FSC
FINANCIAL SERVICES COUNCIL

2 October 2026

General Manager, Policy and Frameworks
Policy and Advice Division
Australian Prudential Regulation Authority
Via email: PolicyDevelopment@apra.gov.au

To Whom It May Concern,

RE: Consultation On Streamlining FAR Administration

The Financial Services Council (**FSC**) welcomes the opportunity to provide feedback on APRA and ASIC's consultation on streamlining the administration of the Financial Accountability Regime (**FAR**).

The FSC supports the proposed changes to remove Key Functions as prescribed information for the Register of Accountable Persons and to remove the expectation that reporting lines to Accountable Persons be included in accountability maps. The FSC considers that these changes will reduce unnecessary administrative costs and reporting requirements without weakening the substantive accountability framework established by the FAR.

The FSC recognises the importance of preserving substantive accountability and considers that the proposed reforms remove reporting requirements for information that is duplicative or contextual. This will not diminish the core principles of the FAR, which will continue to be maintained through, for example, the allocation of prescribed responsibilities, comprehensive accountability statements, accountability maps and the reasonable steps obligations that apply to Accountable Entities and their Accountable Persons.

The proposed reforms appropriately distinguish between information necessary to establish and supervise accountability and information that provides organisational context but does not need to be routinely reported to the Regulators.

The FSC acknowledges the Regulators' support for the Government's legislative changes to the FAR. While the consultation paper is directed to changes to the FAR Regulator Rules and regulatory guidance, the FSC also recognises that some of the proposed changes cannot be implemented without legislative reform. The FSC welcomes the opportunity to further engage with Treasury on consultation on related changes to the legislation.

About the Financial Services Council

The FSC is a peak body which sets mandatory Standards and develops policy for more than 130 member companies in one of Australia's largest industry sectors, financial services. Our Full Members represent Australia's retail and wholesale funds management businesses,

superannuation funds and financial advice licensees. Our Supporting Members represent professional services firms such as ICT, consulting, accounting, legal, recruitment, actuarial and research houses.

The financial services industry is responsible for investing more than $4 trillion on behalf of over 16.9 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is one of the largest pools of managed funds in the world.

Summary of Recommendations

1. APRA and ASIC proceed with the proposal to remove Key Functions as prescribed information under the FAR Regulator Rules, including the associated notification requirements.
2. APRA and ASIC proceed with the proposal to remove the expectation that reporting lines to Accountable Persons be included in accountability maps.
3. APRA and ASIC clarify whether the previously announced reform to the notification materiality threshold remains under consideration and provide an indicative timeframe and process for progressing this reform, including any necessary legislative amendments.
4. APRA improve APRA Connect functionality to allow individual Accountable Person responsibilities to be added, amended or ceased without requiring unchanged responsibilities to be closed and recreated, preserving existing records and dates where there has been no substantive change.
5. APRA improve APRA Connect functionality to allow individual Accountable Person responsibilities to be added, amended or ceased without requiring unchanged responsibilities to be closed and recreated, preserving existing records and dates where there has been no substantive change.
6. APRA, ASIC and Treasury consider further opportunities to simplify the administration of the FAR as part of future reform, including periodic consolidated reporting of minor changes and streamlined reporting requirements for administrative or technical breaches that do not affect substantive accountability.

Removing Key Functions from Prescribed Information

The FSC supports the proposal to remove Key Functions as prescribed information under the FAR Regulator Rules.

The current Key Functions requirements impose additional reporting and administrative obligations in relation to information already addressed through other FAR requirements, including the allocation of prescribed responsibilities to Accountable Persons and accountability statements that must comprehensively set out each Accountable Person's responsibilities. There is also potential for confusion and overlap between the prescribed responsibilities contained in the Minister Rules and Key Functions contained in the Regulator Rules.

Removing Key Functions from prescribed information would simplify the regulatory framework and provide greater clarity as to the information necessary to establish accountability. The FSC

acknowledges the importance of preserving substantive accountability and considers that the proposed reforms maintain the core requirements for Accountable Entities and their Accountable Persons, while removing information that is duplicative or contextual rather than essential to effective supervision.

The FSC also supports the consequential removal of the requirement to notify the Regulators of changes to Key Functions. While relatively few notifications may arise solely from changes to Key Functions, the proposal will reduce the amount of information that entities must prepare, maintain and provide as part of FAR notifications. This includes information contained in accountability maps, accountability statements and registrations.

Recommendation 1
APRA and ASIC proceed with the proposal to remove Key Functions as prescribed information under the FAR Regulator Rules, including the associated notification requirements.

Reporting Lines in Accountability Maps

The FSC supports the proposal not to require reporting lines to Accountable Persons to be included in accountability maps.

Reporting lines can change relatively frequently as part of ordinary organisational change. Under the existing requirements, accountable entities must assess the materiality of these changes and determine whether they require an updated accountability map to be lodged, even where the underlying accountability of the relevant Accountable Person has not materially changed. This involves significant time and cost for accountable entities to maintain compliance with FAR notification obligations, with limited regulatory benefit.

Removing this information from accountability maps should therefore reduce both the information that entities are required to maintain for regulatory purposes and the number of notifications arising from organisational changes that do not alter substantive accountability.

Recommendation 2
APRA and ASIC proceed with the proposal to remove the expectation that reporting lines to Accountable Persons be included in accountability maps.

Notification Materiality Threshold

The FSC seeks clarification regarding the Regulators' previously announced intention to raise the materiality threshold for notifying APRA and ASIC of changes in accountability.

The APRA and ASIC announcement of 16 June 2026 identified three proposed reforms: removing Key Functions requirements, raising the materiality threshold for notifications of changes in accountability, and removing information on Accountable Persons' direct reports from accountability maps.

The current consultation addresses the first and third of these reforms but does not appear to address changes to the notification materiality threshold. This creates uncertainty as to whether this element of the reform remains under consideration and limits industry's ability to assess the overall impact of the proposed changes.

The FSC would welcome clarification as to whether reform of the materiality threshold remains under consideration and, if so, the anticipated timing and process for consultation.

Reform of the notification materiality threshold would represent the most significant opportunity to reduce unnecessary regulatory burden arising from the administration of the FAR. In particular, the FSC encourages APRA and ASIC to continue considering opportunities to confirm that FAR notifications are only required where a change affects the substance of an Accountable Person's accountabilities, rather than changes to organisational or supporting arrangements that do not alter accountability. This would further reduce administrative burden while preserving the Regulators' visibility of meaningful changes to accountability arrangements.

The FSC acknowledges that this is likely to require legislative amendment in consultation with Treasury and cannot be implemented solely through amendments to the FAR Regulator Rules or regulatory guidance. The FSC therefore encourages APRA, ASIC and Treasury to provide a clear roadmap for progressing those reforms, including indicative timing and the consultation process. This would assist accountable entities to plan for an orderly transition to the amended framework.

Recommendation 3
APRA and ASIC clarify whether the previously announced reform to the notification materiality threshold remains under consideration and provide an indicative timeframe and process for progressing this reform, including any necessary legislative amendments.

Registration Timeframe and Vacant Accountable Person Roles

The FSC recommends that APRA and ASIC reconsider how the 21-day advance registration requirement operates with the 90-day period permitted for filling a vacant Accountable Person role. In practice, the advance registration requirement reduces the effective period available to identify, appoint and register a permanent replacement to 69 days. This period may be insufficient for executive level recruitment and can require an entity to register an interim Accountable Person, then shortly afterwards lodge a cessation notification and a further registration for the permanent appointee.

Consideration could be given to allowing the full 90-day period for the appointment and registration of a permanent replacement or otherwise introducing greater flexibility where an entity is undertaking a genuine recruitment process. This would reduce duplicative filings and unnecessary administrative effort without diminishing accountability, as the entity would remain responsible for ensuring that the responsibilities of the vacant role continue to be appropriately allocated and overseen.

Recommendation 4
APRA and ASIC reconsider the interaction between the 21-day advance registration requirement and the 90-day period for filling a vacant Accountable Person role, with a view to allowing the full 90-day period for the appointment and registration of a permanent replacement or providing appropriate flexibility where a genuine recruitment process is underway.

APRA Connect usability and maintenance of responsibilities

The FSC recommends that APRA and ASIC continue to review the usability of APRA Connect for FAR

registrations and notifications. For example, where an Accountable Person has nine existing responsibilities and one additional responsibility is assigned, the current process requires the entity to close all nine existing responsibilities and re-enter them, together with the new responsibility. This creates unnecessary data entry and increases the risk of errors in responsibility descriptions and commencement or cessation dates.

The portal should permit an entity to add, amend or cease an individual responsibility without requiring unchanged responsibilities to be closed and recreated. Preserving the original records and dates for responsibilities that have not changed would improve the accuracy of the Register of Accountable Persons, provide a clearer audit trail and reduce administrative burden, while ensuring that the Regulators continue to receive timely information about substantive changes.

Recommendation 5
APRA improve APRA Connect functionality to allow individual Accountable Person responsibilities to be added, amended or ceased without requiring unchanged responsibilities to be closed and recreated, preserving existing records and dates where there has been no substantive change.

Future FAR Simplification Efforts

The FSC considers that there are further opportunities to simplify the administration of the FAR that could be considered as part of future regulatory and legislative reform. In addition to increasing the materiality threshold for notifications, this could include allowing certain minor changes to be reported periodically on a consolidated basis, rather than through individual notifications, and streamlining reporting requirements for administrative or technical breaches that do not have a substantive impact on accountability. These reforms could further reduce unnecessary compliance burden while maintaining regulatory visibility of material changes and substantive accountability outcomes.

Recommendation 6
APRA, ASIC and Treasury consider further opportunities to simplify the administration of the FAR as part of future reform, including periodic consolidated reporting of minor changes and streamlined reporting requirements for administrative or technical breaches that do not affect substantive accountability.

The FSC welcomes the opportunity to discuss the contents of this submission with you. To arrange a meeting, please do not hesitate to contact me.

Yours sincerely,

[redacted] Superannuation