabilities:* the regulators could provide 'safe harbour' reasonable steps for meeting accountabilities under FAR to ensure that Accountable Persons have clarity on specific actions they must take to comply with their obligations.
- *Accountability Statements and Maps*: only need to be provided on request instead of requiring ongoing lodgement and notification of changes.
- *Outcomes-focused approach to materiality*: this would be supported by further guidance including practical examples of changes that do and do not require notification. The current

examples provided by the regulators of changes that may be assessed as immaterial appear relatively limited and may be resulting in unnecessary notification activity where accountability outcomes are unaffected.

- *Additional guidance on*:
    - What constitutes reasonable steps.
    - The treatment of temporary vacancies and acting arrangements.
    - The interaction between FAR and CPS 230. FAR is focused on accountability between individual Accountable Persons, whereas CPS 230 requires entities to manage operational risk and resilience across critical operational operations. This can span multiple business units and Accountable Persons.

Reporting duplication

COBA recommends that the regulators look for opportunities for greater alignment between FAR, fit and proper regime, licensing and other regulatory frameworks to reduce duplication and repeated reporting of substantially similar information. There is an opportunity for regulators to explore the adoption of a 'tell us once' approach to this information. The table below outlines the duplicative information that a customer-owned bank is required to make in five separate reports to regulators whenever there is a change to its Board structure. COBA recognises that these are all responding to different regulatory regimes. However, we believe that due to the highly duplicative nature of these reporting processes the Government should look for opportunities to streamline and consolidate these requirements.

Table: Customer-owned bank reporting on director details

Regulator	Type of report	Information Reported
APRA	FAR registration	Commencement date Full name Date of Brith Director ID Number Contact Details Employer Details Position
APRA	Responsible person	Commencement date Full name Date of Birth Contact details Position
ASIC	Appointment of office holders	Full Name Date of Birth Director ID Number
AUSTRAC	Enrolment details	Full Name Date of Birth Address Details of Place born Date appointed
Australian Business Register	Associates registration	Full name Position Effective date

AFSL-ACL streamlining

Finally, the regulators could support and explore opportunities to streamline AFSL and ACL obligations. COBA understand that substantive changes would requirement amendments to the *Corporations Act 2001* and to the *National Consumer Credit Protection Act 2009*. However, changes could be explored at the Regulatory Guidance level to align concepts and requirements, especially for organisational competence and training requirements for customer facing staff.

Thank you for taking the time to consider our submission. If you have any queries, please contact [redacted]

Yours sincerely

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