Insurance Council of Australia

30 September 2026

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

By email: PolicyDevelopment@apra.gov.au

Dear APRA

Consultation on streamlining Financial Accountability Regime (FAR) administration

The Insurance Council of Australia ('Insurance Council') welcomes the opportunity to respond on behalf of our members to the joint Australian Prudential Regulation Authority (APRA) and Australian Securities and Investments Commission (ASIC) 'Consultation on streamlining FAR administration' ('the consultation').[1]

The Insurance Council is the representative body of Australian general insurers and covers approximately 90 per cent of total premiums written by general insurers and reinsurers. As a foundational component of the Australian economy, general insurers write 90 million policies a year and pay out $58.9 billion in claims.

The Insurance Council supports the proposed changes to streamline the Financial Accountability Regime (FAR) administration and welcomes the continued focus on proportionality, reducing duplication, and improving regulatory efficiency. These changes represent a practical example of how regulatory objectives can be achieved while reducing unnecessary compliance burden. Reducing administrative reporting obligations enables insurers to focus resources on governance, risk management, operational resilience and improving outcomes for customers, rather than duplicative compliance processes.

The Insurance Council welcomes the proposed commencement of the FAR administration changes in early 2027. Consistent with our 27 August 2026 submission on APRA's Governance Review, we also encourage APRA to bring forward the removal of fit and proper reporting requirements to early 2027 ahead of the broader governance reforms planned from early 2028.

Impact of the proposed FAR simplification measures on reporting and compliance costs

We welcome measures that remove reporting requirements where the same information is already provided through other regulatory instruments. Reducing duplicative reporting will allow entities to focus resources on managing material changes to accountability arrangements and meeting substantive FAR obligations.

The proposal to remove key function information from the Register of Accountable Persons by amending the *Financial Accountability Regime (Information for register) Regulator Rules 2024* will deliver some administrative efficiencies. Entities will no longer need to update the Register for routine changes to key functions, including when registering new accountable persons or updating their responsibilities, reducing the number of associated APRA Connect lodgements.

[1] Australian Prudential Regulation Authority (31 August 2026), Consultation on streamlining FAR administration.

The Insurance Council also supports the proposal to amend the Financial Accountability Regime: Information for Accountable Entities to remove the requirement for accountability maps to identify reporting lines to accountable persons.

However, for enhanced entities, changes to key functions that affect an accountable person's responsibilities will generally still require corresponding updates to Accountability Statements and related documentation, which will continue to be lodged through APRA Connect. While the proposed changes will simplify some administrative processes, our members expect the overall reduction in reporting activity, time and compliance costs to be modest.

The Insurance Council would welcome early guidance to support implementation, particularly on transitional arrangements and the treatment of existing key function records in APRA Connect, including whether APRA will automatically treat these records as removed or archived once the changes take effect or whether entities will need to take any action. Further clarity on whether the reforms will result in any consequential changes to regulatory expectations for the content of Accountability Statements would also be beneficial.

Further opportunities to reduce regulatory burden and provide clarity

The Insurance Council appreciates the ongoing collaboration between industry, regulators and the Government to ensure FAR reforms are practical, effective and coordinated. We support the proposed refinements in the consultation and encourage further prioritisation of broader measures to reduce regulatory burden while maintaining the integrity of the regime.

More broadly, we support a proportionate, risk-based and practical approach to the FAR, supported by clear regulatory expectations and efficient reporting processes. Efforts to enhance proportionality, reduce duplication and clarify FAR obligations are particularly important given the cumulative impact of overlapping regulatory requirements across the financial services sector. As outlined in the Insurance Council's report, The Cost of Regulatory Burden, insurers face increasing operational complexity from overlapping and duplicative regulatory obligations.[2] Continued simplification of FAR administration would be a positive step towards addressing these broader challenges.

The Insurance Council notes the Government's previous announcement on its intention to pursue broader FAR reforms to reduce routine and low-value notifications and provide more time for accountable person registrations.[3] We support continued consideration of these initiatives and encourage Treasury, APRA and ASIC to progress them as part of the broader FAR simplification agenda. These reforms have the potential to deliver substantial reductions in compliance effort, while maintaining the core accountability objectives of the FAR.

In addition to the proposed changes, we recommend consideration of the following opportunities to further simplify FAR administration and support a more proportionate, risk-based approach to compliance:

- **Introduce clear materiality guidance for changes to FAR information**. We welcome APRA and ASIC's stated intention to increase the materiality threshold for notifying changes to accountability information, (as announced in June 2026, but not part of this consultation)[4] However, we seek clarification on how this increased materiality threshold will be given effect through the Regulator Rules or regulatory guidance, the timing and mechanism by which this

[2] Insurance Council of Australia (November 2025), The Cost of Regulatory Burden.
[3] Department of the Treasury (May 2026), Budget 2026–27 Fact Sheet.
[4] Australian Securities and Investment Commission (June 2026), ASIC and APRA announce FAR changes to reduce administrative burden.

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increased materiality threshold will be given effect, and how it will apply to core and enhanced entities. Guidance should clarify whether minor administrative changes, such as changes to position titles, require updates to FAR information in APRA Connect. Practical examples of material and non-material changes, including restructures, reporting line changes, temporary appointments and reallocations of responsibilities, would assist entities to apply a more proportionate and risk-based approach to notifications.

- **Enhance APRA Connect functionality and reduce duplicate lodgements across group entities.** Insurance groups with accountable persons performing the same role across multiple entities can be required to maintain and lodge substantially identical information for each entity. We recommend allowing common information, including an accountable person registration, notification or Accountability Statement, to be submitted once and linked to multiple entities where appropriate. This would reduce duplicative reporting while preserving APRA and ASIC's visibility of accountability arrangements at the entity level. While section 4.2.4 of the Information Paper permits entities to use a single group accountability statement or map, we seek confirmation that common information can be submitted once through APRA Connect and applied across relevant entity, with entity-specific requirements addressed separately. We also recommend improvements to APRA Connect that enable users to move more easily between entities, prepopulate common information across forms and, over time, support greater integration with entities' internal systems.
- **Provide greater flexibility for temporary accountable person appointments**. The interaction between the 21-day New Accountable Person Registration statutory requirement and the 90-day temporary vacancy arrangement can create practical difficulties where an interim appointment is extended because of unforeseen circumstances, particularly where the original accountable person's return date is uncertain. This often occurs where a temporary appointment extends beyond the applicable grace period, regardless of whether the arrangement becomes permanent. While addressing this interaction may require legislative amendment to the *Financial Accountability Regime Act 2023* through Treasury, we encourage ASIC and APRA to use the Regulator Rules under section 24 of the FAR Act to prescribe a longer grace period in these circumstances. We also recommend consideration of greater flexibility to allow registration applications to be lodged up to the end of the 90-day temporary vacancy period, rather than requiring an entity to anticipate at least 21 days in advance that the temporary arrangement will become permanent. In the interim, additional regulatory guidance on temporary-to-permanent appointments would assist entities to manage these circumstances without unnecessary cessation and re-registration processes.
- **Establish an appropriate process for confidential or market-sensitive accountable person appointments.** APRA Connect notifications and returns can be accessible to multiple users within an organisation as part of normal business operations, creating challenges where a prospective appointment or organisational change is highly confidential or market sensitive. We recommend APRA consider a restricted or confidential lodgement process for these circumstances, supported by guidance on how entities should manage FAR notification obligations while appropriately protecting sensitive information.
- **Avoid unnecessary ongoing record-keeping requirements.** We support the removal of reporting-line information from accountability maps. To ensure the intended simplification is achieved, APRA and ASIC should confirm that entities will not be required to provide this information separately through APRA Connect or another reporting channel or maintain

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equivalent records solely for regulatory purposes. Otherwise, the administrative burden associated with tracking and updating reporting-line changes would largely remain.

Conclusion

The Insurance Council welcomes the collaborative approach adopted by APRA, ASIC and Treasury in seeking to streamline the administration of FAR. We encourage continued consideration of opportunities to reduce unnecessary reporting and administrative burdens. If you have any questions related to our submission, please contact me or [redacted]

Yours sincerely,

[redacted]

[redacted]

[redacted].