

[The Council of Financial Regulators and other regulators' responses to the COVID-19 pandemic](#)

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Introduction to regulators' responses to the COVID-19 pandemic

The Council of Financial Regulators (CFR) is the coordinating body for Australia's main financial regulatory agencies. The CFR is made up of the Australian Prudential Regulation Authority (APRA), the Australian Securities & Investments Commission (ASIC), the Reserve Bank of Australia (RBA) and the Australian Treasury. During the COVID-19 pandemic, in coordination with the CFR, these financial regulatory agencies are focusing their regulatory efforts on challenges created by the COVID-19 pandemic.

In addition to the CFR and the financial regulatory agencies it coordinates, legal practitioners are likely to come across a number of other regulators. They include Australian Transaction Reports and Analysis Centre (AUSTRAC) and the Office of the Australian Information Commissioner (OAIC). While also focusing their regulatory efforts on matters relating to COVID-19, they do have their own priorities during the pandemic.

Summary of regulators' priority, key responses, and where to find further details

This guidance note provides a summary in table form of the priorities of APRA, ASIC, the RBA, the Treasury, AUSTRAC and the OAIC during the COVID-19 pandemic. It also provides a high-level overview of the regulators' key responses during the challenging times.

The COVID-19 pandemic has resulted in a rapidly evolving environment. Legal practitioners should monitor the extent and impact of COVID-19 on for example, APRA-regulated and ASIC-regulated entities as regulators continue to consider modifications to their supervisory and policy activities. To assist legal practitioners, this guidance note also set out where further details regarding a regulator's COVID-19 response can be found. It would be prudent to check the resources listed in the table as well as other resources made available by regulators from time to time, as information will be updated.

Regulator	Priority during the COVID-19 pandemic	Key responses to the COVID-19 pandemic	Where to find further details
APRA	<p>APRA's priority will be to:</p> <ul style="list-style-type: none"> allow APRA-regulated entities to dedicate time and resources to maintaining their operations and 	<p>APRA's expansive policy and supervision agenda set out in January 2020 will be largely suspended until at least 30 September.</p> <p>APRA's refocused supervision effort will be on monitoring the impact of COVID-19 on the financial and operational capacity of regulated institutions. This will involve frequent communication with entities, monitoring key financial settings, such as</p>	<p>APRA's media releases, in particular, "APRA adapts 2020 agenda to prioritise COVID-19 response" dated 23 March 2020</p> <p>APRA's open letter to ADIs and RFCs titled "Changes to reporting obligations in response to COVID-19" dated 1 April 2020</p>

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	<p>supporting customers; and</p> <ul style="list-style-type: none"> enable APRA to intensify its focus on monitoring and responding to the impact of a rapidly changing environment on entities' financial and operational capacity. 	<p>capital and liquidity, and responding accordingly.</p> <p>Notably, on 1 April 2020, APRA and the RBA (along with the Australian Bureau of Statistics) made changes to changes to the reporting obligations of authorised deposit-taking institutions (ADIs) and registered financial corporations (RFCs). The changes are intended to balance the need for entities to dedicate time and resources to maintaining their operations and supporting customers, against the increased need for timely, accurate data for use in the rapidly changing environment. For example, the changes include:</p> <ul style="list-style-type: none"> granting a temporary extension of the notification period for changes to accountability statements and maps under the Bank Executive Accountability Regime (BEAR); the introduction of a new reporting standard for ADIs and RFCs regarding lending to small and medium enterprises (SMEs), to support the Commonwealth Government's Coronavirus SME Guarantee Scheme; and deferral of the introduction of certain new reporting standards until the March 2021 reporting period. <p><i>Practice Tip:</i> Legal practitioners should note that BEAR will be replaced by FAR, being the Financial Accountability Regime.</p>	
ASIC	<p>ASIC's regulatory efforts will be focused on challenges created by the COVID-19 pandemic. Until at least 30 September 2020, the other matters that ASIC will afford priority are:</p> <ul style="list-style-type: none"> where there is the risk of significant consumer harm; serious breaches of the law; 	<p>In response to COVID-19 ASIC:</p> <ul style="list-style-type: none"> has stepped up its markets supervision work to support the fair and orderly operation of markets, ensure investors are appropriately informed, and protect against manipulation and abuse; will heighten its support for consumers who may be vulnerable to scams and sharp practices, receive poor advice, or need assistance in finding information and support should they fall into hardship; and will identify other actions needed to support firms such as facilitating the timely completion of capital raisings and other urgent transactions, providing regulatory relief, where appropriate, and identifying measures to support small business. 	<p>ASIC's News Centre  for media releases, articles and speeches</p> <p>ASIC's COVID-19 information  page</p> <p>ASIC's Changes to regulatory work and priorities in response to COVID-19  page</p>

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	<ul style="list-style-type: none"> risks to market integrity; and time-critical matters. <p>An example of ASIC's regulatory efforts is the providing of timely and ongoing guidance to industry, such as guidance relating to consumer credit providers' obligations to a borrower who is experiencing financial hardship. See Hardship and default during a pandemic or crisis.</p>	<p>To enable industry participants be better placed to focus on their immediate priorities and the needs of their customers, ASIC will:</p> <ul style="list-style-type: none"> suspend of some near-term activities that are not time-critical, such as ASIC's report on executive remuneration, and updated internal dispute resolution guidance; provide relief or waivers from regulatory requirements, such as taking a "no action" stance in relation to the timing of AGMs until 31 July and the conduct of AGMs by electronic means; allow additional time for the industry to respond to ASIC notices; and change the timing and process of investigations and enforcement to reduce the regulatory burden on firms to the extent possible. <p>Notably, on 8 May 2020, ASIC announced that it will be deferring the commencement of the mortgage broker reforms from 1 July 2020 to 1 January 2021, and the commencement of the design and distribution obligations scheme from 5 April 2021 to 5 October 2021.</p>	<p>ASIC's page titled "New and updated ASIC regulatory publications since 1 March 2020", for a weekly tracker of new and updated regulatory documents, including instruments related to COVID-19</p>
RBA	<p>The RBA's priority is to support jobs, incomes and businesses, "so that when the health crisis recedes, the country is well placed to recover strongly".</p>	<p>The RBA has put in place a comprehensive package to lower funding costs and support the supply of credit to the economy:</p> <ul style="list-style-type: none"> Reduced the cash rate to 0.25%, to boost cashflow of household and businesses. Target for the yield on 3-year Australian Government bonds of around 0.25 per cent, to help lower funding costs across the economy. Provide a term funding facility for the banking system, to support lending to businesses. <p>The RBA has also measures in place to support the functioning of financial markets and the supply of banknotes.</p>	<p>The RBA's Monetary Policy Decisions – 2020</p> <p>Minutes of the Monetary Policy Meetings of the Reserve Bank Board</p> <p>Speeches by the Governor of the RBA</p>
Treasury	<p>As Australia's central policy agency, the Treasury acts in the national interest to support households and businesses and to address the economic</p>	<p>Financial assistance for individuals and households:</p> <ul style="list-style-type: none"> JobKeeper Payment Income support for individuals Payments to support households 	<p>Dedicated Government pages, including on the websites of the Treasury, the ATO, and the Parliament of Australia (see left)</p>

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	<p>consequences of COVID-19.</p> <p>The \$320 billion economic support package aims to provide support to affected individuals, businesses and the broader community, and to set the foundation for a strong economic recovery once the COVID-19 pandemic passes.</p>	<ul style="list-style-type: none"> • Temporary early release of superannuation • Temporarily reducing superannuation minimum drawdown rates • Reducing social security deeming rates <p>Support for businesses:</p> <ul style="list-style-type: none"> • JobKeeper Payment • Boosting cash flow for employers • Temporary relief for financially distressed businesses • Increasing the instant asset write-off • Backing business investment • Supporting apprentices and trainees • Support for Coronavirus-affected regions and communities • Supporting the flow of credit • Support for immediate cash flow needs for SMEs • Quick and efficient access to credit for small business • Supporting the flow and reducing the cost of credit • Support for Non-ADI and smaller ADI lenders in the securitisation market • Ensuring banks are well placed to lend 	
AUSTRAC	<p>AUSTRAC continues to focus on working with reporting entities manage their money laundering and terrorism financing risks during COVID-19. AUSTRAC stated this includes considering reporting entities' circumstances when applying the Anti-Money Laundering and Counter-Terrorism Financing laws.</p>	<ul style="list-style-type: none"> • Extension of 2019 Compliance Report submission date from 31 March 2020 to 30 June 2020, without risk of compliance action. • Guidance to reporting entities on combating financial crime during COVID-19 , including those relating to suspicious matter reports. • Guidance to reporting entities on how to comply with KYC requirements during COVID-19 , including those relating to alternative processes to verify customer identity. • Introduction of a new customer verification AML/CTF Rule to support 	<p>AUSTRAC COVID-19 updates page</p> <p>Dedicated AUSTRAC pages (see left)</p>

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		early release of superannuation initiative.	
OAIC	A top priority is the oversight of the privacy protections passed on 14 May 2020, being the privacy safeguards for COVIDSafe app data in law.	<ul style="list-style-type: none"> The OAIC has released privacy guidance for agencies and private sector employers to help keep workplaces safe and handle personal information appropriately as part of the COVID-19 response. The OAIC and state and territory privacy regulators have convened a National COVID-19 Privacy Team to respond to personal information handling proposals with national implications. To help members of the public access government-held information during the COVID-19 outbreak, we have developed a new set of FAQs with information on FOI timeframes, extensions of time, reviews and complaints. The OAIC will have independent oversight of personal information handling by the Australian Government's new COVIDSafe contact tracing app and the National COVIDSafe Data Store. 	<p>The OAIC's page on news and media releases .</p> <p>The OAIC's new privacy resources  to help guide organisations and agencies through privacy issues related to the COVID-19 outbreak.</p>